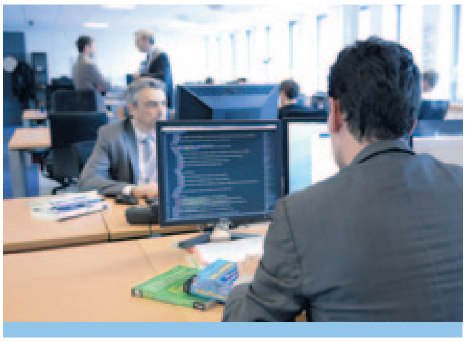
NEURONES

CONSULTING - INTEGRATION - OUTSOURCING



2014 ANNUAL REPORT

Forward together...®

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 21,000m² of infrastructure the 4,080 people behind the Group's achievements in 2014.

€355.2m

2014
REVENUES

10%

2014
OPERATING PROFIT

NEURONES,
30 YEARS OF PROFITABLE GROWTH

With over 4,000 employees and revenues of €355 million, NEURONES boasts a prime position on the French market:

- in the top 12 Consulting and IT Services companies,
- one of the top 10 companies in the sector listed on the Paris Stock Exchange (including technology consulting companies), in terms of market capitalization.

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

- experienced 30 years of rapid, profitable growth,
- formed a proven, solid core, mainly through organic growth,
- joined forces with about ten companies with complementary core businesses through external growth,
- more than doubled in size over the past seven years.

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

€23.6m

2014
NET PROFIT

4,082

STAFF
AT 12/31/2014

OVERVIEW OF 2014

Highlights and key achievements
Infrastructures / Applications / Consulting

SELECTED 2014 PROJECTS

For a French defense and security services company: creation of the first cyber-defense military training system, within the framework of the "Cyber Defense Pact" established by the French Defense Minister. The aim is to test the entire chain of command (from crisis management to the technical aspects), in the event of a cyber-attack. Services provided: a support infrastructure, three networks to implement the attack scenarios, dedicated coordination environments, crisis management, investigation and, of course, many specific developments (animation software, analyzes, malicious codes). Project completed in under three months (200 man/days).

For a leading food distribution company: supporting its fresh-produce distribution branch in deploying SAP, including Abap development (specific SAP language). The project covered many modules: sales, finance, management control, logistics, quality, etc.

NEURONES' business dedicated to IT infrastructures sponsored the **annual convention of the Club of Infrastructure and Production Managers** (CRIP), which brought together more than 2,000 players in the sector.

At its annual conference, EasyVista awarded the honorary title of **"2014 Partner of the Year"** to NEURONES' entity specialized in IT Management.

For a French banking company: implementation of a skills development plan in order to improve its service quality and consolidate the control of its information system. Scope concerned: processes (notably ITIL), technical changes and also the management of projects linked to the Production Department (design and delivery of business and business-line projects linked to banking services).

For a supplementary pension company: review of the strategy and implementation of a series of projects: definition and deployment of the business management process (to facilitate general management decision-making), optimization of workload plans and improvement of the services provided to business departments.

For a major French banking group: support for users following the migration from Office 2003 to Office 2013 (Word, Excel, PowerPoint, Outlook, Access, OneNote). Design of different training options for 45,000 employees: educational tools, e-learning modules, thematic workshops for experts; the training program was accompanied by a communication campaign (production of a video presenting the project and an electronic newsletter).

The group is expanding its businesses in the Western France and has **opened a new SAP service center** in Angers, dedicated to Third-Party Application Maintenance (TPAM) for SAP solutions, with a specialized "Abap development" unit.

ITIL certification for the training business: training center certified by APMG and Pearson Vue and test centers for obtaining certification (Microsoft, Cisco, Citrix, VMware, ITIL, etc.).

For the European leader in the duty-free sector: implementation of an outsourcing contract for a five-year period, within the framework of the transformation of the company's IT infrastructure to cloud mode. The aim is to outsource, standardize and secure part of the infra-

Validation of the
first VeX (Validated Expertise) certification steps
for the Hana SAP solution (method for classifying, storing and reading large data volumes).

Creation of a
joint venture in Africa
for IT security, production outsourcing and cloud computing. The aim is to be the leader on the continent by 2019.

structure and to stabilize critical applications (notably customs applications).

For business services company: redesign of the Information System, to support the digitalization of restaurant vouchers: management of the restaurant-voucher lifecycle from creation to cancellation. This program also involved the management of gift cards.

For a regional organization in the health sector: support for an innovative healthcare project aimed at fostering better coordination and delivery of healthcare treatments: contribution to the strategic and operational framework of the system, support in managing the process

PASSI Certification
(French certification as Service Provider for Auditing Information System Security) issued by ANSSI (French National Agency for Information System Security) obtained for the Group's specialist entity.

and advice for the public sector bodies in charge of the competitive dialog.

For a leading company in the credit-insurance sector: bilingual support (English and German) for a group expanding its international business: outsourcing contract concerning 2,600 users on 20 sites in Germany, Austria, the Czech Republic, Romania, Russia, Slovakia and Switzerland.

For one of the largest French auditing, consulting and financial service companies: implementation of a collaborative Microsoft cloud (Office 365) solution in hybrid mode (both "online" and "local"), in order to ensure secure information sharing. Priority constraint: data security and confidentiality.

For a major company in the energy sector: support for the marketing department in developing a new electricity-consumption line of services: strategic market positioning, engineering, coordination of stakeholders and deployment among sales teams.

For a major supermarket chain: operation and administration of level 2 of the Information System: deployment of a specific team (8 administrators), a dedicated space, constant supervision (24 / 7) and a Service Delivery Manager.

For a social welfare organization: advice and assistance for the implementation of a new online service: definition and deployment of the line of services on the website in order to explain the administrative procedures, provide better customer service and pool costs.

"SAP PCoE" (Partner Center of Expertise)
certification issued by the auditing department of SAP. This certification demands a high level of expertise as regards the Support Center.

FIRST STEPS INTO INTERNATIONAL MARKETS

TUNISIA
129 employees*

ROMANIA
67 employees*

SINGAPORE
27 employees*

* At december 31, 2014

For an aerospace company: support for 6 different projects in the fields of: reporting (implementation of a support and training system), production tools (management, training), HR solutions (creation, modification and adaptation of e-learning content), CRM (formatting of online help for tablets), specific applications (securing and simplifying management processes) and ERP (asset management).

For a French bank: management of IT operation projects. The contract is for an initial three-year period and includes the permanent assignment of Business Project Managers from the group.

For a large energy company: support for the Research & Development Department in defining the upgrades for its order management and power distribution management systems.

For one of the leading French companies in the field of electrical engineering, information and communication systems: implementation of a customized solution that combines the DataConversion® solution (developed by the group) with an additional "storage" solution (three-year contract, currently being extended to other entities) in order to take the recurrent reorganization of its profit centers into account in its management system (SAP).

For 12 healthcare establishments: assistance in auditing the information system, within the framework of the national policy on hospital information systems.

Launch of a new line of services in Tunis: the inauguration of **"Cloud Temple Tunisia"** was attended by the Tunisian Minister for Higher Education, Scientific Research and ICT.

Presentation of the **new Mobile Management Services (MMS)** range for the Group's business dedicated to IT infrastructures, during the 4th Mobility for Business Fair (CNIT, la Défense, Paris).

THE GROUP IN 2014

CHAIRMAN'S MESSAGE

Dear shareholders and prospective shareholders,

The Neurones "roped party" of entrepreneurs has scaled new heights last year:

- the operating profit increased by 8% and represented 10% of turnover (one of the best ratios in the sector);
- net profit grew by 10% (preceded by an identical increase in the share price in 2014);
- the net cash and cash equivalents, standing at €122.8m, increased by 20% thanks to cash generation (+ €25m) that exceeded the net profit (€23.6 m, i.e. profitability of 6.6%).

ACHIEVEMENTS IN 2014

Does the summary above need commenting any further?

To be completely objective, as regards organic growth, we should mention that:

- standing at 3.5%, it was indeed three or four times higher than that of the market;
- however, the company's organic growth of the past years (+10.3%, +18.2%, +9.3% and +8.8%) was significantly higher.

Lenient observers would say that in mountaineering, when you want to go further (drawing on the Group's motto of "Forward together...®", for example), you sometimes need to catch your breath... When looking at the inseparable couple of "growth + profitability", some observers even wrote that NEURONES was too selective in its business policy in 2014 and allowed revenues to pass it by turning its back on projects whose profitability was too uncertain.

The truth is probably more prosaic: past successes perhaps contrived to lower the vigilance of our "roped party" of entrepreneurs, while no success is ever "programmed". Unfortunately, building for the medium term means you cannot stop for a moment to enjoy the scenery or look back on the path already traveled. However,

> "Building for the medium term means you cannot stop for a moment to enjoy the scenery or look back on the path already traveled."

the successes of the past year provide an opportunity to thank those who contributed to them and thus helped build the foundations for the years ahead.

SO, A BIG THANK YOU TO OUR CLIENTS. They certainly do not have easy lives and face an increasing number of challenges, which demand great adaptability:

- their companies or organizations are often permanently striving to win clients and improve "customer experience"; as such, they must frequently change their organizational structure and processes, meaning they are in an almost permanent state of change;

> "If you want to build a ship, you should not bring a group of men together to give them orders and allocate tasks. Simply give them the desire to explore the distant seas."

- the rapid proliferation of technologies, increasing mobility, business department initiatives and user demands (expecting the same user comfort as at home) mean they have little respite. This instability means decisions are called into question ever more frequently;
- they have to decide between the many service and product offers available on the market (technology manufacturers and Consulting and Service companies) based on the traditional criteria of "added value" (expected) and the "right" price (subjective);
- the very nature of the information flows they must handle has changed: from a controlled volume, they are now faced with a tidal-wave of disparate data, which is less and less structured!

They contribute to the careers of the executives, managers and employees in the service companies they decide to work with; and for this they deserve our thanks.

THANK YOU TO THE ASSOCIATE ENTREPRENEURS, and directors of the Group's different entities. They shoulder great responsibility with enthusiasm; their role can be summarized through the words of an anonymous author: *"If you want to build a ship, you should not bring a group of men together to give them orders and allocate tasks. Simply give them the desire to explore the distant seas."* As leaders blessed with intuition, vision, pragmatism and perseverance, they set the example through their hard work and decide upon the strategic choices of their entities. Even if they surround themselves with the best people, they remain in the front line. They often have to deal with difficulties that others are capable of dealing with, but prefer not to. In terms of performance, they know that "the devil is in the detail"... which often mean they have the thankless task of keeping the pack together!

THANK YOU TO NEURONES' MANAGERS whose management is based on trust. They help their employees to build their careers by setting realistic and achievable goals. They also know that the second most important criterion for the "ideal job" (after remuneration) is "the atmosphere within the team." As regards the "non-industrial" part of service businesses, the managers understand that setting up a pyramidal organization would not provide the responsiveness, flexibility, proximity and close relations required by the clients who entrust us with their orders. Like Jack Welch, they note that: *"Business is a series of trial-and-error. (...). It's just moving the ball forward and nobody has any great formula. If we have any formula, it's that we believe you've got to involve everyone in the game."* This is known as "collective intelligence", the source of value creation and adaptation to changing client needs.

THANK YOU TO OUR CONSULTANTS: they are basically the life-force of our company and our "capital asset". Their knowledge and expertise "build" the services of a consulting and service company and make the difference. They are the Group's showcase, particularly since they spend longer in clients' premises than in their offices;

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:
- Security,
- an Application Development business.

2000
Listed on the French Stock Exchange. Since that time, 10 significant external growth operations have expanded and strengthened the Group's range of expertise.

they often manage to keep smiling even when they must face a multitude of technical, budgetary, and human problems... which never prevent them from fulfilling their contractual commitments.

THANK YOU TO OUR SUPPORT FUNCTION SPECIALISTS: from pre-sales and management (invoicing, control, debt recovery, etc.) to marketing, computing and facility management, each and every function contributes to the overall success of the company. Thank you also to our HR teams for identifying, assessing, recruiting and training the best employees, and supporting them in their career development. The HR teams perform an essential task in a business whose sole assets are its men and women (salaries and social security contributions account for about 80% of costs in a service company).

And, last but not least, **THANK YOU TO OUR SALESPERSONS,** a key component in our success. They are responsible for assessing the requirements of prospects and understanding their decision-making criteria. Each project depends on their talents of persuasion. Upstream, they have the thankless task of breaking down the wall of indifference, before overcoming skepticism and objections and then fighting off fierce competition. They like to win contracts, and quickly forget the disappointments, rewarded by the trust that clients progressively place in them.

OUTLOOK FOR 2015

Market development

Should we speak of an economic "upheaval"?

What is certain is that the digital transformation and the changing rhythm it imposes are very real. New models are emerging, thanks to the dynamic developments of technology, sometimes supported by venture-capital backed start-ups. With this in mind, original new competitive offers that "spring up from nowhere" could quickly compromise market positions that have taken a long time to establish. Even companies with solid foundations and market shares have good reason to be a little paranoid; even these companies must anticipate threats, reinvent themselves and seek to integrate more innovation (which is sometimes quickly outdated!)

This is exacerbated by the fact that the general public, such as consumer juries, can spread information, rumors and judgments on a massive scale on social networks in a matter of clicks. These permanent referendums further increase the instability of established positions. For companies that want to sell their products and services, it is vital they have a better understanding of their prospects and clients; they must stay one step ahead of the latter, and know how to speak to them, in order to deliver increasingly individualized products and services in a fluid manner, thereby creating "a memorable purchasing experience", resulting in client loyalty.

> "The future will be built on the same simple ingredients: common sense, rationality, pragmatism, humility, trust, respect for people and, of course, ambition!"

On a more general level, we can note that certain things are already well underway:

- the exponential collection of data through the use of Internet (including social networks) or from the growing number of sensors (including connected objects) After the improvement in economic efficiency, the next trend on the horizon providing access to an "ever-better world" (comfort, health, safety, energy saving, cars, smart homes and cities, etc.);
- the availability of the "right" information (a long-standing objective!) on decision-makers' screens, sorted from an increasingly huge mass of data or from predictive analytics in order to make decisions based on the most objective basis possible, without

2008	2010	2013	2014
Continued strong organic growth. Significant development of the Management and Organization Consulting business. The Group launches private cloud hosting services.	First international offices: opening of 3 service centers in succession (Romania, Singapore and Tunisia).	The Group employs over 4,000 staff. Launch of Social media, Big data and Analytics service offers.	8,000 servers hosted in private cloud mode in 11 datacenters. More than 200 employees working in our international offices.

any influences or cognitive biases, while minimizing risks and problems;
- the dynamics of self-sustaining innovation, facilitated by the decrease in the cost of the basic technological building blocks, which are increasingly available "off the shelf";
- the demand of an individual right to improved information access (if possible free of charge!) to manage our lives; by 2020, it is forecast that every individual will consume 1,000 times more data than today!

"It is better to invest in assets you know and which you can contribute to expanding in a tangible manner."

To summarize, computing has now become the backbone of the economy and even our daily lives, whereas previously it was a key component only for company operations. NEURONES' IT services business provides solutions for accessing, transporting, updating, managing, distributing, storing and securing all this data. Helping companies to review and organize their operations to address the digital boom and their clients' increasingly demanding expectations is one of the missions of our Management and Organization Consulting business. The increase in requirements is structural, even infinite, and will certainly contribute to the Group's development.

The future of NEURONES

Your company holds roughly a 1% share in a highly fragmented French market; it has great growth potential, and several assets to enable it to pursue its entrepreneurial project:

- presence at all levels and in all technical specialties of the digital transformation: consulting, dematerialization, architecture, management and analysis of large volumes of data (cloud computing and big data), mobility, security and change management (integration, outsourcing, training, support);
- an original organizational structure made up of multi-specialists, with entrepreneurs working in the field to provide clients with what they need: the expertise, efficiency and flexibility of human-scale subsidiaries, sometimes created to address the requirements of a new technological wave. Moreover, the commitment, flexibility and sustainability of the entities is guaranteed by management teams who are shareholders, and who have complete autonomy in running their business;
- with two-thirds of the Group's revenue coming from organic growth ("which never lies"), NEURONES is not weighed down by acquisitions, which are often harbingers of low organic growth or restructuring and "exceptional costs" that are not part of the Group's DNA;
- financial resources and experience to continue investing in activities or countries with potential, as well as in the most enterprising employees and in the (rare) external growth opportunities capable of creating long-term value;
- ambition and appetite that "have not waned since the outset", driven by the company's continuing success and the opportunities of an almost boundless market. The future will be built on the same simple ingredients: common sense, rationality, pragmatism, humility, trust, respect for people and, of course, ambition!

The principles that will support the company's development remain the same:

- maintain the profitability levels achieved since the inception of NEURONES, by focusing on results rather than sales revenues and by remembering that "bad business drives away good business". And, in addition to defending sales prices, maintaining the profit margin through rigorous cost management;
- taking rational decisions: external growth has and will continue to be garnered based on the same criteria: the addition of new skills, the quality of the managers and their desire for a long-term collaboration, or penetrating a promising new region of the world. The presence of opportunities is a pre-requisite, but does not suffice alone;
- open the capital to an increasing number of "volunteers", who are convinced it is better to invest in assets they know and which they can contribute to expanding in a tangible manner.

In short, the future of NEURONES is probably as predictable as that of the intermediate sized companies which focus on objective added value, client respect, a solid, long-term management team, rigorous accounting, the acknowledgment of the real contribution of each employee and long term viability. And, as the Group prepares for the future, it will constantly bear in mind the well-known words of Warren Buffett: *"Someone is sitting in the shade today because someone planted a tree a long time ago."*

This is the 30th balance sheet since the company was created in 160m^2 of offices (currently 21,000m^2, without counting the space taken up by our consultants in our clients' premises). It is also the opportunity to remind ourselves that the road to the top is still long: people who walk in the mountains know that the peak also seems just as far away! Born approximately 20 years after the first pioneers set out, NEURONES has become the 12th largest company in its sector in France and is excited at the prospect of the ascension that lies ahead. All the people who have taken part in this trek – some of whom from the valley floor – and made it possible, can be proud of how high they have climbed.

In 2014, the number of major competitors decreased as a result of various mergers. In the end, the only companies that remain in the increasingly demanding race to reach the summits are those with controlled capital and solid performances and balance sheets. Maybe, to give themselves courage, they might remember *"Where the willingness is great, the difficulties cannot be great"...?*

Luc de CHAMMARD
Chairman and CEO

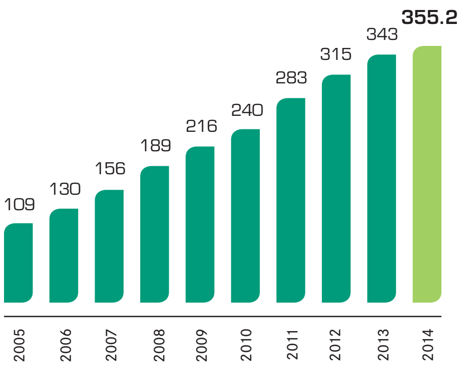
The underlying framework of the words above was inspired by Philippe L., an endearing and very experienced mountain guide in Serre Chevalier (French Alps). Before he was taken from his dear ones on January 21, 2015, at the age of 51 (the victim of a wind slab while guiding a skier in the valley of Narreyroux), Philippe taught his clients (who inevitably became friends) to put one foot in front of the other, to forget their efforts and to think with satisfaction about the summits conquered...

THE GROUP'S MAIN ASSOCIATE DIRECTORS

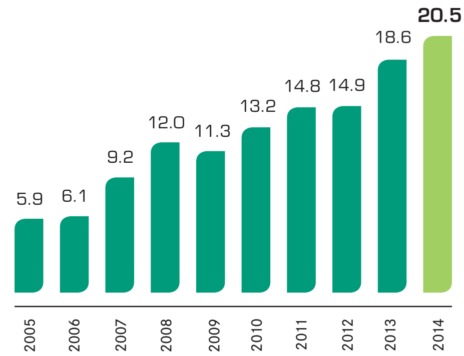
From left to right: First row: Bertrand Ducurtil and Luc de Chammard. Second row: Franck Dubray, Valérie Ader, Guillaume Blanchetière, Jean-François Hallouët, Bernard Lewis, Jean-Pierre Lafont and Jean Velut. Third row: Stéphane Raillard, Alain Le Garlès, Frédéric Griveau, Alain Le Bras, Patrick Gadeyne and Michael Rouah.

2014 KEY FIGURES

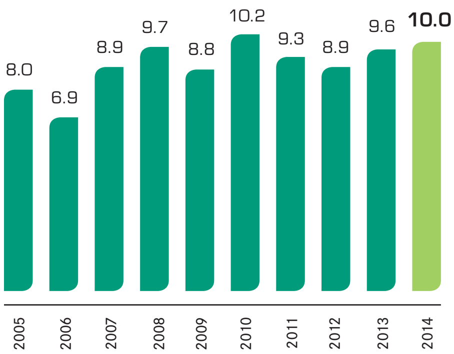
CONSOLIDATED REVENUES
(in € millions)



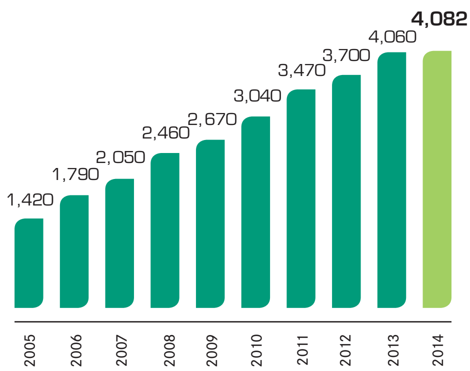
NET PROFIT – GROUP SHARE
(in € millions)



OPERATING PROFIT*
(as %)



STAFF
(at year end)



* IFRS accounting standards. From 2010 onwards, the Company Value Added Contribution (CVAE), totaling approximately 1% of revenues, is classified as a tax. Lastly, the Competitiveness and Employment Tax Credit (CICE) introduced in 2013, representing roughly 0.8% of revenues in 2013 and 1.2% in 2014, is recognized as operating income.

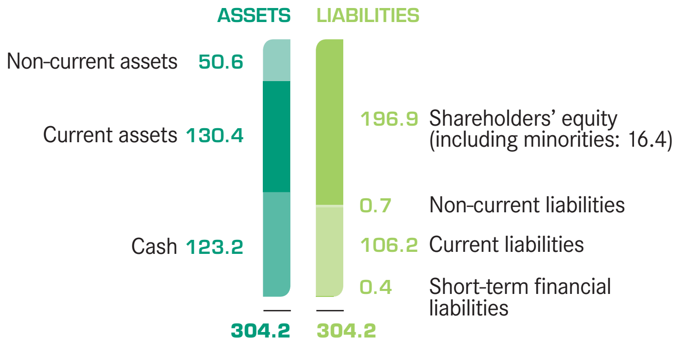
+3.5%

ORGANIC GROWTH
OF REVENUES IN 2014

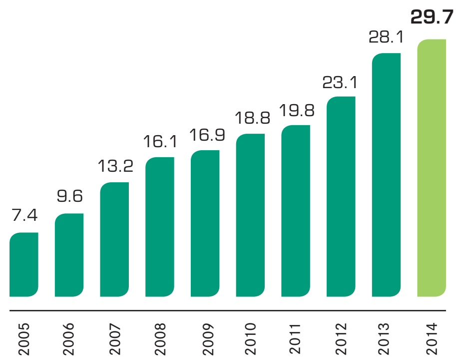
+10.5%

COMPOUND ANNUAL GROWTH RATE
OVER 5 YEARS (2009-2014)

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2014
(in € millions)



CASH FLOW FROM OPERATING ACTIVITIES*
(in € millions)



* Net profit + non-monetary items (essentially, net allocations to amortization, depreciation and provisions).

CONSOLIDATED INCOME STATEMENT
(in € millions)

	2013	2014
Revenues	343.2	355.2
Business operating profit*	**34.1**	**36.5**
% OF REVENUES	9.9%	10.3%
Operating profit	**32.9**	**35.5**
% OF REVENUES	9.6%	10.0%
Net financial profit	1.9	1.7
Income tax	(13.4)	(13.6)
Net profit for the year	**21.4**	**23.6**
% OF REVENUES	6.2%	6.6%
- of which net profit – Group share	**18.6**	**20.5**
- Of which minority interests	2.8	3.1

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

SIMPLIFIED CASH FLOW STATEMENT
(in € millions)

Cash flow	2013	2014
Net profit	21.4	23.6
Non-monetary items	6.7	6.1
Changes in WCR (increase) / decrease	(6.2)	0.6
Net industrial investments	(5.5)	(5.3)
Free cash flow	**16.4**	**25.0**
Net financial investments	(1.7)	(2.1)
Net capital increase	0.3	1.5
Other (dividends, etc.)	(1.9)	(2.3)
Change in cash and cash equivalents	+13.1	+22.1
Cash and cash equivalents at year-end	100.9	123.0

10.3%

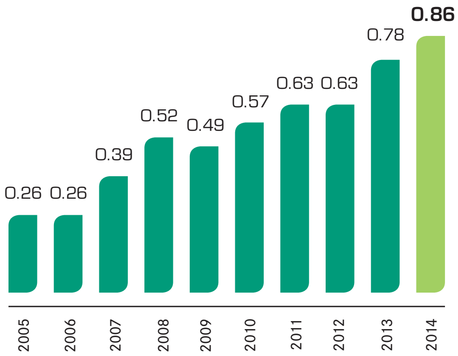
2014
OPERATING PROFIT

€122.8m

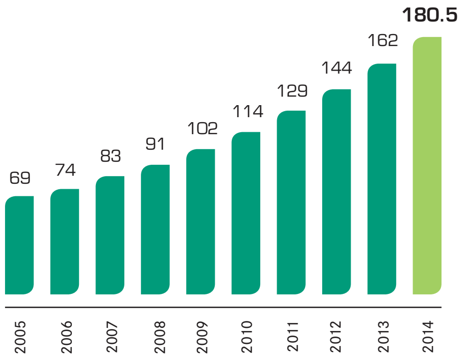
NET CASH AT DECEMBER 31, 2014

SHAREHOLDER INFORMATION

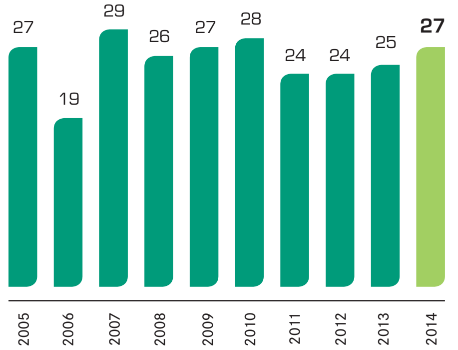
NET PROFIT – GROUP SHARE BY SHARE (in €)



CONSOLIDATED SHAREHOLDERS' EQUITY GROUP SHARE (in € millions)

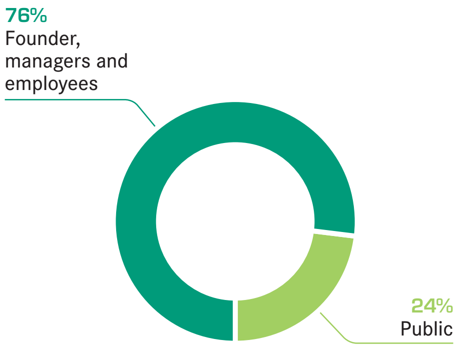


RETURN ON CAPITAL EMPLOYED (ROCE)* (as %)



* Operating profit after deduction of corporate tax (calculated at the rate in force) divided by capital employed (goodwill + fixed assets + working capital requirement).

SHAREHOLDING (breakdown of capital)



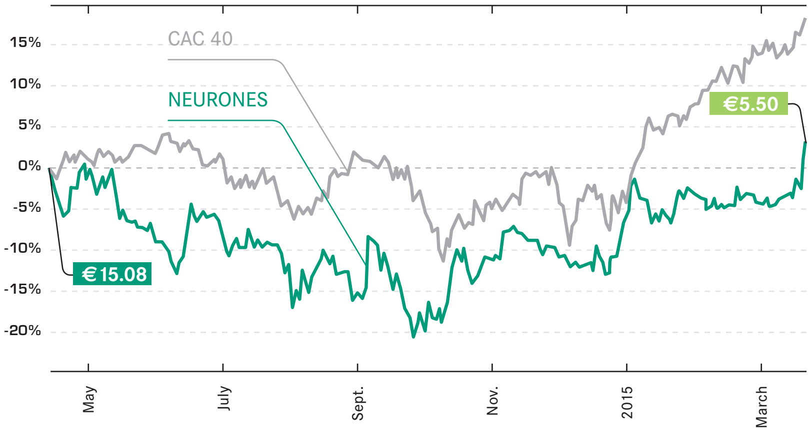
27%

2014 RETURN ON CAPITAL EMPLOYED

€0.06

DIVIDEND PER SHARE PROPOSED AT THE SHAREHOLDERS' MEETING ON JUNE 4, 2015

CHANGES IN NEURONES' SHARE PRICE OVER PAST YEAR
(from April 9, 2014 to April 10, 2015)



CALENDAR

1st quarter revenues 2015:
Wednesday May 6, 2015

Shareholders' Meeting:
Thursday June 4, 2015

2nd quarter revenues 2015:
Wednesday July 29, 2015

1st half profit 2015:
Wednesday September 9, 2015

3rd quarter revenues 2015:
Wednesday November 4, 2015

CHANGES IN NEURONES' SHARE PRICE OVER THE PAST FIVE YEARS
(share price, capitalization, number of shares)

	2010	2011	2012	2013	2014
Highest price (in €)	7.74	9.10	9.20	13.58	16.00
Lowest price (in €)	6.01	6.85	6.95	8.30	12.30
Closing price at December 31 (in €)	6.88	7.30	8.33	12.59	13.86
Market capitalization at December 31 (in € millions)	162.1	172.4	197.9	301.7	332.4
Number of shares at December 31 (in € millions)	23.6	23.6	23.8	23.9	23.9

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Tel.: +33 (0)1 41 37 41 37
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NEURONES SHARE DATA SHEET

Average daily volume traded in 2014:	7,300 shares
Share price (at April 10, 2015):	€15.50
Market capitalization (at April 10, 2015):	€372m
Number of shares (at April 10, 2015):	23,993,189

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

STRATEGY AND LINE OF SERVICES

Our strategy for lasting, profitable growth is to tailor our range of consulting and IT services to clients' changing needs and build a long-term entrepreneurial project with partner managers.

25%
OF THE REVENUE COMES FROM CONTRACTS INVOLVING SEVERAL GROUP ENTITIES

65%
SHARE OF GUARANTEED-PERFORMANCE SERVICE CONTRACTS IN TOTAL BUSINESS VOLUME

49%
PERCENTAGE OF TOTAL REVENUES GENERATED BY OUTSOURCING

AN UNWAVERING STRATEGY

Strategic policy directions

- expand our footprint with corporate clients and earn their recognition;
- maintain a multi-specialist profile;
- broaden the service range to cater to the full spectrum of new technologies;
- industrialize production and adjust organization and cost structure to the market.

Resources

- above-market organic growth,, occasionally bolstered by external growth;
- expanded footprint within and outside France, wherever clients' needs become apparent;
- investments not reliant on the general economic situation (€123m in free cash, no debt);
- an ongoing, decentralized entrepreneurial model that has proven its worth.

Core principles

- focus on profitability (an indicator of customer satisfaction) rather than size alone;
- align managers' and shareholders' capitalist interests;
- open up the capital to managers to build the long term;
- keep the fundamental business processes under quality assurance.

A FLEXIBLE SERVICE LINE-UP

Infrastructure services

The Group's core business – and its original business – is installing and managing infrastructures (cloud computing, virtual servers, active components, storage, workstations, etc.).

These diverse, fast-moving environments mean that network design and integration is a job for specialists, especially when project management is involved.

The Group operates in a variety of ways: through turnkey projects, working in clients' teams, needs-based expertise, service-center or fully-fledged outsourcing.

It takes the same technical know-how to run systems and networks, but we also industrialize certain specific services (cloning, packaging, help desk, supervision, security management, etc.) to achieve productivity gains. This drives down the cost of IT while improving the service delivered to users.

Application services

When enterprises need to adapt their legacy applications, they call on NEURONES to:

- develop or rewrite applications to adjust them to changed purposes and scopes, and make them suitable for new devices (smartphones, tablets, etc.);
- integrate software packages (ERP, CRM, BI, HRIS, etc.) or new applications used for the Web or for managing an IT department's content, processes, services and assets;
- provide "industrialized" support and maintenance for these applications.

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

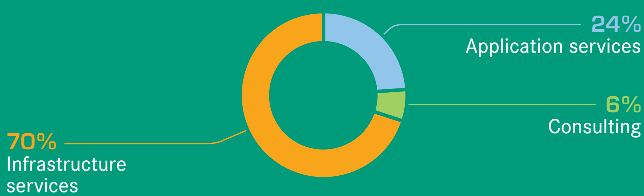
Consulting

To adjust to digital technology and fast-paced enterprise transformation, enterprises are increasingly relying on consulting services in either organization and management.

This business line, though situated upstream and quite separate from IT services, is nevertheless related and complementary to them. Technology eases reorganizations, but also prompts them by promoting new competitors or suggesting new processes.

BREAKDOWN OF REVENUES BY TYPE OF SERVICE

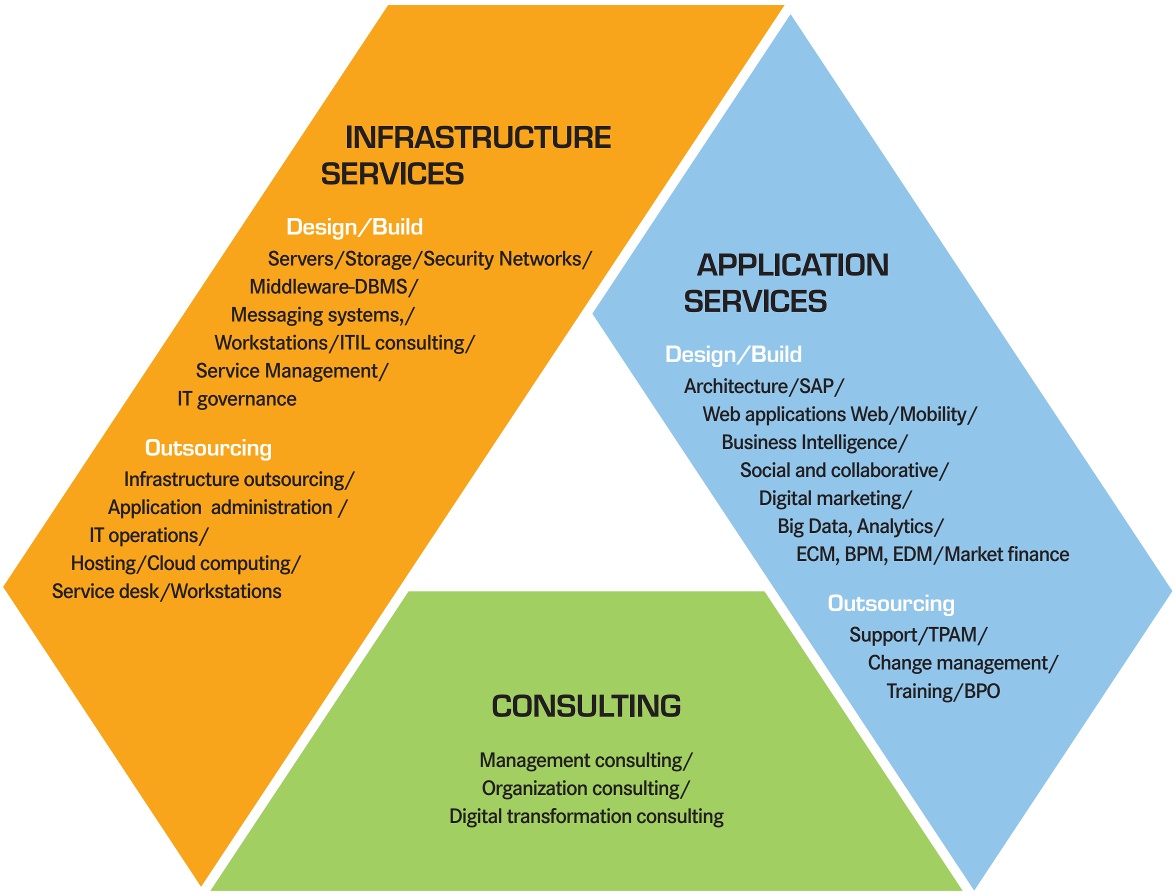
BREAKDOWN OF REVENUES BY BUSINESS SEGMENT



THE GROUP'S CORE BUSINESSES

A COMPREHENSIVE LINE OF SERVICES

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 dedicated to outsourcing

The assignments of this structure include:
- drawing up comprehensive service line-ups involving several Group entities,
- tracking the performance of complete outsourcing contracts during the initial start-up phase, the operating phase and the reversibility phase,
- capitalizing on experiences, gradually industrializing and regularly updating the Group's 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,
- identifying new business opportunities,
- consolidating completed projects and assignments,
- preparing reports for key accounts.

INFRASTRUCTURE SERVICES

Guaranteeing high availability and secure access to IT infrastructures, operating them, making them profitable and developing them is the task of this business line with over 3,300 employees.

70%	€250.1m	10.3%
SHARE OF THIS SEGMENT IN THE TOTAL BUSINESS IN 2014	2014 REVENUES	2014 OPERATING PROFIT

3,330

EMPLOYEES IN THE INFRASTRUCTURE SERVICES BUSINESS

At 12/31/2014

IN 2014...

8% organic growth in private cloud computing.

Change in the outsourcing portfolio with fewer big contracts and more medium-sized contracts.

Increasing margins due to the improvement of certain contracts despite the constant pressure in the outsourcing business (business marked by renewals and constant increase in productivity).

OUTLOOK...

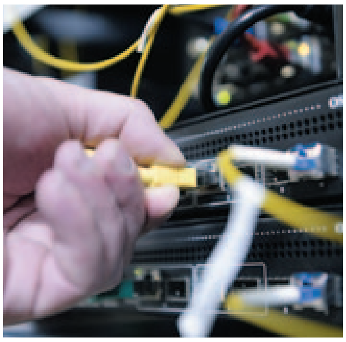
Infrastructure outsourcing remains a **buoyant market segment.**

Strong, steady growth in private cloud computing, backed by 8 years' experience.

Development of service centers in France, in near- and offshore mode.

PROFESSIONS

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



DESIGN/BUILD

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
- Set-up and management of private clouds
- Networks and email systems (migration, administration, etc.), storage, backups
- 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.

APPLICATION SERVICES

Backed up by 20 years of experience in applications projects, this business is committed to helping our clients in the successive changes in their information systems. This business line employs nearly 600 employees.

24%	€86.0m	9.0%
SHARE IN 2014 OF THIS SEGMENT IN TOTAL BUSINESS	2014 REVENUES	2014 OPERATING PROFIT

635

EMPLOYEES IN THE APPLICATION SERVICES BUSINESS

At 12/31/2014

IN 2014...

14% organic growth driven by a range of operations: SAP, market finance and ECM/BPM/EDM (electronic document management, digitalization).

Launch of offers supporting digital transformation.

Success of Social and Collaborative/Mobility/Big Data and Analytics business lines.

OUTLOOK...

Good opportunities for services linked to digital transformation: numerous projects launched by the business departments.

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

Decrease in the training segment.

PROFESSIONS

- SAP
- ECM, EDM, BPM
- IT consulting for finance
- Web and BI
- Mobility, social and collaborative, digital marketing, big data, analytics
- IT training, change management

DESIGN/ARCHITECTURE/INTEGRATION

NEURONES is active in both software integration (ERP/CRM, BPM, EDM) and custom application development (on Java, .Net platforms, etc.), including open-source software.
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.

TYPICAL PROJECTS INCLUDE:

- SAP: integration, version upgrades and taking account of mergers/split-ups
- Deployment of CRM tools
- Digitalization of incoming and outgoing invoices
- Digital transformation programs
- Redesign of applications for mobile devices
- Enterprise social networks, collaborative platforms
- Connected objects (counters, robots, etc.)
- Communication and training plans to support the deployment of major software systems (ERP, etc.)

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.

INDUSTRIALIZED SERVICE CENTERS

Since 1995, infrastructure outsourcing has been based on shared service centers (hosting, servers and applications, workstation management and support), Third-party Application Maintenance and dedicated service centers.

4	**250**	**2**
TYPES OF SERVICE CENTERS DEDICATED TO INFRASTRUCTURES	INFRASTRUCTURE OUTSOURCING CONTRACTS	SERVICE CENTERS DEDICATED TO APPLICATIONS

ISO 9001:2008 certifications (outsourcing and 3 other businesses)

ITIL® 150 certified employees

itSMF Founding member

AF-SCM Sponsor member

CERT certification of the Security Operation Center

8,000
SERVERS HOSTED IN PRIVATE CLOUD MODE

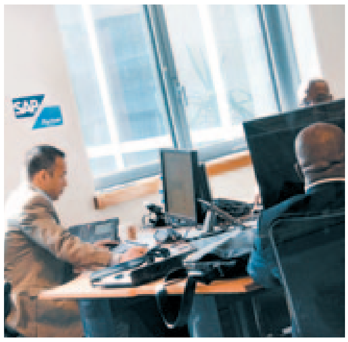
5 SUPPORT CENTERS
- 800 professionals
- 24/7
- Multilingual
- Nanterre, Ivry-sur-Seine, Angers, Tunis and Timisoara

3 SERVICE CENTERS FOR SERVERS AND APPLICATIONS
- 2200 specialists
- Supervision, management
- Scheduling, operations plan
- Release management
- Paris and Singapore

2 POOLED WORKSTATION MANAGEMENT CENTERS
- 20 people
- Cloning
- Packaging
- Remote software distribution

11 HOSTING CENTERS
- 8,000 virtual machines (VM)
- Independent Internet service provider
- All operators
- Telecom infrastructure as failover
- Nanterre and Lyon (own facilities)
- 5 highly-certified (Tier 3+) partner hosting companies (multi-centers)

2 THIRD-PARTY APPLICATION MAINTENANCE CENTERS
- All ERP and applications
- KM base, test tools, versioning
- Nanterre, Angers



INFRASTRUCTURE OUTSOURCING CONTRACTS

Top 25 contracts €3 m/year on average + **125 contracts** €0.5m per year, on average + **100 contracts** cloud computing

OUTSOURCING IN NUMBERS

1,800 EMPLOYEES WORKING ON CONTRACTS

6 MILLION SERVICE DESK AND APPLICATION SUPPORT FILES HANDLED

18,000 THIRD-PARTY OR PROPRIETARY SERVERS OPERATED IN EUROPE

170,000 WORKSTATIONS MANAGED

MANAGEMENT AND ORGANIZATION CONSULTING

Managed by consultants with previous experience in major international firms, this business employs 120 consultants, essentially providing consulting services in management and organization.

6%	€19.1m	10.2%
SHARE OF THIS SEGMENT IN THE TOTAL BUSINESS IN 2014	2014 REVENUES	2014 OPERATING PROFIT

115
EMPLOYEES
IN THE CONSULTING
BUSINESS

At 12/31/2014

IN 2014...

20 % decrease in the business, linked to the end of an assignment with a major client that was not fully paid.

Development of a partnership system.

The "Consulting" and "IT Services" segments have been **kept quite distinct.**

OUTLOOK...

Launch of a consulting firm specializing in digital transformation.

The Group aims to develop Consulting activities, despite the inherent lack of visibility.

International development.

PROFESSIONS

- Management consulting
- Organization consulting
- Digital transformation consulting

Supporting complex projects for groups or organizations currently engaged in transformation, in order to help them incorporate new regulations and digital technologies, and generally become more efficient and effective.

Capitalizing on methods and expertise developed through over 100 assignments supporting business strategy and decision-making. Over the years, the division has developed expertise in the following areas:

- defining transformation plans,
- cross-functional communication and consensus-building,
- strategic alignment,
- assessment of resources and defining the perimeter of activities,
- defining new leadership models,
- coaching management boards,
- analyzing impacts and change management,

Digital transformation consulting concerns all sectors and is becoming a specialty in its own right.

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:

- Assessment of strategic options, proposal of scenarios
- Guidance and support for complex projects
- Impact studies on regulatory or technology changes
- Change management, preparation of the communication plan
- Operational coordination and management
- Fulfilling projects

RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

A SOCIALLY RESPONSIBLE GROUP

When you have a long-term business view, the financial performance targets must take into account Environmental, Social and Governance (ESG) criteria.

Corporate Social and Environmental Responsibility

The third Corporate Social and Environmental Responsibility Report (page 51 of this document, followed by the auditor's report):

- addresses environmental, social and societal aspects, since NEURONES is convinced that success is achieved by including all stakeholders in the eco-system, not just the clients and employees: sub-contractors, other service providers (including fellow companies), training organizations (including Engineering and Business Schools), Public Authorities, local authorities, civil society and shareholders;
- enables to Group to move forward thanks to:
  - indicators with more precise definitions,
  - the verification of processes and data-reporting tools,
  - the tracking of electricity consumption in datacenters and fuel consumption.

It is part of a proactive drive for continuous improvement.

Governance

The governance of NEURONES (described on page 104) essentially complies with the recommendations of the MiddleNext Code for mid-cap and small-cap stock. The remunerations and other information concerning the executive company officers (page 88) are given in compliance with the recommendations of the Afep-Medef Code.

“Success is achieved by including all stakeholders in the eco-system.”

AN ACTIVELY COMMITTED GROUP

Since its inception in 1985, NEURONES has endeavored to pursue responsible and sustainable development within its environment. This is one of the company's key commitments.

600
NET JOBS CREATED OVER THE LAST 3 YEARS

93%
THE 2014 PROFITS WILL BE REINVESTED IN FUTURE DEVELOPMENTS

48
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 (48 different nationalities represented, a variety of academic backgrounds, both novices and experienced workers, 140 apprentices, interns and employees on professionalization contracts in 2014, over 95% on permanent contracts, etc.).

Numerous job creations:

- net creation of jobs each year (over 600 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:

- over 30 company managers and executives hold stakes in the capital of the companies they are developing,
- bonus-share scheme,
- 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,
- employees encouraged to obtain qualifying certifications (ITIL and the main market players: Microsoft, VMware, SAP, HP, IBM, etc.).

"Having worked in France for ten years as a consultant in Market-Finance Information Systems and then as the co-manager of an investment fund, I was interested, as Franco-Tunisian, in returning to my home country. In 2010, thanks to my network, NEURONES offered me the opportunity to head up their new service center in Tunis.

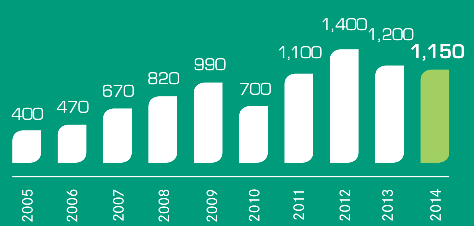
Thanks to my dual cultural background, which was essential for succeeding in this role and for adapting best practices from the head office in France, I was given a great degree of autonomy. In the space of just 4 years, the service center in Tunis grew from 7 to 115 employees, serving over 10 clients (including 2 CAC-40 companies).

It is highly motivating working for a Group which places its trust in you and supports you in developing an international business. Furthermore, NEURONES has three complementary businesses in Tunisia. As such, the Group has great development potential in Africa, which I aim to actively contribute to."

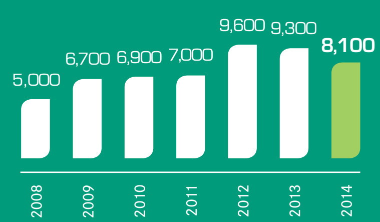
Ouissem
Director of the Tunis Service Center/*Service desk*
With NEURONES since 2010

"It is highly motivating working for a Group which supports you in developing an international business."

RECRUITMENT (YEAR-END)



TRAINING PLAN (DAYS X PARTICIPANTS)



"In 1998, when I joined the Group (which employed just 140 people at the time) as a Recruitment Officer for the «Engineering and Projects» business, I was particularly looking for a company that would provide long-term career development opportunities. A few years later, I was managing 8 people as an HR Manager. Today, I am a the Deputy HR Manager for an entity that employs 800 people.

My career at NEURONES has been marked by commitment and the sense of service. I moved from recruitment to HR support for managers and then to the management of the labor, legal and financial aspects of HR issues in entities that already existed or which were being created (in France and abroad). These expanding areas of operation and responsibilities went hand in hand with the growth of the company, where people are at the very heart of the business.

NEURONES is career development «facilitator» for those who are willing to rise to the challenges of the future. In a rapidly changing sector, the HR departments not only provide support for managing change, they also actively contribute to the collective success of the group. NEURONES is a solid, ambitious Group which offers great career opportunities!"

Claire
Deputy HR Manager/ *IT Infrastructures*
With NEURONES since 1998

"NEURONES is a career development "facilitator" for those who are willing to rise to the challenges of the future."

Motivating working environment:

- an environment that empowers people and lets them build their own future
- recurrent distribution of bonus shares (and stock options): 11 consecutive plans since 1999 (all successful) 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 2014, €5.3m of industrial investments were channeled primarily into the service centers (extension in France and abroad) and the cloud computing line-up (hardware and software, and reserved areas with third-party hosters).

Active quality development:

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

Constant tailoring to needs:

- mergers with around 10 significant-sized firms since NEURONES became a listed company have expanded and enhanced the range of services and expertise available for its clients.

CHARTE DE LA diversité EN ENTREPRISE

Five business entities are signatories

THE GLOBAL COMPACT

A subsidiary participates in the United Nations Global Compact

ecovadis SUSTAINABLE SUPPLY MANAGEMENT

NEURONES is regularly evaluated by the EcoVadis questionnaire

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.

"I joined the Group's IT Infrastructure business as Contract Engineer on a work/study contract during my final year of Business School. Then, I was hired on a permanent contract. After a brief stint with another company in 2012, I returned to NEURONES as Branch Manager, with one goal in mind: to create my own business before I was 30.

My project involved providing companies with support for integrating innovative solutions linked to connected objects. In 2014, in conjunction with one of the Group's mobility experts, and driven by the entrepreneurial spirit of NEURONES, we established the business plan and presented it to General Management. As such, the «Innovation» Business Unit was set up at the start of 2015, and already employs 6 staff and has 2 key accounts in its portfolio.

NEURONES is a human adventure which fosters encounters that generate opportunities, for those who are ready to seize them. In addition, for an entrepreneur, the Group's reputation opens up the doors to major potential clients. We aim to be a leading player in the sector within three years!"

Harry
Co-founder / *Digital Services – Connected objects*
With NEURONES since 2010

"NEURONES is a human adventure which fosters encounters that generate opportunities, for those who are ready to seize them."

Gaïa-Index

As has been the case since 2011, NEURONES was once again selected as part of the 2014 Gaïa index (a CSR index for listed companies), which ranks the 70 most transparent and advanced companies from among 230 listed intermediate-sized companies.

IMPRIM'VERT
Votre imprimeur agit pour l'environnement

Documents printed by eco-friendly printers.

REFERENCES
(EXTRACT)

Around one thousand companies and public bodies of all sizes place their trust in NEURONES every year.

BANKING - INSURANCE

APRIA
AVIVA
AXA
BNP-PARIBAS
BPCE
CRÉDIT AGRICOLE
EULER HERMES
EUROP ASSISTANCE
GENERALI
GROUPAMA
HSBC
MONTEPASCHI
NYSE-EURONEXT
SOCIÉTÉ GÉNÉRALE
TEXA SERVICES

SERVICES - CONSUMER GOODS

ACCOR
AIR FRANCE
APTARGROUP
AUCHAN
BEL
EDENRED
GIDE LOYRETTE NOUEL
HEINEKEN
HERMES
KPMG
LVMH
NESTLÉ
OPCALIA
PWC
SHISEIDO

PUBLIC SECTOR

AGENCE FRANÇAISE DE DÉVELOPPEMENT
AGIRC-ARRCO
ANDRA
BANQUE DE FRANCE
CAISSE DES DÉPÔTS
CEA
HAUTS-DE-SEINE DEPARTMENTAL COUNCIL
IRSN
LA POSTE
MINISTÈRE DE LA SANTÉ
PARIS HABITAT
PMU
RFF
SNCF
UNEO

ENERGY - UTILITIES - HEALTHCARE

AREVA
BAYER
CENEXI
EDF
ENI
GDF SUEZ
LABORATOIRES ROCHE
LFB
NOVARTIS
SAGESS
SANOFI
SERVIER
TOTAL
UGI CORPORATION
VEOLIA ENVIRONNEMENT

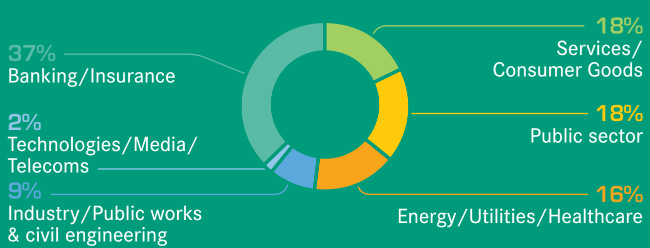
INDUSTRY - PUBLIC WORKS & CIVIL ENGINEERING

BOUYGUES
BRENNTAG
DAHER
JCDECAUX
LÉON GROSSE
MICHELIN
NEXANS
PLASTIC OMNIUM
SAFRAN
SAINT-GOBAIN
SOCOTEC
TARKETT
THALÈS
TREVES
VINCI

TECHNOLOGY - MEDIA - TELECOMS

BOUYGUES TELECOM
COMPUTER ASSOCIATES
DASSAULT
EUTELSAT
FLAMMARION
GÉNÉRALE DE TÉLÉPHONE
LAGARDÈRE
MICROSOFT
NUMERICABLE-COMPLETEL
ORANGE
RADIO TÉLÉVISION SUISSE
THE NEW YORK TIMES COMPANY
TV5 MONDE
UGC
VIVENDI

2014 REVENUE BREAKDOWN BY SECTOR



73%

OF CAC 40 COMPANIES PLACE THEIR TRUST IN NEURONES

NEURONES

CONSULTING - INTEGRATION - OUTSOURCING

REFERENCE DOCUMENT 2014

Forward together...®

REFERENCE DOCUMENT CONTENT

Consulting and IT services jargon and acronyms are used only when necessary to understand NEURONES' businesses. They are explained in the glossary from page 109 onwards of this report.

1 GROUP BUSINESSES

1.1. GENERAL PRESENTATION

Identity and background

With a staff of over 4,080 and revenues of €355.2 million at the end of 2014, NEURONES (including its Technology Consulting companies) 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 digital-services companies listed on the Paris stock exchange:

	(in € millions)	Capitalization (12/31/2014)*	2014 Worldwide Revenues
1	Capgemini	9,730	10,573
2	Atos	6,694	9,051
3	Altran	1,374	1,756
4	Sopra Steria	1,243	3,373
5	Alten	1,184	1,373
6	Econocom**	738	2,093
7	Akka	485	886
8	Assystem	387	867
9	**NEURONES**	332	355
10	GFI Informatique	288	804

* including technology consulting companies: Altran, Alten, Akka and Assystem.
** listed in Brussels but generates the majority of its revenues in France.
Source: company press releases.

Created from scratch in 1985, the Group has experienced steady growth (averaging +14% per year over the last ten years). Today, around two thirds of its revenues stem from internal growth.

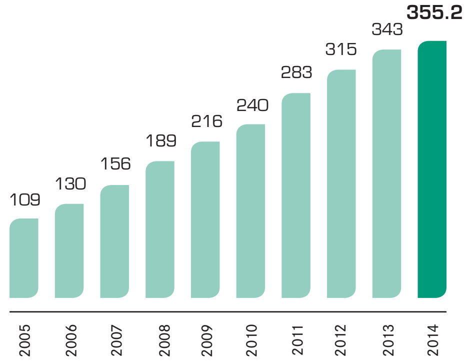
The Group was built by setting up dedicated subsidiaries for each business segment, with their own technical know-how and using their own commercial brand. These companies were given the task of rapidly attaining a significant size in their field so that they could provide the best level of services 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.

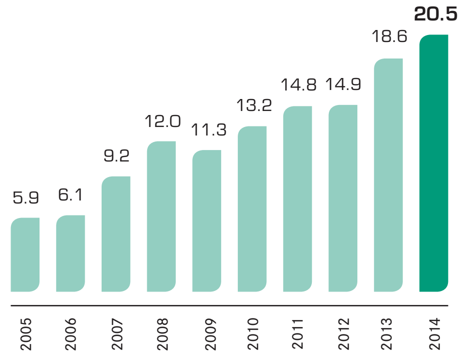
Since floating on the Stock Exchange in May 2000, the Group has made around ten significant acquisitions, which now account for roughly a third of its business.

Key figures

CONSOLIDATED REVENUES
(in € millions)



NET PROFIT – GROUP SHARE
(in € millions)



Trends in the key figures *(in € millions)*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
Revenues	108.9	130.0	156.0	189.3	216.4	239.6	283.3	315.4	343.2	**355.2**
Operating profit*	8.7	9.0	13.8	18.4	19.1	24.5	26.3	28.1	32.9	35.5
Operating profit	8.0%	6.9%	8.9%	9.7%	8.8%	10.2%	9.3%	8.9%	9.6%	**10.0%**
Net profit	6.3	6.6	9.9	13.0	12.8	14.9	17.0	17.2	21.4	**23.6**
Net margin	5.8%	5.1%	6.3%	6.9%	5.9%	6.2%	6.0%	5.4%	6.2%	**6.6%**
Net profit – Group share	5.9	6.1	9.2	12.0	11.3	13.2	14.8	14.9	18.6	20.5
Staff at year-end	1,424	1,787	2,054	2,455	2,665	3,036	3,471	3,704	4,065	4,082

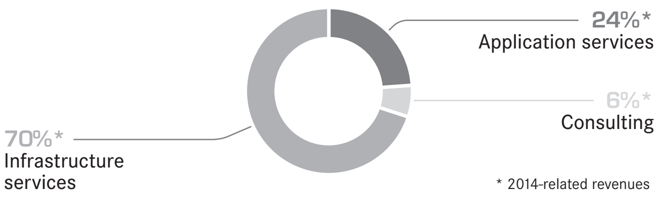
* IFRS accounting standards. The Company Value Added Contribution (CVAE) – 1% of revenues – has been classified as a tax since (and including) 2010. The operating profit benefited from the positive effect of the Competitiveness and Employment Tax Credit (CICE), equal to 0.8% of revenues for 2013 and 1.2% for 2014. To obtain a comparable series of operating profits, ignoring the regular increases in charges and social security contribution rates, the figures for 2010 to 2012 should be reduced by approximately 1% (to 9.2%, 8.3% and 7.9%), and by 1.8% for 2013 (7.8%) and finally by 2.2% for 2014 (7.8%).

1.2. BUSINESS OVERVIEW

Business segments

The Group's businesses can be divided up according to their type and according to the way the services are delivered:

TYPE OF BUSINESS



TYPE OF SERVICE

It has been agreed to consider all Consulting work as a project activity. Moreover, the overall revenue recurrence rate is estimated at around 70%.

The Group's long-established IT Services activities (94% of total 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	Web (Java, .Net, open-source), e-business, Intranets, portals, Enterprise Application Integration (EAI), Business Intelligence (BI), SAP, content management (ECM, EDM), Business Process Management (BPM), Service Oriented Architecture (SOA), big data, data analysis, integration, tests/acceptance and 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)

Over the last few years, there has been a re-balancing between infrastructure activities (which account for the dominant portion of revenues) and activities linked to application services. This trend continued in 2014:

Change (by business segment) *(in € millions)*	2013	% Total revenues	2014	% Total revenues	% total growth	% organic growth
Infrastructure services	244.1	71%	250.1	70%	+ 2.5%	+ 2.5%
Application Services	75.2	22%	86.0	24%	+ 14.4%	+ 14.4%
Consulting	23.9	7%	19.1	6%	- 20.1%	- 20.1%
TOTAL REVENUES	343.2	100%	355.2	100%	+ 3.5%	+ 3.5%

Total customer relationship management of corporateaccounts, management of cross-functional contracts

A cross-functional department fulfills two key 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 throughout the routine operation phase. It takes all of the Group's commitments to clients and manages the contract through its Service Delivery Managers in the different entities and service centers involved.

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

Geographic presence

The staff is still essentially based in the Paris region:

Breakdown of staff *(at year end)*	2013	%	2014	%
Greater Paris region	3,280	81%	3,229	79%
Other French regions	645	16%	630	15.5%
International	140	3%	223	5.5%
TOTAL STAFF	4,065	100%	4,082	100%

Outside France, the Group is present through service centers in Tunisia (129 people at end of 2014), in Romania (67 people at end of 2014) and in Singapore (27 people at end of 2014). The people outside France primarily perform services for decision centers located in metropolitan France.

The Group performs most of its services in France and works on occasional missions abroad.

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-making support (BI) - Mobility, social media, data analysis, big data - IT training and change management
Consulting	- Management and Organization consulting

In this sub-chapter (1.3. The Core Businesses in Detail), the key figures shown 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: 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 assignments typically carried out are as follows:

- design servers and model workstations, carry out migrations and deployments,
- datacenter architecture, Lan/Wan, 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, VPN (Virtual Private Network).

The technical specializations mentioned above are used in combination to help clients carry out virtualization projects and set up cloud computing services (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.). The share of software and hardware resales is marginal.

The fixed-price integration department provides project management services for 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: consultants, architects, project managers, administrators, engineers and technicians.

KEY FIGURES

(in € millions)	2013	2014	14/13
TOTAL REVENUES	79.9	78.7	-1.5%

Service desk, workstation outsourcing

The aim of this activity is to facilitate information system use in companies. The service desk receives and handles user requests, and either resolves them or passes them to other expert entities for resolution ("escalation"). It identifies, capitalizes and circulates the knowledge required for the proper operation and use of IT tools in the company.

The service desk delivers a responsive (short lead-times for handling and responding to requests) and competent (broad capability for immediate problem resolution) service. It contributes to the continuous improvement of systems (identification of trends, study of causes, improvement recommendations) and therefore to the performance of companies.

The balance between client relations, technical knowledge and the understanding of the company's business processes is crucial for a quality service desk. Maintaining service quality over a period of time (several years) is a key factor for building client loyalty. For this reason, service desk staff are given regular practice sessions and training.

Half of the services are performed in 6 inter-connected services centers and half on the clients' sites, on an occasional or recurrent basis, whether they be near or far. The support covers ten European countries.

NEURONES' service centers are equipped with the latest communication technologies. They ensure users can access the service using any channel (telephone, e-mail, text message, interactive chat, self-service platform, etc.) from any type of terminal (PC, tablet, smartphone), at any time (24/7) and with a choice of over 12 languages.

In order to increase its capacity to resolve technical issues and support clients during the transformation of IT infrastructures towards Cloud-based systems and virtualization, the service desk activity provides a service offer covering expertise (ExperTeam®), consulting, architecture and projects.

At the same time, in order to provide business departments (notably sales and marketing departments) with its expertise in terms of client relations, the service desk proposes a BSM/Seequalis® consulting and operational solutions offer to improve the "client experience" and increase loyalty.

The service desk business holds a recognized leadership position in France and these activities are currently being developed in Europe.

KEY FIGURES

(in € millions)	2013	2014	14/13
REVENUES	94.0	97.0	+3.2%

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 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, ERP operation (SAP's BC profiles), security expertise, 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, storage capacity, Internet bit rates, etc.). The private cloud offer represents a volume of 8,000 virtual servers (VM), including VDI.

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").

Recognizing that it was difficult to stay in the race (size and technology) led by datacenter specialists and not wanting to maintain specialist in-house "property" skills specific to hosting (building, electrical safety, fire safety, air conditioning, access security, etc.), NEURONES has progressively transferred its datacenter equipment to hosting specialists. As such, most hosted servers are now with five "Tier 3+" certified partner hosting companies in ten or so different datacenters. The Group's two hosting centers (Nanterre and Lyon) are being kept temporarily. They serve as backup telecom and datacenter network hubs for certain clients. Subcontracting is limited strictly to "simple hosting". Hosting partners do not have access to the servers managed in the areas rented from them nor do they perform outsourcing services.

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 head office, 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)	2013	2014	14/13
REVENUES	27.9	30.1	+ 7.9%

IT operations

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)	2013	2014	14/13
REVENUES	34.2	34.6	+1%

IT service management, IT governance

The areas covered include managing services and assets for an IT department (IT Service Management, ITSM). The projects carried out enable client organizations to improve their cost control and structure their IT services in order to increase the IT service quality and user satisfaction.

There are various types of missions:
- certificate training courses for ITIL (EXIN accreditation),
- consulting: defining organization and setting up ITIL processes, benchmarking,
- assistance to contracting authorities: defining projects, drafting specifications, managing change,
- operational IT process management and IT project management,
- implementation of ITSM software solutions and project portfolio management (partnerships with HP Software, ServiceNow, EasyVista and others),
- Third-Party Application Maintenance, either on client premises or provided through the Group's shared service center.

KEY FIGURES

(in € millions)	2013	2014	14/13
REVENUES	8.1	9.7	+20%

Core businesses of the Application Services segment

SAP integration and outsourcing

ERP (Enterprise Resource Planning, 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.),
- Support and TPAM, which can be included in 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 within an SAP competency center: new modules, re-engineering, optimization, upgrades,
- SAP administration,
- maintenance of SAP modules developed by third parties,
- ABAP development,
- user documentation and training (change management).

KEY FIGURES

(in € millions)	2013	2014	14/13
REVENUES	16.6	20.5	+23%

Content management (ECM, EDM), Business Process Management (BPM)

Enterprise Content Management (ECM) consists in managing unstructured information in electronic form (letters, contracts, invoices, e-mails, 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: acquisition, classification, storage, archiving and distribution of scanned documents (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 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, ECM/BPM applications today make up a sizeable market segment, on a par with ERP, CRM (Customer Relationship Management), SCM (Supply Chain Management) applications.

This business segment is made up of two entities:
- an ECM specialist and major partner of IBM FileNet,
- a BPM specialist that is a partner of Tibco Software, Software AG, EMC Documentum, Microsoft Sharepoint and Alfresco, among others.

KEY FIGURES

(in € millions)	2013	2014	14/13
REVENUES	18.2	19.5	+7%

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 Securities Services.

KEY FIGURES

(in € millions)	2013	2014	14/13
REVENUES	19.2	24.4	+27%

Web and BI

New-technology application development can be broken down into five areas:
- consulting,
- Internet applications: Intranets, Extranets, portal sites, groupware,
- web integration projects with application servers: Java, Websphere (IBM), .Net (Microsoft),
- decision-making 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)	2013	2014	14/13
REVENUES	11.7	11.7	+0%

Mobility, social and collaborative, digital marketing, big data, analytics

This recently-created entity explores and implements the main technological innovations that will structure the information systems of tomorrow:
- Web & Mobility: provide mobile access to company applications and other management software to all internal or external employees working for the company,
- Social and Collaborative: create and manage next generation collaborative tools (enterprise social networks, etc.)
- Digital Marketing: support the digital transformation, the development of customer knowledge (CRM) and the integration of social networks for acquiring sales and marketing data,
- Big Data and Analytics: test and deploy new architectures and decision-making solutions capable of processing and analyzing huge volumes of disparate data. The first experiments involve the finance, media and energy sectors.

KEY FIGURES

(in € millions)	2013	2014	14/13
REVENUES	0.5	2.0	x 4

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 8) 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.

KEY FIGURES

(in € millions)	2013	2014	14/13
REVENUES	9.0	7.9	-14%

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 project supervisor, 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 several services are concerned, a single contract manager is appointed to make sure that service level agreements are honored over the long term. The contract 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 15 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-2014, there were 150 active outsourcing contracts (as well as 100 cloud computing contracts and 50 contracts for TPAM alone). Around 1,800 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:
- 5 service desks in Nanterre, Ivry-sur-Seine, Angers, Tunis and Timisoara,
- 2 remote workstation management platforms (Experteam® and CSP): cloning, packaging, remote software distribution,
- 2 remote operation centers for servers and applications (Osmose® and CSI),
- 6 "private cloud" hosting centers (Iode®) in Nanterre and Lyon, and reserved areas with four third-party partner "Tier 3+" certified hosting providers,
- 2 service centers for application support and TPAM (Proxima®) in Nanterre and Angers.

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 and network service 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,
- integration of various specialized service centers,
- technical expertise in systems and networks,
- know-how to rapidly assign a suitable team to each 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 outsourcing 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-2014, it employed 115 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)	2013	2014	14/13
REVENUES	23.9	19.1	-20%

Financial information per business segment

To form the operating profit (shown as OpP in the table below) of €35.5 million in 2014, the various business segments made the following contributions:

(in € millions)	OpP 2013	OpP as % of revenues	OpP 2014	OpP as % of revenues
Infrastructure services	22.0	9.0%	25.8	10.3%
Application Services	7.8	10.3%	7.8	9.0%
Management consulting	3.1	13.1%	1.9	10.2%
TOTAL	32.9	9.6%	35.5	10.0%

Operating 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 in its choices and recommendations 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 by the main technology developers and certification bodies – for many years now in some cases – as a partner of choice 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:
CA Gold Partner - Citrix Gold Partner Solution Partner - IP Label Gold Certified Partner - Microsoft Gold Partner - Oracle Gold Partner - Riverbed Gold Partner - Centreon Silver Partner - Cisco Partner Silver Certified - Fortinet Silver Partner Partner - LANDesk Silver Certified - PaloAlto Networks Silver - Barracuda Diamond Partner - IBM Advanced Business partner - Wyse Premier Partner - Kaspersky Certified - Prim'X Partner - VMware Service Provider.

Server and application outsourcing in cloud computing mode, IT security:
VMware Service Provider Program (level 3) - VMware vCloud Air Network Service Provider - VMware vCloud Powered - Citrix Gold Partner Solution Advisor - Microsoft Gold Partner Hosting - Oracle Gold Partner - Service Provider IBM Global Partner World - Qualys Value Added Services Program - Arjel - Checkpoint - Cisco - Fortigate - Juniper - Passi.

Service desk/Telephony/CTI:
Microsoft Gold Certified Partner - Acronis - Amici - Apollo Formation - Arp - BMC Software - Comsoft - Easyvista - Eptica - Exin - Flexera - G2G3 - Igel Technology - Knowesia - Landesk - Orsys - Paessler PRTG - Peregrine Accredited Platinum Partner - ServiceNow - S&T - Touch and Play - Vytalink - Weelog.

ERP, CRM, BPM, EDM:
SAP Gold Partner - Alfresco - BonitaSoft Open Solution - Celum - Dictao - EMC Captiva - EZ - IBM Connection - IBM ECM FileNet/CMOD/Content Manager/Datacap - Kofax - Open Text - Opti-Time - Readsoft - Tibco Software - Xerox DocuShare.

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 - United Planet Intrexx.

Training:
Microsoft Gold Learning Partner - ITIL Training Organization (accredited by APMG) - Oracle Training Partner - SAP End-user Education - SAP Partenaire Formation - AutoDesk Training Center - Centre de tests Pearson Vue - Cisco - Citrix - Oracle - VMware.

Clients

NEURONES' client base is made up of around 1,000 medium and large-sized private-sector companies, in addition to state-owned enterprises, local authorities and government departments. for whom the Group carries out mid-size projects (up to €10 million per year).

The revenue breakdown by industry varies little from one year to the next:

At the end of this financial year, 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, 73% of NEURONES' client base (i.e. 29 of the 40 clients) are CAC 40 groups.

In 2014, the top 20 clients were (in alphabetical order): Accor, Axa, Banque de France, BNP-Paribas, BPCE, Crédit Agricole, Bouygues, CEA, EDF, Fromageries Bel, GDF Suez, IRSN, LVMH, La Poste, RFF, Saint-Gobain, Sanofi, SNCF, Société Générale, Veolia Environnement.

As the Group grows, there is a tendency for its revenue to become increasingly concentrated:

Sales breakdown *(in € millions)*	2010	2011	2012	2013	2014
Top 20 clients					
- Value	128.9	160.6	174.0	198.7	211.4
- As % of consolidated revenues	53.8%	56.7%	55.2%	57.9%	59.5%
Top 10 clients					
- Value	96.3	119.3	129.1	147.6	161.8
- As % of consolidated revenues	40.2%	42.1%	40.9%	43.0%	45.6%
Top 5 clients					
- Value	70.0	86.4	89.3	102.3	116.6
- As % of consolidated revenues	29.2%	30.5%	28.3%	29.8%	32.8%
Share of the no. 1 client					
- Value	25.9	30.8	30.6	31.9	34.4
- As % of consolidated revenues	10.8%	10.9%	9.7%	9.3%	9.7%

At December 31, 2014, accounts receivable represented 86 days' revenue, including 13 days of invoices to be issued:

2010	2011	2012	2013	2014
75 days	87 days	87 days	89 days	86 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 2014) 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, evolved as follows:

2010	2011	2012	2013	2014
14.2%	14.4%	14.7%	16.7%	15.6%

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 400,000 people out of a total of nearly 600,000 IT employees in France (2.5% of salaried employment, including IT employees working in digital service companies or with end customers, and excluding freelancers or independent subcontractors). The sector's revenues are estimated at around €49.5 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 into three subsectors as follows:

French market	2014 revenues	%
IT consulting and services	€30.4 billion	61%
Technology consulting	€8.8 billion	18%
Software publishing	€10.3 billion	21%
TOTAL	**€49.5 billion**	**100%**

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, grew by 1% in 2014. It is expected to grow by 1.5% in 2015:

Change in the French market	2012	2013	2014	2015 (e)
IT consulting and services	0%	-0.5%	+1%	+1.7%
Technology consulting	+2.0%	-1.5%	-1.5%	0%
Software publishing	+1.9%	+1.7%	+2.3%	+3.4%
TOTAL	**+0.8%**	**-0.2%**	**+0.9%**	**+1.8%**

Source: Syntec numérique – April 2015.

In 2015, the offshore segment should continue to account for between 6 and 7% of the IT services market in France.

For digital service companies, development will come from projects involving the digital transformation and innovation, such as SMACS (Social, Mobile, Analytics, Cloud and Security), which grew by 18% in 2014, with similar growth expected in 2015.

This acronym covers a wide variety of projects which involve infrastructures as well as applications.

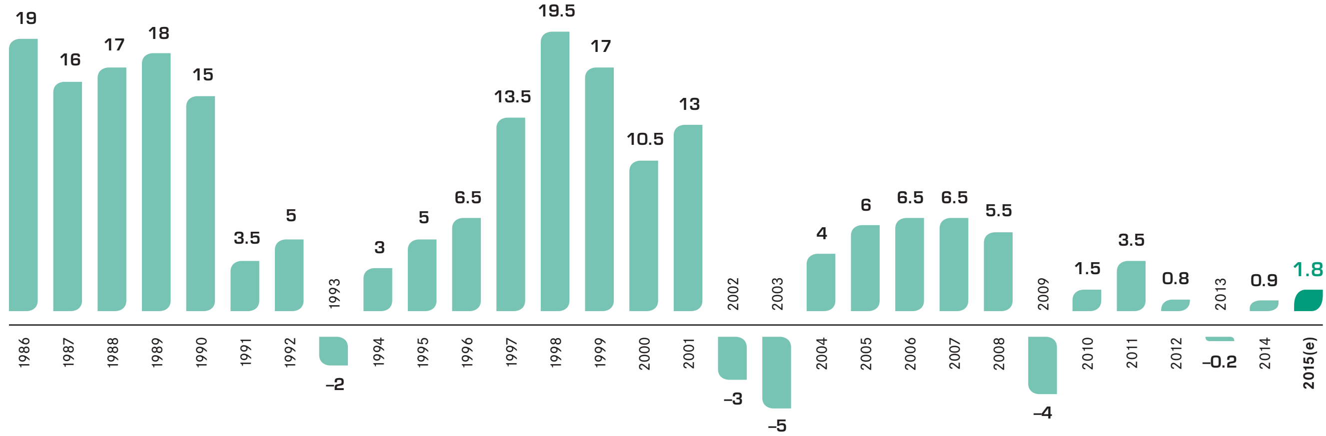
- Social: collaborative platforms, enterprise social networks,
- Mobility: redesign of mobile applications, unified workstations (tablets), mobile banking,
- Analytics et big data: BtoC digital marketing, finance, civil service,

- CLOUD COMPUTING: streamlining and modernization of infrastructures (public and private cloud computing, hybrid cloud, VDI, etc.),
- Security: projects concerning security.

The involvement of business departments in IT projects is expected to increase regularly.

For their part, software publishers should continue the development of SaaS.

Annual growth (as %) of the software and IT services market in France (1986-2014) – Source: Syntec Numérique



Competition

In terms of revenues, NEURONES is among the top 12 Consulting and IT Services companies in the highly fragmented French market (the number of companies with more than 10 staff is estimated at 3,800):

Revenues of main digital service companies in France*		French market share** (approximate share)	Nationality
1	Capgemini	6.6%	France
2	IBM	6.3%	United States
3	Atos	5.7%	France
4	Sopra Steria	4.4%	France
5	Orange Business Services	3.7%	France
6	Accenture	3.2%	United States
7	HP	3.1%	United States
8	CGI	2.9%	Canada
9	GFI	1.9%	France
10	Econocom	1.8%	Belgium
11	CSC	1.7%	United States
12	**NEURONES**	1.2%	France
	Top 12 total	42.5%	

* Excluding technology consulting companies: Altran, Alten, Akka Technologies, Assystem.
** French Consulting and IT Services market estimated at €30.4 billion.
Source: PAC (April 2015)

NEURONES encounters a wide range of digital service 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 of different sizes 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 digital service companies and dedicated companies of various sizes, who are sometimes specialized in a sub-segment (pure-play remote network integrators, or specialists in supervision, virtualization, storage or backup tools, for example).

Service desk

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

Server outsourcing in cloud computing mode, and IT security

In the private infrastructure cloud computing segment (IaaS), after a phase of highly fragmented competition, the number of players is decreasing, since the market is gradually becoming volume-based; with competitors differentiating themselves through services targeted at different client bases. The Group is not involved in public cloud computing (Amazon, Azure, etc.). The security specialists are small-sized companies or departments of large digital service companies.

Infrastructure outsourcing

In view of the "entry barrier" in this business, the Group only has around ten competitors: either comprehensive outsourcers or outsourcers specialized in infrastructures.

Application development, SAP integration and outsourcing, ECM and BPM

The competitors here are either small or medium-sized specialized services companies or specialized departments of large digital service companies.

IT consulting for finance

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

Mobility, social media, Big Data and analytics

The major digital service companies have been setting up specialized in-house departments, so there are now numerous startups catering to these new technology waves.

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 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),
- Group marketing and communications,
- cross-functional outsourcing management and total corporate-customer relationship management,
- quality and security, including prevention plans (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.

The billable (or "productive") workforce made up a stable proportion of the total headcount:

2010	2011	2012	2013	2014
90.6%	90.1%	90.0%	90.0%	89.8%

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, who 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. 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 department 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.

As soon as an entity attains the requisite size, a local marketing team is set up to handle its own marketing for service lines and clients, sometimes 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 multi-entity outsourcing projects. Each subsidiary manages its technical knowledge using its collaborative tools.

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' revenues. The certified activities include systems and network design/build and operation, IT operations, and 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 around 95% 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 and 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 still exist with the minority shareholders of one Group company. The repurchase prices are indexed on the operating profits of the company 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. To lessen the risk of key staff leaving the company, the Group practices very decentralized management and runs profit-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 6 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 constant 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 and to develop new ones to meet clients' changing needs, at the best possible price.

Client risks

The largest client represented 9.7% of the 2014 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 the commitments of fixed-price projects

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, 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 these rare cases, 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, experience shows that the risk of off-target performance on fixed-price application projects remains limited, given the size of the projects handled by the Group (< €1 million).

In the end, the most risky projects are now those involving infrastructure outsourcing. These recurring services are charged on a fixed-price basis and penalties are applied if the contractual service levels are not achieved. In the pre-sales phase, the service provider has to anticipate productivity levels for each activity, using its nomograms but without having all of the necessary background information in the specifications (apart from the usual information about the size of the installed base and the volumes, though even this is often incomplete). Outsourcers generally commit to a fixed price per workstation or per server, regardless of the number of technical acts to be performed. Additionally, outsourcers often commit to binding productivity gains throughout the duration of the contract. However, operations become far more productive with each successive renewal. This means that a new outsourcer might have to assign higher-level teams than originally planned to meet its service level commitments during the handover period or, worse still, during the routine operations phase. If so, the situation is analyzed and discussed with the outsourcing client at meetings specified in the contract, and a jointly agreed action plan is set up. In some extreme cases, the outsourcer's profitability may remain lastingly insufficient even so.

A provision for loss on termination is recognized for the projects or outsourcing operations concerned and in progress on the account-closing date (there were no instances prior to 2013, one contract at end-2013 and no contracts at end-2014). 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 between 6 and 7% of the IT services business in France in 2014 (40% of the offshore services delivered by French IT service companies are reported to be produced in India). Application development and TPAM, 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.

In the wake of the service center set up in Tunis, the Group now has an offshore presence in Timisoara and Singapore.

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 asset-based 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 claim and per calendar year (all damages combined: bodily injury, material and immaterial damage, whether consequential or not)
- operational liability: €10 million per claim (all damages combined: bodily injury, material and immaterial damage, whether consequential or not)
- senior managers' civil liability: €5 million per calendar year (all damages combined),
- property damage and business interruption: general contractual indemnity limit of €35 million per claim, with a contractual indemnity limit of €10 million for buildings and/or lease risks, general and technical facilities and a limit of €20 million for business interruption and additional expenses,

The total premiums linked to "civil liability" and "property damage and business interruption" policies (including those taken out directly by the subsidiaries, notably abroad) represent approximately 0.05% of the 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 points:
- 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 digital service 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 digital service 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, international). Initially, the Group channeled its efforts into attaining a significant size in its businesses, in the Paris region. Now, thanks to the initiatives of subsidiaries, the proportion of the business generated in French regions and abroad is becoming significant (15.5% of staff in regions, 5.5% of staff abroad).

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 o
- 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 often provide real project management;
- maintain a sufficient number of fixed-price teams: to be able to provide an accurate, 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 calls for tender.

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 capitalized on the balance sheet.

Since 2009, the Group has conducted a group-wide review of its R&D activities. In 2014, research tax credits were applied to the value of €0.5 million.

Financial investments

Over the 15 financial years since it was listed on the stock exchange in May 2000, the Group has made a number of acquisitions, of which 10 were of a significant size, for a total disbursement of €45.9 million at December 31, 2014 (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 (€151.7 million).

Cash flow statement* (in € millions)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	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	21.4	23.6	167.6
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	6.7	6.1	47.8
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	28.1	29.7	215.4
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)	(6.2)	0.6	(25.6)
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)	(5.5)	(5.3)	(38.1)
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	16.4	25.0	151.7
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)	(1.7)	(2.1)	(45.9)
Capital increase	29.9	-	-	-	0.2	0.8	0.3	0.5	0.1	0.3	0.4	1.1	0.4	0.3	1.5	35.8
Dividends and other items	(0.1)	(0.2)	-	-	-	(1.2)	(1.5)	(1.5)	(4.4)	(2.6)	(1.7)	(2.4)	(2.0)	(1.9)	(2.3)	(21.8)
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	+13.1	+22.1	+119.8
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	100.9	123.0	-

* Since the company was listed on the stock exchange in May 2000.

Net industrial investments

Industrial investments stood at €5.3 million (as against €5.5 million in 2013). Once again, they were channeled into developing cloud computing and service centers. including computer hardware and software, fittings and company cars.

In 2014, these investments were financed by the available cash and cash equivalents.

The Group leases all of the premises used (21,000 m^2 at January 1, 2015) 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 3.5% internal growth in 2014, broken down as follows:

(in € millions)	Q1	Q2	Q3	Q4	2014
2014 revenues	89.0	88.1	83.7	94.4	355.2
Year-on-year change	+6.7%	+3.6%	+2.7%	+1.3%	+3.5%
Operating profit	8.9%	9.4%	10.6%	11.2%	10.0%

2015 forecasts

When it met with financial analysts on March 5, 2015, NEURONES declared that:

- at end-2014, the Group had little "embedded" growth but that the number of contract signatures in 2014 had been positive,
- in 2015, that it was possible it would benefit from the positive effects of recent fellow-company mergers (Atos-Bull, Sopra-Steria, Econocom-Osiatis, Capgemini-Euriware).

During this presentation, it reported the favorable and unfavorable factors that might affect the market and the company in 2015.

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 situation 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.

It was also stated that NEURONES' estimates for 2015 will be announced, as usual, when it posts its 1st quarter revenues (May 6, 2015).

Provisional calendar of financial events

Shareholders' Meeting:

- Thursday June 4, 2015.

Revenue announcements*:

- Wednesday May 6, 2015 (1st quarter 2015),
- Wednesday July 29, 2015 (1st half 2015),
- Wednesday November 4, 2015 (3rd quarter 2015).

Profit announcements*:

- Wednesday September 9, 2015 (1st half 2015).

* at the close of trading.

2 CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT

2.1. MESSAGE FROM GENERAL MANAGEMENT

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, improve each person's well-being, avert risks, train, build loyalty, motivate, promote, anticipate expectations, engage in dialog and share the Group's capital. This is what is commonly called the employer's social responsibility, but it is also 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 ecosystem's stakeholders, 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, inform, challenge habits, anticipate, innovate and factor in the new environmental dimension, list avenues for improvement, measure, and rally the Group's people around issues that concern all citizens. After taking on a social dimension, the economy is now environmental, too.

Publishing this third Corporate Social and Environmental Responsibility Report is part of a proactive drive for continuous improvement: indicator files with more precise definitions, verification of processes and data-reporting tools, implementation of monitoring for data centers' electrical power consumption and fuel consumption, etc.

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.

2013: The Group rose to the 5th place in the Gaïa Index in the category for companies with revenues in the €150-500 million bracket.

2014: NEURONES is once again part of the Gaïa Index.

2.3. SOCIAL POLICY

To enable its 4,082 employees (at end-2014) to enjoy a stimulating environment, NEURONES endeavors to apply the best practices of a sound HR policy and measure the effects.
The workforce breakdown by geographic zone is as follows:

Greater Paris region	3,229	79%
Other French regions	630	15.5%
International	223	5.5%
TOTAL	4,082	

Workforce-related figures (below) are calculated for the entire Group, unless it is specifically stated that they refer to a smaller scope (e.g. France).

Active recruitment policy

Over 95.3% of staff in France (94.5% in 2013) have an open-ended work contract. The remaining employees have fixed-term contracts, primarily professionalization and apprenticeship contracts. Interns are not included in the headcount. Part-time workers are counted as one person.

At end-2014, 82 young people were working under a professionalization contract and 28 were doing an apprenticeship. During 2014, we received 32 people on internships.

The number of new recruits (open-ended and fixed-term contracts) has evolved as follows:

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
470	670	820	990	700	1,100	1,400	1,240	1,250	1,146

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

Over the past ten financial years, the following trend has been observed in year-end staffing levels:

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1,424	1,787	2,054	2,455	2,665	3,036	3,471	3,704	4,065	4,082

Staff turnover (number of resignations during the year relative to the average staffing level of the year), was slightly down in 2014 and is generally stable over the last five years:

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
15%	18%	20%	21%	10%	12%	16%	14%	11%	13%

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 2014, staff arrivals and departures can be broken down as follows:

Detailed figures concerning staffing	2012	2013	2014
Arrivals	**1,240**	**1,248**	**1,146**
Departures:			
Resignations	513	421	522
End of trial periods	194	125	152
Redundancies	115	130	156
End of fixed-term contracts, internships and apprenticeship contracts	93	141	188
Mutual-agreement terminations	55	54	85
Transfers and others	32	16	26
Total departures	**1,002**	**887**	**1,129**
NET INCREASE IN HEADCOUNT	238	361	17

Working hours

Over 98.5% of the workforce in France work full time. With the exception of the two training entities, the Group's employees are covered by the Syntec collective agreement. This means they are entitled to a number of additional days' leave (called "RTT" in French), depending on the subsidiary for which they work and their position: non-managerial, admin, technician and supervisory staff; managers who work a set number of hours per week; managers who work a set number of days per year.

Remuneration

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

In 2014, gross remuneration amounted to a total of €151,857,000 (€144,976,000 in 2013). This amount includes fixed and variable pay, and provisions for paid leave and RTT leave. It does not include the social security contributions paid by the employer, statutory and optional profit sharing, the employer's contribution to meals and public transport passes, occupational health services, payments to works councils, or, of course, the fees paid to subcontractors.

The Group's average headcount stood at 4,046 people in 2014 (3,857 in 2013). The average gross salary remained stable at €37,500 per year (€37,600 in 2013, and €37,400 in 2012).

Six stock option plans and five bonus-share plans were conducted between 1999 and 2012. Those that reached maturity were heavily subscribed. 100% of employees, who benefit from stock option plans, have been able to exercise their options at a profit or are currently enjoying capital gains. The plans that have yet to mature concern approximately 2% of the Group's staff.

Careers

The following concrete measures have been taken to facilitate mobility:

- for over 90% 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 training plan is defined each year based on the company's technological anticipations and future requirements, as well as the needs expressed by clients and employees' wishes. It primarily includes technical training programs, but also management and language training courses.

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.

The proportion of training courses using online platforms is growing rapidly.

Training plan (days x participants):

2010	2011	2012	2013	2014
6,900	7,000	9,600	9,300	8,100

Training courses eligible within the on-going occupational training system in France and courses of the same type completed during the year for other Group entities. Group staff. 56,700 hours of training in 2014, i.e. 8,100 days x 7 hours.

During the verification of data collected for 2014, downward restatements were conducted in three entities in order to comply with the definition of the training schemes decided upon by the Group.

Active in-house communications

Each line-of-business subsidiary has its own in-house communication tools (Intranets, in-house newsletters, briefing meetings or recreational gatherings), in addition to which there is the Group's in-house magazine ("Talents") and a half-day induction program for new hires. All the tools aim to integrate, and inform staff, to combat anonymity and to foster exchanges.

Well-balanced average age

The average age of our team members was 35.2 years at end-2014 (compared with 34.7 years at end-2013), broken down as follows:

Workforce breakdown by age bracket	2012	2013	2014
under 25 years	7%	7%	8%
25 to 29 years	23%	23%	22%
30 to 34 years	26%	24%	24%
35 to 39 years	20%	20%	19%
40 to 44 years	13%	14%	14%
45 to 49 years	7%	7%	8%
50+ years	4%	5%	5%
TOTAL	100%	100%	100%

Company-wide agreements and action plans for employees over the age of 50 were introduced at the end of 2009. At end-2014, the latter (over 50 year-olds) represented 5% 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.

As regards the staff in France, a total of 7.7% of employees are non-French nationals, representing 48 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 (which together represent 65% of total staff) is compared by level of qualification each year in preparation for the mandatory annual negotiations. These comparisons may also be extended to other NEURONES entities.

In the Consulting division, there is total gender equality, in terms of staffing (50%) and remuneration.

On an international level, the percentage of female staff is higher than in France (Romania: 82%, Tunisia: 41%, Singapore: 24%).

Disability

The Group strives to be "disabled-friendly" and raise the percentage of disabled people in its workforce, currently 1%, which it feels is insufficient, even if around the average for digital service companies. 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 €74,000 in 2014 (€28,000 in 2013).

Labor-management relations

In France, there is regular dialog with the employee representative bodies (works council members, employee representatives, workplace health, safety and welfare committee (CHSCT) members and union representatives). Because of the Group's decentralized structure built around line-of-business subsidiaries, there are a large number of collective agreements. The two largest entities (65% of staff) each have six agreements in force: mandatory annual pay negotiations, night work and on-call duty, the "contrat de génération" mentoring scheme, gender equality, the 35-hour week, statutory profit sharing, optional profit sharing, if applicable, and employee savings schemes. Created in 2013, the Group works council, with 14 union representatives, meets every year.

In Tunisia, a staff consultation commission has been set up. This joint labor-negotiations commission is made up of two company representatives and two elected staff representatives. A staff representative has been appointed in Romania. In Singapore, a works council has not yet been created.

Health and safety at work

In France, the workplace health, safety and welfare committees (CHSCT) of 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 health service.

In tertiary businesses, the main known risk remain 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.

The Group is currently studying measures to combat the issue of absenteeism:

Indicators	2012	2013	2014
Absenteeism rate*	3.5%	3.7%	4.2%
Number of lost-time injuries *(of more than 1 day)*	24	35	39
Corresponding number of days absent	850	1,256	1,147
Lost-time injury frequency rate *(number of lost-time injuries per million hours worked)*	4.9	6.5	7.0
Lost-time injury severity rate *(number of days of paid sick leave per thousand hours worked)*	0.17	0.23	0.21

* Number of days absent: sickness, accidents at work, leave to care for sick children, leave for family events, as a ratio of the theoretical number of days of work. The number of accidents and days absent indicated correspond to the "Zadig" scope.

Promotion of and compliance with ILO (International Labour Organization) conventions

NEURONES is committed to abiding by the ILO Declaration on Fundamental Principles and Rights at Work. It undertakes to abide by national and local labor regulations on the minimum age for entering the workforce, the refusal of forced or compulsory labor or excessive disciplinary practices, non-discrimination, freedom of association and the right to collective bargaining, working hours, pay, health and safety.

In Tunisia, Romania and Singapore the weekly working time is 40 hours. In these three countries, the employees benefit from supplementary health insurance financed by the Group. The youngest employees are 20 years old, as in France.

Prevention of corruption

A chapter is devoted to the policy concerning gifts and invitations in the "Group Management Rules" handbook. It is given to employees deemed to be the most exposed (around 5% of the staff) as well as to subsidiary directors abroad.

2.4. 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 EcoVadis questionnaires.

Subcontractors and suppliers

In 2014, purchases of subcontracted services for the Group as a whole amounted to €55.2 million, or 15.6% of sales.

The Group 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.

Subcontractors are formally evaluated and made aware of CSR concerns. In some ISO 9000-certified Group subsidiaries, part of the evaluation is based on CSR.

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.

In France, NEURONES essentially channels its apprenticeship tax into the following establishments: Centrale Lille, Ece, Efrei, Em Strasbourg, Ensiee, Epita, Esg Management School, Esiea, Esiee, Esigetel, Esilv, Euridis, Ingesup, InTechInfo, Isep, Itic, Mines d'Alès, Mines de Paris, Supinfo, Telecom Paritech and Utc Compiègne.

NEURONES participates in many school job fairs each year.

Volunteering with civil society

The Group performs services free of charge for the Croix Rouge (the French Red Cross) and co-financed a skipper for the Route du Rhum yacht race in 2014. It has signed a "Town Council-Company" charter with the municipality of Nanterre and the Mont-Valérian group of municipalities. It encourages initiatives by staff who wish to get involved in their local community or the voluntary sector (Handigolf, etc.), giving of their time or creativity.

Indicator (in € thousands)	2012	2013	2014
Budget devoted to partnerships and sponsorships	44	63	58

SKILL SPONSORSHIPS AND "NON-PROFIT" CONSULTING

This scheme, which was established by the French Aillagon Act in 2003, allows a business to delegate staff members to work for public-interest non-profits during their working hours on an occasional basis, either free of charge or at a discounted rate. The Group's consulting business provides assistance under this scheme to the Relais des Aidants (a caregiver support network).

Drawing on the success of this initiative, the Group Management Consulting firm decided to participate in the creation of a non-profit structure devoted to supporting associations, along with three fellow companies.

Security of consumer personal data

The Group works on client applications which manage personal data (bank data, health data, e-mail inboxes, etc.). In certain cases, it makes contractual commitments to guarantee the confidentiality, integrity and availability of this data. Pursuant to the legislation in force, the internal security procedures define the security rules and set out the rare cases in which a Group employee is entitled to access personal data.

2.5. ENVIRONMENTAL POLICY

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.

For its two subsidiaries with over 500 employees, the Group sends in greenhouse-gas emission audits every three years to the DRIEE Ile-de-France (the local environment and energy department).

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 both client and company 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)

Based on a common scale (tons CO_2 equivalent), the Group's fuel consumption linked to travel (professional, home-workplace commuting) is three times higher than the electricity consumption in its buildings and data centers.

NEURONES has therefore:

- started systematically using "place of residence" data in its project team allocation systems. This means that, as far as possible, it recruits in labor market areas close to its service centers to limit daily commutes,
- 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),
- encouraged and facilitated the various videoconferencing systems.

Indicator	2012	2013	2014
Share of employees in the Paris region using public transport to commute to work	53.3%	57.3%	57.0%
Kilometers covered by company cars belonging to NEURONES (in thousands, entire Group)	nd	nd	2,700
Kilometers reimbursed through expenses sheets (in thousands, entire Group)	nd	nd	1,350

A study of employees' place of residence in the Paris region (79% 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.

It has been found that it is more efficient to locate 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. Therefore, 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 south/south-east of Paris, depending on where they lived.

For NEURONES' vehicle fleet and reimbursed professional journeys (per km), the annual consumption is estimated at 620 tons CO_2 equivalent. This figure is calculated on the basis of average consumption per fleet vehicle at 6 liters/100km and 15,000km traveled per year. For professional trips, 2,530km are reimbursed on average a year and per employee concerned.

For home-workplace commuting, NEURONES does not currently have a sufficiently reliable estimation of the number of kilometers traveled by car. This aspect alone could correspond to a consumption of around 1,600 tons CO_2 equivalent per year.

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. The system has been in place for over two years and is now used by 6 pairs of people (12 people).

VIDEOCONFERENCING AND REMOTE JOB-APPLICANT INTERVIEWS

Around ten rooms have been equipped for videoconferencing (using Polycom). Each room is used eight times a month on average. Staff are encouraged to use Webex. The number of remote job-applicant interviews (using Skype or Link) has risen to 30 per year for applicants in the Paris region and 100 per year for applicants in other French regions.

Energy efficient buildings

Low-energy systems have been installed: such as lighting, individually-adjustable energy-efficient air conditioning, and presence detectors.

Indicators	2012	2013	2014	GRI*
Electricity consumption per m² and per year (excluding datacenters) (in kWh/m²)	157	151	139	EN3
Electricity consumption expresses as CO_2 emissions (in kg of CO_2/m²)	13.2	12.7	13.4	

* GRI (Global Reporting Initiative): international reference base.

Scope: 80% of the surface area occupied by the Group.
Using the Ademe (French Environment and Energy Management Agency) emission factors: France 78kg of CO_2 per MWh, Tunisia 463kg of CO_2 per MWh, Romania and Singapore 499kg of CO_2 per MWh.

Total annual consumption for the buildings used by the Group (excluding datacenters) is estimated at 2,800 MWh (280 tons CO_2 equivalent). The consumption of teams on client premises (which was not possible to calculate) is considered as being managed by the clients.

The average energy consumption for tertiary buildings in France stands at 211 kWh/m² (source: Club des Acteurs du Développement Durable). Work is in progress to make the measurement of this indicator more accurate.

STANDBY MODE FOR COMPUTERS AT NIGHT AND ON WEEKENDS

A novel system for turning off workstations was installed in production in all service desk centers (Nanterre, Ivry, Angers, Tunis, Timisoara in progress). It uses a “home-made” script rather than the standard Windows GPO tool to turn the machines off at 10:30pm. Users readily accepted the system because it enables a rapid workstation start-up in the morning (4 seconds), unlike the standard systems (a matter of minutes). It is estimated the new system cut electricity consumption by 10%.

Electricity consumption of “green IT” datacenters

It should be borne in mind that electricity consumption per m² in a datacenter is commonly five times higher than in a regular service-sector office.

The Group has gradually transferred the servers managed in its own datacenters to “simple hosting” specialists. As such, most hosted servers are now with five “Tier 3+” certified partner hosting companies in ten different datacenters (eight in France, two in Tunisia). The Group’s two units (in Nanterre and Lyon) are being maintained, but their servers are gradually being transferred elsewhere. Today they are used only as telecom network nodes and backup datacenters for certain clients.

CSR criteria have been integrated and led to the selection of different hosting subcontractors providing effective PUE (Power Usage Effectiveness – see glossary) ratios in the target range of 1.4 to 1.5 (at full load). The objective is to gradually reduce the average PUE ratio by progressively increasing the load rates of cabinets and by preferring next generation datacenters with a low PUE.

Indicators	2014
Number of cabinets "switched on" (entire Group)	106
Real average power per cabinet in kW	2.35
Total consumption in MWh (after PUE)	3,600
Average PUE	1.66

The annual consumption of the datacenters, estimated at 380 tons CO_2 equivalent, has already exceeded the consumption of the offices used by the Group.

Recycling: paper, computer workstations, ink cartridges

The recycling of consumables (printer toners, electric batteries, etc.) has been in place for several years. In compliance with the current regulations on Waste Electrical and Electronic Equipment (WEEE), end-of-life computer hardware is sold to approved brokers (e.g. the “La Gerbe” association).

Printers and copiers are increasingly set up to print in black and white and recto/verso. Growing use is made of digitized archiving, especially by sales administration and accounting teams, rather than hard-copy files.

Indicator	2012	2013	2014
Quantity of paper consumed per m² and per year	862 g/m²	818 g/m²	711 g/m²

Paper in A4 or A3 format.

WASTE SORTING

An entity with about 100 employees is sorting waste for recycling with the “Le Cèdre” association”. There are three bins: for paper and cardboard, cans and paper cups. “Le Cèdre” makes two collections per month, for around €80 (excluding tax) per collection. The system has not been brought into wider use at the large sites in Nanterre, where it is hoped that the city council will collect rubbish that has been sorted beforehand.

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 less CO_2 emissions, by eating less meat, for example. It is included in a handbook of eco-friendly initiatives, the first version of which was brought out in 2013.

2.6. METHODS USED

Reporting scopes

Three scopes have been defined for producing detailed indicators:
- all of the France subsidiaries managed in ADP-GSI's HR software. This scope, known as "Zadig", covers 90.2% of the Group's workforce and 95.4% of the France workforce,
- the "France" scope, which covers 94.5% of the Group's workforce,
- the entire Group scope ("Group").

Indicators were produced for the following scopes:

- "Zadig" scope: percentage of open-ended work contracts (CDI), average age, breakdown by age bracket, percentage of senior employees, of non-French nationals, number of nationalities, gender breakdown, percentage of full-time jobs, absenteeism rate, lost-time injury frequency and severity rates, proportion of employees using public transport,
- France "scope": number of apprenticeship contracts, professionalization contracts, interns, purchases from organizations set up to work specifically with disabled staff, number of school job fairs, sponsorship,
- Group "scope": headcounts, incoming/outgoing employees, turnover, payroll, average salary, subcontracting purchases, training hours and days, sponsorship and partnership budgets, fuel consumption, energy consumption in offices and datacenters, weight of paper consumed per m2 of office space.

The subjects of the regional, economic and social impact of the activity and Waste Electrical and Electronic Equipment (WEEE) were analyzed for the France scope.

To analyze outgoing employees by type, an extrapolation was carried out from the "Zadig" scope (88% of departures) to determine the total number of outgoing employees for the Group.

The energy consumption indicator for buildings (excluding datacenters) is calculated on the areas that correspond to the consumption and which were used for 12 months in a row. In 2014, this indicator was calculated on 80% of the premises' total surface area (69% in 2013). The total consumption of 2,800 MWh was extrapolated from the average consumption noted for 80% of the surface area.

The energy consumption in the datacenters was published for the first time in 2014. It was calculated using available data, which differed according to the infrastructures concerned: either kWh consumed after PUE, or the average power in KW per cabinet before PUE (which has been estimated). The calculation methods for this indicator will need to be progressively standardized.

Fuel consumption is also published for the first time in 2014. The values are relatively approximate, notably as regards the average consumption of vehicles including a quota share of motorbikes, and the average number of kilometers for commutes (the figure decided upon was 5,000km per year and per employee using their own vehicle). Significant sampling will be conducted to make this data more reliable.

Sources and tools used

The indicators for the "Zadig" scope come from the common HR system. The indicators for the "France" and "Group" scopes come from non-financial and CSR annual reports in each subsidiary, and consolidated across the relevant scope.

Consolidation and control methods

NEURONES chose to use only those indicators that were relevant to its businesses and could be calculated accurately.

The Group's suppliers and subcontractors are not located in countries listed on the World Bank's list of the most exposed States in terms of Human Rights, except for Tunisia. In this country, the Group uses subcontractors with higher education diplomas (other IT service companies, consultants, accounting firm and auditors).

Note also that the Group only has service-sector dealings.

The following Grenelle II indicators were discarded:
- means devoted to the prevention of environmental risks and pollution,
- provisions and guarantees for environmental risks,
- measures concerning discharges into water, air and soil,
- noise pollution,
- adjustment to the consequences of climate change,
- impact of the business's operation on the neighboring or local population,
- water consumption,
- measures taken to protect biodiversity.

2.7. AUDITOR'S OPINION

Report by one of the auditors, appointed independent third party, on the consolidated social, environmental and community information shown in the management report.

Financial year ended December 31, 2014

To the shareholders,

In our capacity as auditor of the company NEURONES and as the appointed independent third party, accredited by the COFRAC under number 3-1049[1], we hereby present our assurance report on the consolidated social, environmental and community information relating the financial year ended December 31, 2014, presented in the company's management report (hereinafter "the CSR information"), under Article L.225-102-1 of the French Commercial Code.

Company's responsibility

It is the Board of Directors' responsibility to draw up a management report containing the CSR information specified in Article R.225-105-1 of the French Commercial Code, prepared in accordance with procedures used by the company (hereinafter "the reference bases"), a summary of which is included in the management report, and which is available on request from the company head office.

Independence and quality control

Our independence is defined by the regulatory texts, the code of professional conduct and the provisions of Article L.822-11 of the French Commercial Code. Moreover, we have set up a quality control system that contains documented policies and procedures aimed at ensuring compliance with the rules of professional conduct, the standards of professional practice and the applicable legal and regulatory texts.

Auditor's responsibility

Based on our audit, it is our responsibility to:
- certify that the required CSR information is contained in the management report or, in the event of omission, that there is an explanation pursuant to the third paragraph of Article R.225-105 of the French Commercial Code (Statement confirming the presence of the CSR information);
- express a conclusion of limited assurance that all the significant aspects of the CSR information have been truthfully set out in accordance with the Reference bases (Assurance statement on the truthfulness of the CSR information).

Our work was carried out by a team of five people between October 2014 and April 2015 for a duration of approximately two weeks. To assist with the audit, we called on our CSR experts.

We conducted the audit described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 setting out the procedure by which the independent third-party body is to carry out its assignment and, as regards the assurance statement, the ISAE 3000 international standard [2].

1. Statement confirming the presence of the CSR information

Through interviews with the department heads concerned, we learned about the sustainable development priorities, based on the social and environmental consequences of the company's business and its community commitments and, if applicable, the ensuring actions or programs.

We compared the CSR information presented in the management report with the list set out in Article R.225-105-1 of the French Commercial Code.

If certain consolidated information was missing, we checked that explanations had been provided in accordance with Article R.225-105 paragraph 3 of the Commercial Code.

We checked that the CSR information covered the consolidated scope, namely the company and its subsidiaries as defined in Article L.233-1 and the companies it controls as defined in Article L.233-3 of the Commercial Code, with the limitations specified methodological note presented in the "Corporate social and environmental responsibility" section of the management report.

Based on our work and given the limitations mentioned above, we certify that the required CSR information is contained in the management report.

2. Assurance statement on the truthfulness of the CSR information

Type and scope of the audit

We conducted five interviews with the people responsible for preparing the CSR information for the departments in charge of the information-gathering process and, where applicable, the people responsible for internal control and risk management processes, in order to:
- judge whether the Reference bases were suitable, i.e. relevant, exhaustive, accurate, neutral and understandable, based on industry best practice, where appropriate;
- check that a process was in place for collecting, compiling, processing and checking the exhaustiveness and consistency of the CSR information, and learn about the internal control and risk management procedures applied to the production of the CSR information.

We determined the type and scope of our tests and controls on the basis of the type and importance of the CSR information in the light of the company's characteristics, the social and environmental issues at stake in its operations, its sustainable development policy and industry best practices.

For the CSR information that we deemed most important[3]:
- for the consolidating entity, we consulted the source documents and conducted interviews to corroborate the qualitative information (organization, policies, actions), we applied analytical procedures to the quantitative information and, based on spot checks, checked the calculations and consolidation of the data, and we checked that it was consistent with and matched the other information contained in the management report;
- we conducted interviews at the company's head office to check that procedures had been correctly applied and we carried out tests of details on the basis of samplings, consisting in checking the calculations made and comparing the data with the supporting documents. Our work covered 90% of the workforce and between 22% and 100% of the quantitative environmental information.

For the other consolidated CSR information, we assessed its consistency by comparison with our knowledge of the company.

Lastly, where applicable, we assessed the validity of the explanations for the total or partial absence of certain information.

We believe that the sampling methods and sample sizes we used on the basis of our professional judgment allow us to form a conclusion of limited assurance; a higher level of assurance would have required a more extensive audit. Because of the use of sampling techniques and the other limitations inherent in any information and internal control system, the risk of non-detection of a significant anomaly in the CSR information cannot be totally eliminated.

Conclusion

Based on our audit, we did not find any significant anomaly that could invalidate the fact that the CSR information, as a whole, is presented truthfully and in accordance with the Reference bases.

Observation

Without calling into question the above conclusion, we would like to draw your attention to the fact that certain information[4] relates to a limited scope and that certain information[5] is estimated on the basis of the methods specified in the methodological note presented in the "Corporate social and environmental responsibility" section of the management report.

Paris La Défense, April 13, 2015

KPMG Audit
Department of KPMG S.A.

Jean-Marc Laborie
Partner

KPMG Audit
Department of KPMG S.A.

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(1) The scope of which is available on the Cofrac website: www.cofrac.fr

(2) ISAE 3000 – International Standard on Assurance Engagements, setting out the principles and procedures to be applied during non-financial audits.

(3) Social information:
- Indicators: registered end-of-period headcount and breakdown by gender, age and geographic zone, number of new hires and redundancies, number of training days, absenteeism, lost-time injury frequency and severity rates.
- Qualitative information: training policies and measures taken in favor of gender equality

Environmental information:
- Indicators: energy consumption per m (excluding datacenters), and related CO_2 emissions, datacenter energy consumption per m and related CO_2 emissions, paper consumption per m^2, number of kilometers traveled (professional journeys and company vehicles).
- Qualitative information: energy consumption and measures taken to improve energy efficiency, and the use of renewable energies.

Qualitative community information: actions implemented to prevent corruption.

(4) In particular, social indicators are based on a 90% of the consolidated headcount; the energy consumption (excluding datacenters) and the related CO_2 emissions are based on 80% of the surface area of the Group's sites.

(5) In particular, the energy consumption of the datacenters, fuel consumption and the related CO_2 emissions.

3 CONSOLIDATED FINANCIAL STATEMENTS

3.1. CONSOLIDATED FINANCIAL SITUATION (AT DECEMBER 31, 2014)

ASSETS *(in € thousands)*	Notes	12/31/2013	12/31/2014
NON-CURRENT ASSETS			
INTANGIBLE FIXED ASSETS	*Note 1 / Note 2*	36,700	36,576
Tangible assets	*Note 3*	7,668	8,282
Financial assets	*Note 4*	3,042	3,701
Other financial assets valued at fair value	*Note 4*	-	-
Deferred tax credits	*Note 5*	2,223	2,090
TOTAL NON-CURRENT ASSETS		49,633	50,649
CURRENT ASSETS			
Inventory	*Note 6*	206	172
Deferred tax credits due		4,255	5,621
Trade accounts and notes receivable	*Note 7*	123,567	124,573
Cash and cash equivalents	*Note 8*	101,055	123,153
TOTAL CURRENT ASSETS		229,083	253,519
TOTAL ASSETS		278,716	304,168

SHAREHOLDERS' EQUITY AND LIABILITIES *(in € thousands)*	Notes	12/31/2013	12/31/2014
SHAREHOLDERS' EQUITY			
Capital		9,585	9,593
Additional paid-in capital		31,059	31,161
Consolidated reserves and profits		121,136	139,747
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	*Note 9*	161,780	180,501
Minority equity investments		13,429	16,374
SHAREHOLDERS' EQUITY		175,209	196,875
NON-CURRENT LIABILITIES			
Non-current provisions	*Note 10*	581	722
Non-current financial liabilities		-	-
Other non-current liabilities		-	-
Deferred tax liabilities		-	-
TOTAL NON-CURRENT LIABILITIES		581	722
CURRENT LIABILITIES			
Current provisions	*Note 11*	2,597	2,834
Taxes due		895	1,048
Trade and other accounts payable	*Note 12*	99,200	102,287
Current financial liabilities and bank overdrafts	*Note 13*	234	402
TOTAL CURRENT LIABILITIES		102,926	106,571
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		278,716	304,168

3.2. CONSOLIDATED INCOME STATEMENT (FOR THE YEAR ENDED DECEMBER 31, 2014)

(in € thousands)	Notes	2013	2014
Sales of goods		9,620	10,191
Sales of services		333,545	344,979
REVENUES		343,165	355,170
Purchases consumed		(8,166)	(9,369)
Salaries and related expenses	*Note 14*	(215,622)	(225,495)
External expenses	*Note 15*	(79,408)	(79,306)
Taxes and duties		(6,019)	(5,818)
Allocations to amortization and depreciation	*Note 16*	(4,107)	(4,553)
Allocations to provisions	*Note 16*	(687)	(64)
Impairment of assets	*Note 16*	-	-
Other income	*Note 17*	3,969	5,399
Other expenses	*Note 17*	(171)	(114)
Other operating income	*Note 18*	43	37
Other operating expenses	*Note 18*	(106)	(347)
OPERATING PROFIT		32,891	35,540
– as percentage of revenue		*9.6%*	*10.0%*
Financial income		1,952	1,857
Financial expenses		(97)	(140)
Net Financial profit (loss)	*Note 19*	1,855	1,717
PRETAX PROFIT		34,746	37,257
– as percentage of revenue		*10.1%*	*10.5%*
Corporate income tax	*Notes 20 / 21*	(13,360)	(13,647)
PROFIT FOR THE PERIOD FROM ONGOING ACTIVITIES		21,386	23,610
– as percentage of revenue		*6.2%*	*6.6%*
PROFIT FOR THE PERIOD		**21,386**	**23,610**
Including:			
Profit attributable to parent company shareholders (Group share)		**18,570**	**20,505**
Profit attributable to minority equity investments (minority interests)		**2,816**	**3,105**

Diluted earnings per share - Group share (in €)	0.78	0.86
Number of shares*	23,772,962	23,972,765
Diluted earnings per share - Group share (in €)	0.77	0.85
Number of shares*, stock options & exercisable bonus shares allocated	24,024,123	24,228,469

* Number of shares weighted over the period.

3.3. OTHER CONSOLIDATED FINANCIAL ITEMS

Statement of consolidated comprehensive income for the year ended December 31

(in € thousands)	2013	2014
Profit over the period	**21,386**	**23,610**
Translation adjustments – activities abroad	(72)	(21)
Other items in comprehensive income	(72)	(21)
Comprehensive income	**21,314**	**23,589**
Including:		
• share attributable to parent company shareholders (Group share)	18,506	20,517
• share attributable to minority equity investments	2,808	3,072

Consolidated statement of cash flows for the year ended December 31

(in € thousands)	2013	2014
Consolidated income before minority interests	**21,386**	**23,610**
Elimination of non-monetary items:		
• Net allocations to amortization, depreciation and provisions	5,336	5,213
• Expenses / (Income) related to stock options and similar items	1,221	682
• Effect of discounting receivables and debts maturing in more than one year	118	217
• Capital losses / (gains) from disposals, net of tax	28	(17)
• Capital losses / (gains) from disposals of consolidated securities, net of tax	-	-
Cash flows from operating activities after net financial income and tax	**28,089**	**29,705**
• Net financial profit	(1,855)	(1,717)
• Taxes due	13,360	13,647
Cash flows from operating activities before net financial income and tax	**39,594**	**41,635**
Cash variation in:		
• Working capital requirement for operations	(3,666)	1,695
• Taxes paid	(15,905)	(14,728)
CASH FLOW FROM OPERATIONAL ACTIVITIES (2)	20,023	28,602
Acquisitions of intangible and tangible assets	(5,503)	(5,308)
Disposals of fixed assets, net of tax	42	26
Revenue from sales of financial assets	212	28
Acquisition of financial assets	(767)	(855)
Acquisition of companies, net of the acquired cash	-	-
Securities bought from minority shareholders of subsidiaries	(1,129)	(1,328)
Subscriptions to capital increases by minority interests of subsidiaries	118	1,422
Disposal of consolidated securities, net of tax	147	1
CASH FLOW FROM INVESTMENT ACTIVITIES	(6,880)	(6,014)
Capital increase – sums received from the exercise of stock options	69	110
Company buy-back and sale of its own securities	-	-
Dividends paid to parent company shareholders	(1,426)	(1,437)
Dividends paid to minorities of subsidiaries	(524)	(1,072)
Increase in financial liabilities	57	159
Decrease in financial liabilities	(13)	(22)
Net financial interest	1,855	1,717
CASH FLOW FROM FINANCING ACTIVITIES	18	(545)
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,161	22,043
CASH AND CASH EQUIVALENTS AT OPENING	87,756	100,881
Effect of foreign exchange variations on the cash held	(36)	24
CASH AND CASH EQUIVALENTS AT CLOSING	100,881	122,948

Statement of changes in consolidated shareholders' equity for the year ended December 31, 2014

SHAREHOLDERS' EQUITY (in € thousands)	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 12/31/2012	9,504	31,071	87,909	1,133	(246)	14,849	144,220	11,198	155,418
Movements for FY2013									
• Consolidated income for the year	-	-	-	-	-	18,570	18,570	2,816	21,386
Translation adjustments	-	-	(64)	-	-	-	(64)	*(8)*	(72)
• Total of other items in comprehensive income	-	-	(64)	-	-	-	(64)	(8)	(72)
Comprehensive income	-	-	*(64)*	-	-	*18,570*	*18,506*	*2,808*	*21,314*
• IFRS 2 restatements - stock options & bonus shares	-	-	-	1,221	-	-	1,221	-	1,221
• Capital transactions (stock options exercised)	5	64	-	-	-	-	69	-	69
• Bonus shares delivered	76	(76)	-	-	-	-	-	-	-
• Treasury share sales	-	-	-	-	33	-	33	14	47
• Allocation of 2012 profit	-	-	15,982	(1,133)	-	(14,849)	-	-	-
• Dividends paid by the parent company (0.06 per share)	-	-	(1,426)	-	-	-	(1,426)	-	(1,426)
• Change in scope	-	-	(843)	-	-	-	(843)	(67)	(910)
Total transactions with shareholders recognized directly in shareholders' equity	*81*	*(12)*	*13,713*	*88*	*33*	*(14,849)*	*(946)*	*(53)*	*(999)*
Minorities' share in subsidiaries' dividend distributions	-	-	-	-	-	-	-	*(524)*	*(524)*
SHAREHOLDERS' EQUITY AT 12/31/2013	9,585	31,059	101,558	1,221	(213)	18,570	161,780	13,429	175,209
Movements for FY2014									
• Consolidated income for the year	-	-	-	-	-	20,505	20,505	3,105	23,610
Translation adjustments	-	-	21	-	-	-	21	(33)	(12)
• Total of other items in comprehensive income	-	-	21	-	-	-	21	(33)	(12)
Comprehensive income	-	-	*21*	-	-	*20,505*	*20,526*	*3,072*	*23,598*
• IFRS 2 restatements - stock options & bonus shares	-	-	-	682	-	-	682	-	682
• Capital transactions (stock options exercised)	8	102	-	-	-	-	110	-	110
• Bonus shares delivered	-	-	-	-	-	-	-	-	-
• Treasury share sales	-	-	-	-	36	-	36	15	51
• Allocation of 2013 profit	-	-	19,791	(1,221)	-	(18,570)	-	-	-
• Dividends paid by the parent company (0.06 per share)	-	-	(1,437)	-	-	-	(1,437)	-	(1,437)
• Change in scope	-	-	(1,196)	-	-	-	(1,196)	930	(266)
Total transactions with shareholders recognized directly in shareholders' equity	*8*	*102*	*17,158*	*(539)*	*36*	*(18,570)*	*(1,805)*	*945*	*(860)*
Minorities' share in subsidiaries' dividend distributions	-	-	-	-	-	-	-	*(1,072)*	*(1,072)*
SHAREHOLDERS' EQUITY AT 12/31/2014	9,593	31,161	118,737	682	(177)	20,505	180,501	16,374	196,875

* 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 (- 45,000 in 2013)

3.4. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY IDENTIFICATION

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

2. DISTRIBUTION OF CONSOLIDATED FINANCIAL STATEMENTS

In its meeting held March 3, 2015, the Board of Directors closed the 2014 consolidated financial statements presented in this document, to be presented for approval at the Shareholders Meeting of June 4, 2015.

NEURONES' consolidated financial statements for the year ended December 31, 2014 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.

The following standards were applied for the first time on January 1, 2014:
- IFRS 10 – Consolidated financial statements
- IFRS 11 – Joint arrangements
- IFRS 12 – Disclosure of interests in other entities

The application of these standards had no impact on the annual financial statements. The characteristics of the changes introduced by IFRS 10, 11 and 12 are presented below:

Subsidiaries

Following the adoption of IFRS 10, the Group modified its accounting methods in order to determine whether it controlled its investees and therefore whether it should consolidate them. IFRS 10 introduced a new control model applicable to all entities, which requires that the Group determine if it holds power over the entity, if it is exposed to or has a right to variable returns due to its ties with the entity and if it has the ability to exercise its power so as to influence the amount of these returns. According to IFRS 10, an entity must be consolidated if it is controlled in effect.

Pursuant to the transitional provisions of IFRS 10, NEURONES re-examined the control of its investees at January 1, 2014 and did not change any of its conclusions on the control of investees.

Joint arrangements

Pursuant to IFRS 11, the Group modified its accounting methods for interests held in joint arrangements. According to IFRS 11, interests in joint arrangements are classified either as a joint operation or as a joint venture, depending on its rights to the assets and its obligations vis-a-vis the liabilities of the joint arrangement. During this evaluation, NEURONES considered the structure of the joint arrangement, the legal form of the distinct vehicle, the contractual stipulations and, where applicable, other facts and circumstances. Previously, the form of the joint arrangement was the only consideration of the classification.

The Group had no joint arrangements at January 1, 2014 nor at December 31, 2014.

Disclosure of interests in other entities

NEURONES does not hold significant interests in other entities.

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 methods used in the financial statements at December 31, 2013.

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 Group controls. The Group controls a subsidiary when it is exposed to or has the right to variable returns based on its ties with the entity and it has the ability to influence these returns due to the power it holds over the entity. Subsidiaries' financial statements are included in the consolidated financial statements from the date when control is obtained until the date when control ceases.

Minority equity investments

Minority equity investments are valued on a prorata basis with the net identifiable assets of the acquired company at the acquisition date.

The changes in the percentage held by the Group in a subsidiary not resulting in the loss of control are recognized as transactions affecting shareholders' equity.

Loss of control

When the Group loses control of a subsidiary, it de-recognizes the assets and liabilities as well as any minority equity investment and the other items of shareholders' equity related to this subsidiary. The potential profit or loss resulting from the loss of control is recognized in net income. Any interest kept in the former subsidiary is valued at its fair value at the date of loss of control.

Interests in equity affiliates

The Group's interests in equity affiliates includes the interests in affiliated companies and a joint venture.

Affiliated companies are entities where NEURONES has significant influence over its financial and operational policies without having control or joint control. The joint venture is a joint arrangement that gives the Group joint control, according to which it has rights to the net assets of the joint arrangement and not rights to its assets and obligations to take on for its liabilities.

NEURONES' interests in affiliated companies and the joint venture are recognized according to the equity method. They are initially recognized at cost, which includes the transaction costs. After the initial recognition, the consolidated financial statements include the portion attributable to the Group of the net income and other items of comprehensive income of the equity affiliates, until the day when the significant influence or joint control ends.

Transactions eliminated in the financial statements

Balance sheet balances, transactions, income and expenses resulting from intragroup transactions are eliminated. Profits resulting from transactions with the equity affiliates are eliminated by the cross-entry of equity method investments up to the Group's percentage interest in the company. Losses are eliminated in the same way as profits, but only insofar as they do not represent an impairment.

At December 31, 2014, all companies included in the scope of consolidation were subsidiaries. Subsidiaries' accounting principles have been modified to ensure homogeneity with the NEURONES' 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, goodwill is valued 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, and
- 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 method for determining the fair value of the consideration transferred is as follows:
- 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, other than those related to a debt or share issue, are expensed when they are incurred, and
- any potential consideration payable 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 fair value of the assets, liabilities and identifiable potential 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 assets").

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 fixed 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 profit on the line, "Allocations to amortization and 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 are not 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 homogeneous 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: "Operating segments").

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 homogeneous 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 "Impairment of assets" line.

Main criteria used to apply the DCF method of valuation

- the discount rate used is 5.5% after tax compared to 6.4% at December 31, 2013 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 profit, working capital requirements and capital expenditures are specific to each company, based on their size and business sector,
- the growth rate is based on planning budgets that take into account the organization's dynamism and market conditions. Depending on the companies, this rate is on average +3% to +20%,
- the residual value is determined based on a terminal growth rate of 2%.

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 prorata 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 of 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 do not 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 Company Value Added Contribution (CVAE) 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.

Actuarial gains and losses generated by changes in demographic or financial assumptions are recognized in other items of comprehensive income.

Furthermore, application of IAS 19 amended results in breaking down the change in the debt between the cost of services rendered, presented as operating profit, and the financial cost (corresponding to interest on the debt calculated based on the discount rate), presented as financial profit or loss. Given the amount of the debt related to pension liabilities, the financial cost impact is insignificant over the period.

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, 2014.

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 based on the stage of completion, 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 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, no operating segments were identified to be presented 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, and
- capital management risk.

The purpose of this note is to provide information about the exposure to each of these risks as well as the policies put in place to minimize these risks. Given the Group's current size and the daily involvement of two directors (CEO and Executive Vice-President) combined with the geographic proximity of the largest Group companies and subsidiary managers' participation in the share capital, it has not been deemed necessary to form a centralized risk management committee. Moreover, NEURONES' 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 addresses 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 significant 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 in order to avoid being penalized by a long-term commitment that might be out of phase with current market conditions.

Capital management

By design, managers hold 75% of the capital, which constitutes a solid 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 shareholders' 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 from January 1, 2014, applied without impact on the Group's financial statements at December 31, 2014
- IFRS 10: Consolidated financial statements;
- IFRS 11: Joint arrangements;
- IFRS 12: Disclosure of interests in other entities
- Amendments to IAS 27 and IAS 28 subsequent to IFRS 10, 11 and 12;
- Amendments to IFRS 10, 11 and 12: Transitional provisions;
- Amendments to IFRS 10, 12 and IAS 27: Investment entities;
- Amendments to IAS 32: Presentation – Netting of financial assets and liabilities;
- Amendments to IAS 39: Novation of OTC derivatives and continuing designation for hedge accounting;
- Amendments to IAS 36: Information about the recoverable amount of non-financial assets.

Mandatory implementation provisions after December 31, 2014, not applied in advance
- IFRIC 21: Duties or taxes;
- Amendments to IAS 19: Employee contributions

5. SCOPE OF CONSOLIDATION

5.1. List of consolidated companies

Companies consolidated by full consolidation	Registered head office	Commercial Register No.	12/31/2013			12/31/2014		
			% 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
Arondor Capture	22, Rue de la Pépinière 75008 PARIS	803,307,339	-	-	-	36%	70%	FC
AS Connect	120-122, Rue Réaumur 75002 PARIS	791,915,580	98%	100%	FC	98%	100%	FC
AS Delivery	120-122, Rue Réaumur 75002 PARIS	538,868,001	98%	100%	FC	98%	100%	FC
AS International	120-122, Rue Réaumur 75002 PARIS	349,528,356	98%	100%	FC	98%	100%	FC
AS International Group	120-122, Rue Réaumur 75002 PARIS	421,255,829	98%	98%	FC	98%	98%	FC
AS Production	120-122, Rue Réaumur 75002 PARIS	451,310,502	98%	100%	FC	98%	100%	FC
AS Synergie	120-122, Rue Réaumur 75002 PARIS	493,513,014	98%	100%	FC	98%	100%	FC
AS Technologie	120-122, Rue Réaumur 75002 PARIS	417,586,609	98%	100%	FC	98%	100%	FC
AS Telecom & Réseaux	120-122, Rue Réaumur 75002 PARIS	400,332,524	98%	100%	FC	98%	100%	FC
Axones	205, Av. Georges Clemenceau 92024 NANTERRE	443,739,693	100%	100%	FC	100%	100%	FC
Axones Tunisie	21, Rue de Jérusalem 1002 Belvédère - TUNIS	N/A	99%	100%	FC	-	-	-
Brains	27, Rue des Poissonniers 92200 NEUILLY-SUR-SEINE	790,625,883	28%	53%	FC	28%	53%	FC
Cloud Temple Tunisia	Gp1 Km 12 EZZAHRA	N/A	-	-	-	38%	50%	FC
Codilog	205, Av. Georges Clemenceau 92024 NANTERRE	432,673,838	76%	76%	FC	75%	75%	FC
Colombus Consulting	138, Avenue des Champs-Elysées 75008 PARIS	422,993,154	71%	71%	FC	71%	71%	FC
Colombus Consulting Tunisie	A.M1.2 Immeuble Emeraude Palace, Rue du Lac Windermere 1053 Les berges du lac TUNIS	N/A	38%	53%	FC	35%	50%	FC
Deodis	171, Av. Georges Clemenceau 92024 NANTERRE	439,832,353	90%	99%	FC	90%	96%	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
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 Romania	10/D Rue Coriolan Brediceanu 300011 TIMISOARA	N/A	75%	80%	FC	94%	100%	FC
Helpline Tunisia	21, rue de Jérusalem 1002 Belvédère - TUNIS	N/A	94%	100%	FC	94%	100%	FC
Intrinsec	215, Av. Georges Clemenceau 92024 NANTERRE	402,336,085	77%	77%	FC	76%	76%	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	Tampines Central 1 02-05 Tampines Plaza 529541 SINGAPORE	N/A	99%	100%	FC	99%	100%	FC
NG Cloud	121-123, Rue Edouard Vaillant 92300 LEVALLOIS-PERRET	801,244,492	-	-	-	75%	100%	FC
Novactor	22, Av. J-J Rousseau 78800 HOUILLES	494,513,815	48%	90%	FC	53%	100%	FC
Pragmateam	205, Av. Georges Clemenceau 92024 NANTERRE	411,264,641	56%	56%	FC	85%	56%	FC
RS2i	121-123, Rue Edouard Vaillant 92300 LEVALLOIS-PERRET	385,166,640	93%	93%	FC	100%	100%	FC
Viaaduc	205, Av. Georges Clemenceau 92024 NANTERRE	432,104,503	98%	100%	FC	97%	100%	FC

FC = Consolidation by full consolidation

5.2. Significant events

Impact of variations in the scope of shareholders' equity

(in € thousands)	% Stake at 12/31/2013	% Stake at 12/31/2014	Variation (%)	Impact on shareholders' equity attributable to parent company shareholders.	Impact on minority equity investments
RS2i	92.7	100	7.3	(756)	(486)
Intrinsec	77.3	76.1	-1.3	(108)	598
Pragmateam	55.7	84.9	29.2	(202)	(195)
Cloud Temple Tunisia	-	38	38	0	579
Codilog	76.4	75.3	-1.1	(73)	274
Others (< +/- €100,000)	-	-	-	(57)	160
TOTAL	-	-	-	(1,196)	930

Changes in percentage stakes

During FY2014, various transactions were carried out with certain minority partners in subsidiaries.

New companies formed

As part of setting up in Tunisia, Intrinsic created Cloud Temple Tunisia, with a local partner.

Acquisition and disposal of companies

No significant acquisitions or disposals of companies occurred during FY2014.

6. NOTES TO THE BALANCE SHEET

Note 1 – Intangible assets

(in € thousands)	12/31/12	↗	↘	12/31/12	Change in Scope	↗	↘	12/31/14
Goodwill (details in Note 2)	36,460	-	-	36,460	-	-	-	36,460
Patents and licenses	3,291	452	255	3,488	-	554	68	3,974
Contracts and contractual relationships	341	-	-	341	-	-	-	341
GROSS TOTAL	40,092	452	255	40,289	-	554	68	40,775
Amortization and depreciation	(2,716)	(500)	(255)	(2,961)	-	(397)	(68)	(3,290)
Impairment	(628)	-	-	(628)	-	(281)	-	(909)
NET TOTAL	36,748	(48)	-	36,700	-	(124)	-	36,576

The acquisitions of patents and licenses 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). They amount to €341,000 and are fully depreciated. No intangible assets have been pledged as security.

Note 2 – Goodwill

(in € thousands)	12/31/12	↗	↘	12/31/13	↗	↘	12/31/14
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	3,237	-	-	3,237	-	-	3,237
Codilog	2,587	-	-	2,587	-	-	2,587
Arondor	1,480	-	-	1,480	-	-	1,480
Others (< €1 million)	1,256	-	-	1,256	-	-	1,256
GROSS TOTAL	36,460	-	-	36,460	-	-	36,460
Impairment	(287)	-	-	(287)	(281)	-	(568)
NET TOTAL	36,173	-	-	36,173	-	-	35,892

Method and key assumptions used for impairment tests

Impairment tests are performed once a year at closing on December 31. Based on these tests, impairment of €281,000 was recognized on the Pragmateam CGU, namely all of the goodwill.

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)	12/31/12	↗	Reclass.	↘	12/31/13	↗	Reclass.	↘	12/31/14
Fixtures and installations	5,627	1,406	120	1,166	5,987	925	(150)	-	6,762
Transportation equipment	1,758	527	-	167	2,118	311	-	156	2,273
IT and office equipment	13,091	3,105	-	1,210	14,986	3,426	150	36	18,526
Fixed assets under construction	112	8	(120)	-	-	113	-	-	113
GROSS TOTAL	20,588	5,046	-	2,543	23,091	4,775	-	192	27,674
Amortization and depreciation	(14,309)	(3,584)	-	(2,470)	(15,423)	(4,154)	-	(185)	(19,392)
NET TOTAL	6,279	1,462	-	73	7,668	621	-	7	8,282

The investments correspond to:
- equipment and licenses 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 2013, the bulk of the increase in FY2014 comes from the investments in “cloud computing”.

No tangible asset has been pledged as security.

The decreases correspond primarily to scrapping.

Note 4 – Financial assets

(in € thousands)	12/31/12	↗	Reclass.	↘	12/31/13	Change in Scope	↗	Reclass	↘	12/31/14
Non-consolidated securities	128	-	(105)	-	23	121	-	-	-	144
Loans	1,393	415	-	16	1,792	-	377	-	15	2,154
Other financial assets	1,098	234	-	95	1,237	-	187	-	11	1,413
GROSS TOTAL	2,619	649	(105)	111	3,052	121	564	-	26	3,711
Impairment	(10)	-	-	-	(10)	-	-	-	-	(10)
NET TOTAL	2,609	649	(105)	111	3,042	121	564	-	26	3,701

The increase in non-consolidated securities corresponds to the creation of several subsidiaries at the end of 2014, which did not operate in 2014.

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

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

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)	12/31/13	12/31/14
Employee statutory profit sharing	825	740
Present value of receivables maturing in more than one year	578	652
Other temporary differences	545	392
Provision for retirement benefits	199	247
Tax losses deferrable indefinitely	76	59
DEFERRED TAXES CALCULATED	2,223	2,090
Compensation by tax entity	-	-
TOTAL DEFERRED TAXES	2,223	2,090

Note 6 – Inventory

(in € thousands)	12/31/13	12/31/14
Goods	211	177
GROSS TOTAL	211	177
Impairment	(5)	(5)
NET TOTAL	206	172

No inventory has been pledged as security.

Note 7 – Trade accounts and notes receivable

(in € thousands)	12/31/13	12/31/14
Trade receivables	89,708	91,445
Invoices to be issued	19,841	16,337
Payables: credit notes receivable	152	470
VAT and other taxes	11,193	13,218
Other receivables	188	142
Prepaid expenses	3,055	3,357
GROSS TOTAL	124,137	124,969
Impairment	(570)	(396)
NET TOTAL	123,567	124,573

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

(in € thousands)	Due				Not due	Total
	> 1 year	< 1 year	< 6 months	< 3 months		
Trade receivables	394	747	4,588	25,076	60,640	91,445
Impairment	(294)	(95)	-	(1)	-	(390)
Net value	100	652	4,588	25,075	60,640	91,055
TOTAL	0.1%	0.7%	5.0%	27.6%	66.6%	100%

Note 8 – Cash and cash equivalents

(in € thousands)	12/31/13	12/31/14
Term deposits	71,095	74,968
Monetary funds	9,901	6,872
Available funds	18,300	39,983
Accrued interest	1,759	1,330
GROSS TOTAL	101,055	123,153
Bank overdrafts	(174)	(204)
Medium-term loan: portion less than 1 year	-	(158)
NET TOTAL	100,881	122,791

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

The details of the term deposits are as follows:

Term deposits (in € thousands)	Rate*	Amount	Maturities			
			< 1 year	1 to 2 years	2 to 3 years	> 3 years
Financial institutions						
BPCE	2.8%	15,000	2,000	5,000	2,000	6,000
Crédit Agricole	2.5%	11,650	6,000	3,000	2,650	-
LCL	1.5%	9,858	9,858	-	-	-
Société Générale	1.6%	8,500	1,000	-	-	7,500
BNP	2.3%	5,500	5,500	-	-	-
ABN AMRO	1.1%	5,125	5,125	-	-	-
Crédit du Nord	1.4%	4,705	2,705	2,000	-	-
General Electric	3.5%	4,000	4,000	-	-	-
Crédit Mutuel	2.3%	3,630	250	3,380	-	-
Axa	2.0%	2,600	-	-	-	2,600
Others < €2,500 million		4,400	2,400	-	2,000	-
TOTAL		**74,968**	**38,838**	**13,380**	**6,650**	**16,100**

* The rates shown correspond to the average annual interest rates over the life of the term deposit. The yields for these deposits (based on progressive rate scales) were valued in the financial statements at the yield for these scales at 12/31/2014.

These term deposits can be mobilized anytime.

Note 9 – Shareholders' equity

Note 9.1 – Capital

At December 31, 2014, the share capital amounted to €9,592,703.60; comprised of 23,981,759 fully paid-up shares of the same class with a face value of €0.40.

During FY2014, 20,476 stock options were exercised, which resulted in the creation of 20,476 new shares:
- 3,810 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),
- 2,666 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),
- 14,000 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 €8,190.40 and the additional paid-in capital by €101,915.40.

The variation in the number of shares in circulation during FY2014 breaks down as follows:

Number of shares in circulation at 01/01/2014	Increase	Decrease	Number of shares in circulation at 12/31/2014
23,961,283	20,476	-	23,981,759

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.

Rules of the stock option plans

	Stock option plan No. 2	Stock option plan No. 3	Stock option plan No. 6
Shareholders' Meeting	11/29/99 & 06/09/11	11/29/99 & 06/09/11	06/25/04
Board of Directors meeting	07/27/00 & 03/31/11	07/11/01 & 03/31/11	06/28/06
Maturity date of the plans	07/27/05	07/11/06	07/01/10
Expiry date of the plans	07/26/15	07/11/16	06/30/14
Number of beneficiaries	171	238	39
- including managers	-	-	-
Number of shares granted	304,363	320,210	93,000
Number of expired options at 12/31/2013	(247,682)	(144,364)	(25,500)
Number of shares already subscribed at 12/31/2013	(11,907)	(154,564)	(53,500)
Number of options that expired during the period	(1,429)	-	-
Number of shares subscribed during the period	(3,810)	(2,666)	(14,000)
Number of options in circulation at 12/31/2014	39,535	18,616	-
Number of exercisable options at 12/31/2014	39,535	18,616	-
Subscription price (in €)	7.5	3.8	5.1
Potential dilution (excluding canceled options): % of capital at 12/31/2014	0.16%	0.08%	-
TOTAL POTENTIAL DILUTION	-	-	0.24%

The share subscription price for beneficiaries was determined the day the Board of Directors granted the options and could not 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 6, 2013 authorized the Board of Directors to allocate a bonus share plan for up to 237,000 common shares. During FY2013 and FY2014, the Board of Directors did not use this authorization, valid for a period of twenty-four months.

The different bonus share plans approved by the Board of Directors, still in their acquisition and/or retention period in 2014, have the following characteristics:

	Bonus share plan C	Bonus share plan D	Bonus share plan E
Date of the Shareholders' Meeting	06/11/09	06/10/10	06/09/11
Board of Directors meeting	07/24/09	12/14/10	06/07/12
End of acquisition period	08/01/12	12/15/13	06/08/15
End of retention period	08/01/14	12/15/15	06/08/17
Number of beneficiaries	44	68	61
- of which managers	-	-	-
Number of bonus shares allocated	167,000	230,000	221,000
Number of canceled shares at 12/31/2013	(59,000)	(40,000)	-
Number of shares in the acquisition period at 01/01/2014	-	-	-
Number of shares canceled during the acquisition period throughout the year	-	-	(8,000)
Number of shares in the acquisition period at 12/31/2014	-	-	213,000
Number of shares in the retention period at 01/01/2014	108,000	190,000	-
Number of shares in the retention period at 12/31/2014	-	190,000	-
Potential dilution (excluding canceled options) -% of capital at 12/31/2014	-	-	0.89%
TOTAL POTENTIAL DILUTION	-	-	0.89%

No performance conditions have been established for the plans allocated and described above.

The main criteria retained for the fair value valuation of the options 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:

	Bonus share plan C	Bonus share plan D	Bonus share plan E
Life	3 years	3 years	3 years
Volatility	35%	21%	25%
Risk-free rate	4.44%	4.33%	4.21%
Dividend payout rate	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 *(in €)*	Date of definitive allocation	Exercise price	Fair value	Price at the allocation date (euros)
June 2006 (plan No. 6) – Stock options	-	5.1	1.60	-
July 2009 (plan C) – Bonus shares	08/01/12	-	7.51	7.51
December 2010 (plan D) – Bonus shares	12/15/13	-	8.75	12.15
June 2012 (plan E) – Bonus shares	06/08/15	-	10.21	-

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

Note 9.3 – Earnings per share

	2013	2014
Number of shares at the beginning of the year	23,759,664	23,961,283
Average number of shares issued	13,298	11,482
Average number of treasury shares	-	-
Average number of shares in circulation during the year	23,772,962	23,972,765
Average number of dilutive instruments	251,161	255,704
Average number of shares in circulation after dilution	24,024,123	24,228,469
Earnings – Group share (in € thousands)	18,570	20,505
Earnings per share (Group share) – undiluted	**0.78**	**0.86**
Earnings per share (Group share) – diluted	**0.77**	**0.85**

Note 10 – Non-current provisions

(in € thousands)	12/31/12	Allocation for the year	Write-backs for the year (provision used)	12/31/13	Change in scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/14
Provision for retirement benefits	441	145	5	581	-	153	12	-	722
TOTAL	**441**	**145**	**5**	**581**	**-**	**153**	**12**	**-**	**722**
Impact (net of expenses incurred)	-	-	-	-	-	-	-	-	-
Operating profit	-	145	5	-	-	153	12	-	-
Net cost of financial debt	-	-	-	-	-	-	-	-	-

Note 11 – Current provisions

(in € thousands)	12/31/12	Change in scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/13	Change in Scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/14
Provisions	1,509	-	1,394	306	-	2,597	-	1,175	938	-	2,834
TOTAL	**1,509**	**-**	**1,394**	**306**	**-**	**2,597**	**-**	**1,175**	**938**	**-**	**2,834**
Impact (net of expenses incurred)	-	-	-	-	-	-	-	-	-	-	-
Operating profit	-	-	1,394	306	-	-	-	1,175	938	-	-
Net cost of financial debt	-	-	-	-	-	-	-	-	-	-	-

The current provisions, as well as the allocations and write-backs, 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.

Note 12 – Trade and other accounts payable

(in € thousands)	12/31/2013	12/31/2014
Trade and related accounts payable	19,045	16,725
Employee statutory profit sharing and optional profit sharing	2,420	2,668
Taxes and employer social security contributions	70,303	72,336
Other debts	2,893	3,403
Prepaid income	4,539	7,155
TOTAL	99,200	102,287

Prepaid income corresponds to annual contracts invoiced in advance, “check books” for services sold that have not 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)	12/31/2013	12/31/2014
Bank overdrafts	174	204
Medium-term loan: portion less than 1 year	-	158
Subtotal of bank overdrafts, loans and finance leases	**174**	**362**
Security deposits received	60	40
Subtotal security deposits received	**60**	**40**
TOTAL	234	402

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

7. OPERATING SEGMENTS

The Group has not identified any operating segments (see paragraph 4.23 above “Operating segments”).

8. NOTES TO THE INCOME STATEMENT

Note 14 – Salaries and related expenses

(in € thousands)	2013	2014
Salaries	144,976	151,857
Employer Social Security contributions	66,854	70,091
Employee statutory profit sharing	2,431	2,724
Stock options & bonus shares	1,221	682
Provision for retirement benefits	140	141
TOTAL	215,622	225,495

Note 15 – External expenses

(in € thousands)	2013	2014
Subcontracting purchases	57,254	55,167
Purchases of materials and supplies not stored	537	570
Outside personnel	771	887
Other outside services	20,785	22,626
Rents and finance leases	61	56
TOTAL	79,408	79,306

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

(in € thousands)	2013	2014
Amortization of intangible assets	500	398
Depreciation of tangible assets	3,607	4,155
Allocations to amortization and depreciation	**4,107**	**4,553**
Net contingency provisions	1,088	238
Net provisions for current assets	(401)	(174)
Net allocations to provisions	**687**	**64**
Impairment of "Contracts and contractual customer relationships"	-	-
Impairment of assets	-	-

Note 17 – Other income and expenses

(in € thousands)	2013	2014
Operating subsidies	3,558	4,995
Miscellaneous income	411	404
Other income	**3,969**	**5,399**
Miscellaneous expenses	(171)	(114)
Other expenses	**(171)**	**(114)**
NET OTHER INCOME / OTHER EXPENSES	3,798	5,285

The details of the operating grants are as follows:

(in € thousands)	2013	2014
Competitiveness and Employment Tax Credit (CICE)	2,855	4,408
Research Tax Credit (CIR)	569	540
Other grants	134	47
TOTAL	3,558	4,995

The tax credits were recorded as other income because they are considered as a grant offsetting related costs incurred by the companies concerned.

Note 18 – Other operating income and expenses

(in € thousands)	2013	2014
Capital gain/(loss) on disposal of assets	(28)	17
Impairment of goodwill	-	(281)
Other	(35)	(46)
TOTAL	(63)	(310)

Concerning the impairment of goodwill, see above: paragraph 6 – Note 2.

Note 19 – Analysis of the net cost of financial debt

(in € thousands)	2013	2014
Dividends received (non-consolidated equity investments)	-	-
Other interest and similar income	1,833	1,781
Capital gains on disposal of cash equivalents	119	76
Capital gain on disposal of financial assets	-	-
Write-backs of provisions	-	-
TOTAL FINANCIAL INCOME	1,952	1,857
Interest and similar expenses	97	140
Allocations to provisions	-	-
TOTAL FINANCIAL EXPENSES	97	140
FINANCIAL PROFIT (LOSS)	1,855	1,717

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)	2013	2014
Corporate tax	9,347	9,456
Company Value Added Contribution (CVAE)	3,833	4,058
Taxes due	**13,180**	**13,514**
Deferred income taxes	**180**	**133**
TOTAL	13,360	13,647

Note 21 – Proof of tax

	2013			2014		
(in € thousands)	Base	Rate	Tax	Base	Rate	Tax
Pre-tax income, capital gain on sale of consolidated shares	34,749	34.43%	11,964	37,256	34.43%	12,827
Non-deductible calculated expenses	1,394	34.43%	480	735	34.43%	253
Impact of definitively non-deductible expenses	418	34.43%	144	834	34.43%	287
Impairment of goodwill	-	-	-	281	34.43%	97
Generation/(Use) of tax losses not activated	6	34.43%	2	(17)	34.43%	(6)
Tax credits	-	-	(1,238)	-	-	(1,798)
CVAE impact on tax	-	-	2,513	-	-	2,661
Rate difference between parent company and subsidiaries	-	-	(505)	-	-	(674)
EFFECTIVE TAX EXPENSE	-	-	13,360	-	-	13,647
Average tax rate	-	-	38.5%	-	-	36.6%

The decrease in the average tax rate is primarily due to the increase in the Competitiveness and Employment Tax Credit (CICE) between 2013 and 2014.

Note 22 – Information about related parties

Legal entities

NEURONES has no sister company. There are no economic transactions with Host Développement, a 45.7% shareholder in NEURONES, other than an annual payment of dividends, when applicable.

Directors

Directors' gross remuneration due during FY2014 is shown below:

	2013 Gross remuneration due				2014 Gross remuneration due			
(in €)	Fixed	Variable	In kind	TOTAL	Fixed	Variable	In kind	Total
Luc de Chammard	172,000	28,000	3,480	203,480	174,000	26,000	-	200,000
Bertrand Ducurtil	135,000	65,000	-	200,000	135,000	65,000	-	200,000

The remuneration details for NEURONES' directors are limited to the above information. NEURONES' application of Afep-Medef recommendations regarding the remuneration of senior executive Group officers and non-executive representatives is described in the management report hereafter (chapter 5, paragraph 13).

9. MISCELLANEOUS INFORMATION

9.1. Security given

No guarantees were given at December 31, 2014.

9.2. Off balance sheet commitments

There were no off balance sheet commitments at December 31, 2014.

9.3. Auditors' Fees

	BM&A				KPMG			
	Amount		%		Amount		%	
(in € thousands)	2013	2014	2013	2014	2013	2014	2013	2014
Audit								
Statutory auditors' examination of separate and consolidated financial statements								
- parent company	24	24	23%	20%	24	24	23%	23%
- subsidiaries	82	96	77%	80%	82	96	77%	77%
Accessory assignments (due diligence, etc.)	-	-	-	-	-	-	-	-
Subtotal	**106**	**120**	100%	100%	**106**	**120**	100%	100%
Other services	-	-	-	-	-	-	-	-
TOTAL	106	120	100%	100%	106	120	100%	100%

9.4. Average number of employees

	2013	2014
Managers	2,052	2,046
Employees	1,805	2,000
TOTAL	3,857	4,046

9.5. Subsequent events after the closing at December 31, 2014

No known events at March 3, 2015 had a significant impact on the Group's financial structure.

9.6. Dividend distribution

In its meeting on March 3, 2015, the Board of Directors decided to propose to the Ordinary Shareholders' meeting called to approve the financial statements for the year ended December 31, 2014, to pay a dividend of €0.06 per share.

3.5. AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2014, regarding:
- the audit of the accompanying consolidated financial statements of NEURONES S.A.;
- the basis of our assessments, and
- 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, 2014 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 matters:

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 13, 2015
The Auditors

KPMG Audit
Department of KPMG S.A.

Jean-Marc Laborie
Partner

BM&A
(Bellot Mullenbach & Associés)

Thierry Bellot
Partner

4 PARENT COMPANY FINANCIAL ITEMS

4.1. PARENT COMPANY BALANCE SHEET AND INCOME STATEMENT*

Parent Company Balance Sheet

ASSETS (euros)	12/31/2013 Net	12/31/2014 Gross	12/31/2014 Amortization, depreciation and provisions	12/31/2014 Net
Franchises, patents and licenses	51,605	306,626	247,577	59,049
Intangible assets under construction	-	-	-	-
INTANGIBLE ASSETS	**51,605**	**306,626**	**247,577**	**59,049**
Fixtures and installations	6,164	92,187	80,505	11,682
IT and office equipment	4,507	42,813	39,265	3,548
TANGIBLE ASSETS	**10,671**	**135,000**	**119,770**	**15,230**
Financial interests	72,489,643	74,174,767	269,560	73,905,207
Loans	39,734	39,734	-	39,734
Other financial assets	2,764	2,764	-	2,764
FINANCIAL ASSETS	**72,532,141**	**74,217,265**	**269,560**	**73,947,705**
TOTAL FIXED ASSETS	**72,594,417**	**74,658,891**	**636,907**	**74,021,984**
Trade and related accounts receivable	23,501,155	23,835,569	-	23,835,569
Other receivables	14,589,198	15,549,505	-	15,549,505
Marketable securities	42,371,627	48,478,574	-	48,478,574
Available funds	1,488,653	15,488,967	-	15,488,967
TOTAL CURRENT ASSETS	**81,950,633**	**103,352,615**	**-**	**103,352,615**
Prepaid expenses	-	-	-	-
TOTAL ASSETS	154,545,050	178,011,506	636,907	177,374,599

LIABILITIES *(euros)*	12/31/2013	12/31/2014
Share capital	9,584,513	9,592,704
Merger premium	30,270,476	30,372,392
Legal reserve	950,387	958,451
Retained earnings	49,782,108	51,820,213
PROFIT FOR THE YEAR	3,483,483	3,768,010
TOTAL SHAREHOLDERS' EQUITY	**94,070,967**	**96,511,770**
Contingency provisions	-	352,000
TOTAL CONTINGENCY AND LOSS PROVISIONS	**-**	**352,000**
Loans and debts with lending institutions	-	-
Trade and related accounts payable	30,920,262	32,729,496
Taxes and employer social security contributions	5,243,521	5,191,063
Debts on fixed assets and related accounts	-	396,828
Other debts	24,310,300	42,159,847
TOTAL DEBTS	**60,474,083**	**80,477,234**
Prepaid income	-	33,595
TOTAL LIABILITIES	154,545,050	177,374,599

* Audited by the statutory auditors.

Parent Company Income statement

INCOME STATEMENT *(euros)*	2013	2014
Sales of goods	285,980	360,211
Services provided	92,147,692	91,574,593
Incidental income	4,413,162	4,022,682
Sales of services	96,560,854	95,597,275
NET REVENUES	**96,846,834**	**95,957,486**
Operating subsidies	-	-
Write-backs on provisions, amortization and depreciation, expense transfers	285,000	-
Other income	16,210	14
OPERATING INCOME	97,148,044	95,957,500
Goods purchased	285,980	360,211
Variation in inventory	-	-
Other purchases and external expenses	93,718,480	93,113,006
Taxes, duties and similar payments	324,265	222,205
Salaries and wages	1,834,044	1,690,940
Employer Social Security contributions	750,708	711,090
Allocations to amortization and depreciation on fixed assets	72,653	12,656
Provisions for current assets	-	-
Contingency and loss provisions	-	352,000
Other expenses	546	681
OPERATING EXPENSES	96,986,676	96,462,789
OPERATING PROFIT/(LOSS)	161,368	(505,289)
Financial income from equity investments	2,881,720	4,074,578
Other interest and similar income	884,815	909,464
Write-backs on provisions for financial contingencies and expense transfers	-	-
Net income from the sale of marketable securities	-	-
FINANCIAL INCOME	3,766,535	4,984,042
Net financial allocations to amortization, depreciation and provisions	-	269,560
Interest and similar expenses	47,494	504,133
FINANCIAL EXPENSES	47,494	773,693
FINANCIAL PROFIT (LOSS)	3,719,041	4,210,349
PRETAX INCOME FROM ORDINARY BUSINESS	3,880,409	3,705,060
Non-recurring income from management operations	-	-
Non-recurring income from capital operations	16	-
Write-backs on provisions and expense transfers	-	-
NON-RECURRING INCOME	16	-
Non-recurring expenses on management operations	2,400	5,500
Non-recurring expenses on capital operations	-	-
NON-RECURRING EXPENSES	2,400	5,500
NON-RECURRING PROFIT/(LOSS)	(2,384)	(5,500)
Statutory employee profit sharing	-	-
Corporate income tax	394,542	(68,450)
TOTAL INCOME	**100,914,595**	**100,941,542**
TOTAL EXPENSES	**97,431,112**	**97,173,532**
PROFIT/(LOSS)	3,483,483	3,768,010

4.2. INFORMATION ON EQUITY INVESTMENTS

COMPANY (in € thousands)	Capital	Other shareholders' equity*	Share of capital held (as %)	Book value of securities held		Loans & advances granted	Security and guarantees given	Revenues	Net profit	Dividends received by the parent company
				Gross	Net					
I – SUBSIDIARIES (More than 50% owned)	-	-	-	-	-	-	-	-	-	-
Arondor	200	1,986	51.00%	2,049	2,049			8,047	396	24
AS International Group	555	4,710	98.44%	12,006	12,006	-	-	5,257	4,615	788
Axones	3,499	4,961	100%	6,121	6,121	-	-	12,908	583	-
Codilog	5,917	6,218	75.27%	4,357	4,357	-	-	20,632	1,424	-
Edugroupe	4,186	2,437	97.73%	4,972	4,972	-	-	6,017	993	978
Finaxys	505	4,930	52.67%	266	266	-	-	24,640	1,405	-
Helpline	1,080	42,222	93.55%	4,263	4,263	-	-	101,340	5,354	-
Intrinsec	1,036	10,739	76.06%	435	435	-	-	30,223	3,014	2,285
Neurones Consulting	40	3,901	100%	40	40	-	-	-	643	-
Neurones-IT	32,443	23,551	98.88%	29,873	29,873	-	-	76,503	5,007	-
Pragmateam	55	627	55.71%	849	579	-	-	170	26	-
RS2i	682	6,769	100%	8,944	8,944	-	-	11,238	938	-
II – EQUITY INVESTMENTS (10 to 50% held)	-	-	-	-	-	-	-	-	-	-
III – OTHER SECURITIES	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	74,175	73,905	-	-	-	-	4,075

* Before distribution but after allocation of 2014 earnings.

5 COMBINED SHAREHOLDERS' MEETING ON JUNE 4, 2015

5.1. MANAGEMENT REPORT PRESENTED BY THE BOARD OF DIRECTORS TO THE COMBINED SHAREHOLDERS' MEETING ON JUNE 4, 2015

Dear shareholders,

We convened this Combined Shareholders' Meeting pursuant to the legal and statutory provisions to inform you of the Group's business during the past year, to submit for your approval the annual and consolidated financial statements for the year ending December 31, 2014 and to inform you of future prospects.

1. CONSOLIDATED FINANCIAL STATEMENTS

Comments on the Group's business during FY2014

The consolidated financial statements are presented according to IFRS, pursuant to the provisions adopted by the European Union.

In 2014, NEURONES continued to grow while increasing its level of profitability.

Revenues amounted to €355.2 million compared to €343.2 million the previous year, reflecting growth of more than 3.5%, entirely organic.

Operating profit increased €2.6 million to €35.5 million, an increase of 8.1% on 2013. As a percentage, it represented 10% of revenues. The Competitiveness and Employment Tax Credit (CICE) in effect since January 2013, representing 1.2% of revenues, is included in the operating profit.

Financial profit amounted to €1.7 million. It corresponds to interest on short-term investments in open-end investment trusts and term deposits, most at a tiered rate. The return on these investments was of the order of 1.8% in 2014.

The corporate income tax expense (including the Company Value Added Contribution of €4 million) amounted to €13.6 million compared to €13.4 million the previous year. The average corporate income tax rate was 36.6%.

The net income was €23.6 million (€21.4 million in 2013).

The net income attributable to the parent company owners was €20.5 million in 2014 (€18.6 million in 2013).

Comments on the consolidated financial situation

Assets

Intangible assets were stable from 2013 with a net amount of €36.6 million.

Net tangible assets stand at €8.3 million. They correspond primarily to the office improvements and the various computer hardware required to operate the business.

Financial assets (€3.7 million) are comprised primarily of 1% housing loans.

The deferred tax credit is €2.1 million. It is comprised primarily of temporary tax differences.

At €124.6 million, trade and other accounts receivable increased 1%. Overall, trade receivables (accounts receivable and unbilled revenue) represent 86 days of revenue (89 days at the end of 2013).

Liabilities

Long-term provisions correspond to provisions for payments due on retirement while short-term provisions correspond primarily to social risks.

Trade and other accounts payable increased 3%, primarily under the mechanical effect of the growth in business activity.

Cash flow

Cash flows from operating activities, after net financial income and taxes, amounted to €29.7 million in 2014, up 6% from the €28.1 million of the previous year.

The drop in the average days sales outstanding explains the drop of €1.7 million in working capital requirements.

Productive investments consumed €5.3 million, essentially stable from 2013. They primarily concerned the "cloud computing" activities as well as the service centers in general (computer hardware and software, office improvements, etc.).

Free cash flow – comprising net income, depreciation and provisions, plus the change in working capital requirements and less net capital expenditures – amounted to €25 million, up 52% from the €16.4 million of the previous year.

After the long-term financing transactions (acquisitions, earn out payments, dividend payments, share buybacks from minority partners in subsidiaries, capital increases related to stock options exercised, etc.) the Group generated €22 million of additional cash in 2014 compared to €13.2 million in 2013.

At December 31, 2014, cash and cash equivalents (net of borrowing) amounted to €122.8 million (€100.9 million in 2013).

Note on the debt situation of the Company and the Group

The Group has a positive cash position of €123.2 million and borrowing of €0.4 million. The borrowing situation, in light of the business volume, clearly does not pose a risk for the Company.

Note on the use of the Competitiveness and Employment Tax Credit (CICE)

The CICE was primarily used to make investments in the Group's private clouds, which should generate growth in tomorrow's personnel.

It should be noted that the CICE restored competitiveness to services like the service desk, supervision or Third Party Application Management carried out in the Group's service centers in France. Without making up the cost price difference with certain production performed outside of metropolitan France, it nonetheless influenced the decision of some customers that were hesitating between an offshore service and one performed in metropolitan France.

Future outlook

Historically, NEURONES has always grown faster than its reference market. 2014 was no exception (+3.5% compared to 1% for the Consulting and IT Services market). The Group's potential is real since its French market share is only of the order of 1%. The sector's low projected growth (+1.7%) for 2015 should not prevent the Group from growing faster than the market in 2015 thanks to its "multi-specialist" model.

Change in investments

During FY2014, NEURONES carried out the following operations:
- Acquired 7.4% of RS2i's capital from a director and a manager of this company, thereby making NEURONES its sole shareholder;
- Acquired 0.46% of Axone's capital from a former manager, thereby making NEURONES its sole shareholder.

NEURONES' subsidiaries carried out the following operations during FY2014:
- Helpline acquired 20% of Helpline Romania from an executive and a manager of this company, thereby becoming the sole shareholder;
- Intrinsec participated in the creation of Cloud Temple Tunisia, which it controls (holds 50% plus one share of the capital);
- RS2i participated in the creation of NG Cloud, which it controls (holds 75% of the capital);
- Intrinsec carried out a reserved capital increase for cash that its managers subscribed to, while the historical shareholders, including NEURONES, renounced their preemptive subscription rights in favor of the new shareholders;
- Codilog carried out a reserved capital increase for cash that its managers subscribed to, while the historical shareholders, including NEURONES, renounced their preemptive subscription rights in favor of the new shareholders;
- Finaxys acquired 10% of Novactor's capital from a former executive of this company, thereby making NEURONES its sole shareholder;
- Arondor participated in the creation of Arondor Capture, which it controls (holds 70% of the capital);
- Colombus Consulting Tunisia carried out a capital increase for cash resulting in a slight dilution of Colombus Consulting's majority stake in the company's capital;
- Colombus Consulting created Saegus, of which it held 100% at December 31, 2014.

Some of these operations resulted in a change in percentage stakes.

Main business activity of operational entities

The contributions* to the Group's main consolidated aggregates are summarized hereafter:

(in € thousands)	Company	Contribution to 2014 revenues*	Contribution to 2014 operating profit*	Contribution to 2014 net earnings*
Parent company	NEURONES	-	-1,222	-881
Subsidiaries	Arondor	8,561	555	383
	Axones	11,737	859	593
	AS International Group	34,592	4,416	2,823
	Brains	1,929	259	176
	Codilog	20,507	2,085	1,403
	Colombus Consulting	18,887	2,276	1,337
	Deodis	9,706	1,093	713
	Edugroupe	5,738	122	75
	Finaxys	24,438	2,278	1,462
	Helpline	97,033	8,819	6,539
	Intrinsec	30,133	4,729	3,005
	Neurones-IT	78,655	7,644	5,035
	Pragmateam	170	-270	-268
	RS2i	10,893	1,481	932
	Viaduc	2,191	416	283
TOTAL		355,170	35,540	23,610

* After elimination of inter-company flows and including the sub-subsidiaries.

2. NEURONES SA STATUTORY FINANCIAL STATEMENTS

Comments of the business activity during FY2014

Revenues amounted to €96 million compared to €96.8 million for the previous year. They were comprised of fees for services to subsidiaries and primarily cross-charges for sales made by Group companies to major accounts that referenced the parent company (thereby fulfilling the role of unique point of billing).

The operating loss amounted to €505,000. After including the dividends from subsidiaries, the net financial income was €4 million. Consequently, the Company's net income was €3.8 million.

Future outlook

Since January 1, 2000 NEURONES S.A. is a holding company that combines the following functions: Group management, finance, legal, marketing and communications, cross-corporate outsourcing and overall relations with a few major accounts. The Company aims to merely balance its current operating expenditures by charging back its services to its different subsidiaries.

Allocation of profit

In light of positive retained earnings of €51,820,214.74 and profit for the year of €3,768,009.98, the distributable income stands at €55,588,224.72. The Shareholders' Meeting will be asked to allocate it as follows:

- to the legal reserve €819.04
- to dividends, the sum of 0.06 per share, namely (*) €1,438,905.54
- the balance to retained earnings, which therefore becomes: €54,148,500.14s

(*) Calculation made based on the number of shares in circulation at December 31, 2014 (i.e. 23,981,759), which will be adjusted if necessary, especially as a result of stock options exercised between January 1, 2015 and the day before the ex-dividend date.

The dividends related to the new shares subscribed by exercising stock options from January 1, 2015 will be deducted from retained earnings.

The dividend payment date will be June 12, 2015.

The sum distributed this way between shareholders is fully eligible for the 40% tax allowance provided for in article 158-3.2° of the French General Tax Code.

Pursuant to the legal provisions, the following dividends were distributed during the past three fiscal years:
2011: €0.06 per share,
2012: €0.06 per share,
2013: €0.06 per share,

3. OTHER FINANCIAL INFORMATION

Subsequent events

No known events at March 4, 2015 had a significant impact on the Group's financial structure.

Related-party agreements

NEURONES S.A. bears the following expenses on behalf of all Group companies: Group financial, legal and marketing plus general Group expenses. The costs of these functions are covered by back charging on a flat rate basis the Group companies concerned by this agreement.

This flat-rate back-charging is consistent with the parent company's 2015 budget and the costs are distributed based on the 2015 projected revenues of the Group companies concerned by this agreement.

The sums back-charged by NEURONES S.A. under this agreement are indicated in the auditors' special report on related-party agreements.

The other billings between companies in the NEURONES Group are based on voluntary, unregulated agreements as defined in the legal and regulatory provisions. The said agreements cover current operations concluded under normal conditions. Moreover, due to their purpose and their financial implications, these voluntary agreements are not significant for any of the parties.

Terms of payment

At December 31, 2014, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding trade payables at 12/31/2014 by maturity date *(in € thousands)*	Due				Not due	Total
	> 90 d	> 60 d	> 30 d	0 to 30 d		
Intra-Group	3,150	2,214	5,977	8,990	11,458	31,789
Third parties	20	31	-25	57	703	786
TOTAL	3,170	2,245	5,952	9,047	12,161	32,575

For comparison purposes, the outstanding trade payable at December 31, 2013 were as follows:

Outstanding trade payables at 12/31/2013 by maturity date *(in € thousands)*	Due				Not due	Total
	> 90 d	> 60 d	> 30 d	0 to 30 d		
Intra-Group	2,351	1,123	6,893	10,145	9,619	30,131
Third parties	53	22	45	60	444	624
TOTAL	2,404	1,145	6,938	10,205	10,063	30,755

Research and development activity

Research and development investments are made in each Group company. The costs, primarily corresponding to the time spent, are expensed in the year they are incurred and are not capitalized. Significant development expenses that meet the IAS 38.57 definition have not been identified.

Environmental risks

The operations of NEURONES and its subsidiaries as providers of IT services and consulting do not represent any particular risk for the environment.

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, and
- capital management risk.

Other risks

Other risks are reviewed in chapter 1 ("Group businesses") of this annual report.

The Company has reviewed the risks that could have a significant negative impact on its business activity, its financial situation or its income and believes that there are no other significant risks other than those presented in the aforementioned chapter.

4. SOCIAL AND ENVIRONMENTAL CONSEQUENCES OF THE BUSINESS ACTIVITY AND COMMITMENTS TO SOCIETY REGARDING SUSTAINABLE DEVELOPMENT

These aspects are reviewed in chapter 2 ("Corporate Social and Environmental Responsibility Report") of this reference document.

5. OPERATIONS PERFORMED BY EMPLOYEES FOR STOCK OPTIONS AND BONUS SHARES

Allocations of options

All authorizations approved by the different Shareholders' Meetings were closed out during previous years.

Allocations of bonus shares

The Shareholders' meeting of June 6, 2013 authorized the Board of Directors to allocate up to 237,000 bonus shares in the form of common shares. During FY2014, as during FY2013, given the tax system the Board of Directors did not use this authorization, valid for a period of twenty-four months.

During FY2014 no bonus share plan arrived at the end of the acquisition period.

Shares subscribed under stock option plans

During FY2014, 20,476 stock options were exercised according to the terms set out in Note 9.1 of the Notes to the consolidated financial statements of this annual report.

Stock options exercised by the 10 employees who exercised the most options

Pursuant to the recommendations of Afep-Medef and AMF, we inform you that the 10 employees (of NEURONES and any company included in the scope of allocation of options) who exercised the most options in 2014 exercised a total of 19,672 options (plan No. 2: 3,810; Plan No. 3: 1,952; Plan No. 6 14,000) at an average weighted price of €5.43 per share.

Expired stock options and bonus shares

During FY2014, 8,000 bonus shares still in the acquisition period and 1,429 stock options expired.

Concerning dilutive instruments, at December 31, 2014 there remained:
- 58,151 stock options in circulation, all of which could be exercised,
- 213,000 bonus shares still in the acquisition period (delivery: June 2015).

6. TREASURY STOCK - HELD BY THE COMPANY

The Company does not hold any of its own shares.

7. EMPLOYEE STATUTORY PROFIT SHARING

Pursuant to the law of July 25, 1994, we inform you that the employees do not hold any Company shares through a Company Savings Plan, a Company Mutual Fund or covered by the period of unavailability provided for in articles L.225-194 and L.225-197 of the French Commercial Code and article L.3324-10 of the French Labor Code.

8. AUTHORIZATION FOR THE COMPANY TO ACQUIRE ITS OWN SHARES

The Company would like to continue to have the opportunity to purchase its own shares for the following potential purposes:
- their subsequent cancellation,
- to cover:
  - stock option plans and other forms of allocating shares to employees and/or Group officers, especially for Company profit sharing, a Company Savings Plan (CSP) or the allocation of bonus shares,
  - financial securities conferring the right to receive Company shares,
- support the share price through an Investment Service Provider via a liquidity agreement pursuant to the code of professional conduct of the Association Française des Marchés Financiers (French Association of Financial Markets),
- hold purchased shares for subsequent use as exchange or payment as part of an acquisition.

Consequently, a motion will be put to the Shareholders' Meeting on June 4, 2015 to renew the authorization given to the Board of Directors to buy back the Company's own shares. The main terms and conditions would be as follows:
- this authorization is valid for a period of 18 months from the date of this Meeting,
- the shares may be purchased by intervening on the market or by purchasing blocks, without any specific limitation for such block acquisitions,
- the maximum purchase price is set at €21,
- the maximum number of shares that can be purchased by the Company is limited to 10% of the total number of shares comprising the authorized share capital (i.e. 2,398,175 shares) representing a maximum purchase amount of €50,361,675, it being noted that the maximum number of shares acquired with the view of subsequently being exchanged or used as payment as part of acquisitions cannot exceed 5% of the capital the day of the decision,
- this number of shares and the purchase limit will be, if needed, adjusted during the Company's potential financial operations or decisions affecting the authorized share capital.

The Board of Directors will give shareholders, as applicable, in its report to the annual Shareholders' Meeting, all information related to such share purchases and sales carried out.

9. STATUS OF THE CUMULATIVE DILUTION FOR THE DIFFERENT CAPITAL OPERATIONS

	Situation at 12/31/2014	Treasury shares	Dilutive instruments Stock Options	Dilutive instruments bonus shares	Total
Number of shares	23,981,759	-	58,151	213,000	24,252,910
% dilution	-	-	*0.24 %*	*0.89 %*	*1.13 %*

10. STATEMENT OF VALID DELEGATIONS OF AUTHORITY AND POWERS GRANTED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS AND THE USE MADE OF THESE DELEGATIONS

Valid delegations of authority granted by the SM to the Board of Directors	Length of validity/ End date of validity	Conditions and ceilings	Use
Shareholders' Meeting of 06/11/2009 (extraordinary resolution): Capital reduction (articles L.225-204 and L.225-209 of the French Commercial Code)	5 years/June 2014 Replaced by the authorization granted by the Shareholders' Meeting of 06/05/2014 (extraordinary resolution)	10% of the capital per 24-month period	Not used
Shareholders' Meeting of 06/06/2013 (extraordinary resolution): Capital increase by issuing common shares and/or financial securities giving access to the share capital reserved for shareholders, and/or by capitalizing reserves, additional paid-in capital and profits	26 months/August 2015 Replaces the authorization granted by the Shareholders' Meeting of 06/09/2011 (extraordinary resolution)	Maximum total face value of the shares issued: €11 million. maximum total face value of debt securities: €90 million.	Not used
Shareholders' Meeting of 06/06/2013 (extraordinary resolution): Capital increase through a public offering, by issuing common shares and/or financial securities, with the lifting of the preemptive subscription rights, giving access to the share capital (articles L.225-129-2 and L.225-136-1° of the French Commercial Code)	26 months/August 2015 Replaces the authorization granted by the Shareholders' Meeting of 06/09/2011 (extraordinary resolution)	Maximum total face value of the shares issued: €11 million. Maximum total face value of debt securities: €90 million.	Not used
Shareholders' Meeting of 06/06/2013 (extraordinary resolution): Increase the amount of issues in the case of excess demands for the issues decided pursuant to the two preceding delegations (article L.225-135-1 of the French Commercial Code)	26 months/August 2015 Replaces the authorization granted by the Shareholders' Meeting of 06/09/2011 (extraordinary resolution)	-	Not used
Shareholders' Meeting of 06/06/2013 (extraordinary resolution): Capital increase, with the view of compensating contributions in kind of equity securities or marketable securities giving access to the share capital (article L.225-147 of the French Commercial Code	26 months/August 2015 Replaces the authorization granted by the Shareholders' Meeting of 06/09/2011 (extraordinary resolution)	Maximum total face value of the shares issued: 10% of the capital,	Not used
Shareholders' Meeting of 06/06/2013 (extraordinary resolution): Bonus share allocations (articles L.225-197-1 et seq of the French Commercial Code)	24 months/June 2015	Maximum: 237,000 shares	Not used
Shareholders' Meeting of 06/06/2013 (ordinary resolution): Company acquisition of its own shares (article L.225-209 of the French Commercial Code)	18 months/December 2014 Replaced by the authorization granted by the Shareholders' Meeting of 06/05/2014 (ordinary resolution)	10% of the total number of shares Maximum purchase price: €15 Proportion of shares given as payment as part of acquisitions limited to 5% of the share capital	Not used
Shareholders' Meeting of 06/05/2014 (ordinary resolution): Company acquisition of its own shares (article L.225-209 of the French Commercial Code)*	18 months/December 2015 Replaces the authorization granted by the Shareholders' Meeting of 06/06/2013 (ordinary resolution)	10% of the total number of shares Maximum purchase price: €18 Proportion of shares given as payment as part of acquisitions limited to 5% of the share capital	Not used
Shareholders' Meeting of 06/05/2014 (extraordinary resolution): Capital reduction by cancellation of treasury shares (articles L.225-204 and L.225-209 of the French Commercial Code)	5 years/June 2019 Replaces the authorization granted by the Shareholders' Meeting of 06/11/2009 (extraordinary resolution)	10% of the capital per 24-month period	Not used
Shareholders' Meetings of 11/29/1999 – 06/25/2003 – 06/25/2004 (extraordinary resolutions): Capital increase resulting from stock options exercised	-	-	Board of Directors meeting of 01/21/2015: approval to create 20,476 new shares during FY2014 resulting in an increase in authorized share capital of €8,190.40

* on March 27, 2015, the Board of Directors decided to effectively launch the share purchase program.

All of the resolutions are available on the company website (www.neurones.net – Investors – Regulated information – Documents regarding Shareholders' Meetings).

11. COMPOSITION OF THE BOARD OF DIRECTORS

The directors' term of office expires at the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2014. Accordingly, this Meeting is asked to approve the renewal of their term of office for one year, pursuant to the bylaws.

12. LIST OF OFFICES HELD BY THE DIRECTORS

There are five Directors on the Board of Directors.

Chairman of the Board of Directors
Luc de Chammard, born on September 16, 1954
- Other offices in the Group:
  - Manager Pragmateam SARL – 205, Avenue Georges Clemenceau – 92024 Nanterre Cedex – Nanterre Register of Commerce No. 411 264 641.
- Other offices held outside the Group:
  - CEO: Host Développement SAS – 122, Avenue Charles-de-Gaulle 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 339 788 713.

Executive Vice-President
Bertrand Ducurtil, born on April 11, 1960
- Other offices held in the Group:
  - CEO: Axones SAS – 205, Avenue Georges Clemenceau – 92000 Nanterre – Nanterre Register of Commerce No. 443 739 693.
  - CEO: RS2i SAS – 121-123, Rue Édouard Vaillant – 92300 Levallois-Perret – Nanterre Register of Commerce No. 385 166 640.
  - CEO: Neurones Consulting SAS – 205, Avenue Georges Clemenceau – 92000 Nanterre – Nanterre Register of Commerce No. 509 152 468.
  - CEO: AS Production SAS – 120-122, Rue Réaumur – 75002 Paris – Paris Register of Commerce No. 451 310 502.
  - Manager: AS Technologie SARL – 120-122, Rue Réaumur – 75002 Paris – Paris Register of Commerce No. 417 586 609.
  - Manager: AS Télécom & Réseaux SARL – 120-122, Rue Réaumur – 75002 Paris – Paris Register of Commerce No. 400 332 524.
  - CEO: AS Connect SAS – 120-122, Rue Réaumur – 75002 Paris – Paris Register of Commerce No. 791 915 580.
  - CEO: AS Delivery SAS – 120-1222, Rue Réaumur – 75002 Paris – Paris Register of Commerce No. 538 868 001.
  - Manager: AS Synergie SARL – 120-122, Rue Réaumur – 75002 Paris – Paris Register of Commerce No. 493 513 014.
- Other offices held outside the Group:
  - Member of the Supervisory Board: Host Développement SAS.

Director
Marie-Françoise Jaubert, born on September 27, 1941, Honorary Magistrate
- Other offices held outside the Group: none

Director
Jean-Louis Pacquement, born on April 21, 1955, Managing Director at HSBC
- Other offices held outside the Group: none

Director
Hervé Pichard, born on May 20, 1955, Lawyer admitted to the Hauts-de-Seine and New York bars
- Other offices held outside the Group:
  - CEO: Pichard et associés SELAS – 122, Avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 391 504 628.
  - Director: Pichard et Cie SA – 122, Avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 552 139 057.
  - Director: SECO Ressources et Finances SA – 122, Avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 429 837 172.
  - Director: UPM-Kymmene Groupe SA – 122, Avenue Charles-de-Gaulle 92200 – Neuilly-sur-Seine – Nanterre Register of Commerce No. 407 655 893.
  - Member of the Supervisory Board: Host Développement SAS.

13. REMUNERATION OF GROUP OFFICERS (APPLICATION OF THE AFEP-MEDEF RECOMMENDATIONS)

It should be noted that during its meeting of December 19, 2008, the Board of Directors decided that NEURONES would expressly refer to the Afep-Medef Code concerning the remunerations of executive officers of listed companies.

All of the information to provide on the remuneration of Group officers, executives or not, based on the recommendations No. 2009-16 and No. 2012-02 of the Autorité des Marchés Financiers (French Financial Markets Regulator) is presented in this chapter. Moreover, pursuant to the Afep-Medef Code revised in June 2013, the shareholders will be asked, during the Shareholders' Meeting on June 4, 2015, to approve a resolution ("say on pay") covering the CEO's remuneration details and a resolution covering the Executive Vice-President's remuneration details.

The remuneration details, on a gross pre-tax basis, and options and shares allocated to each executive officer for FY2013 and FY2014 are as follows:

	Luc de Chammard		Bertrand Ducurtil	
(euros)	2013	2014	2013	2014
Fixed remuneration	172,000	174,000	135,000	135,000
Variable remuneration (1)	28,000	26,000	65,000	65,000
Exceptional remuneration	-	-	-	-
Directors fees	-	-	-	-
Benefits in kind (2)	3,480	-	-	-
Options (3)	-	-	-	-
Shares (4)	-	-	-	-
TOTAL	203,480	200,000	200,000	200,000

(1) The variable remuneration due for the year is paid during the first quarter of the next year.
(2) Supplementary defined contribution pension plan.
(3) Valuation of options allocated during the year.
(4) Valuation of performance shares allocated during the year.

The variable remunerations of the two executive officers are determined based on qualitative criteria, not explicitly pre-established by the Board of Directors, and not by the precise quantitative criteria recommended by the Afep-Medef Code. Nevertheless, these remunerations are very reasonable in view of the Group's earnings and in comparison with the remuneration practices of listed companies in the same sector. They are related to short-term performance and NEURONES' growth over the medium-term.

Moreover, the remunerations of the executive officers and the balance between their components (immediate and longer-term) are consistent with the market and with the remuneration of the executives in Group companies. Consequently, and consistent with the Afep-Medef recommendations, the total remunerations of the executives are balanced and measured, taking into account both their performance, the Company's general interest and market practices.

Since the Company's creation, directors fees have not been paid to the non-executive officers nor any other form of remuneration.

During the year, no Group officer, executive or not, benefited from the allocation of bonus shares or exercised stock options.

For many years now, no NEURONES Group officer has benefited from the allocation of bonus shares.

The following table presents other required information by the Afep-Medef Code recommendations regarding the remunerations of executive officers:

	Luc de Chammard	Bertrand Ducurtil
Start of term of office	06/05/2014	06/05/2014
End of term of office	06/04/2015	06/04/2015
Employment contract	No	No
Supplementary pension plan	No	No
Compensation or benefits owed or likely to be owed due the cessation or change of duties	No	No
Compensation related to a non-competition clause	No	No

The details of the remuneration, benefits in kind and stock options or bonus shares concerning the Group officers are also shown in the notes to the consolidated financial statements.

14. IDENTITY OF SHAREHOLDERS

We inform you that Luc de Chammard holds directly and indirectly more than 2/3 of the share capital and more than 3/4 of the Company's voting rights. Bertrand Ducurtil and the executives of the NEURONES subsidiaries hold approximately 8% of the share capital and 7% of the voting rights. The officers of NEURONES S.A., Luc de Chammard and Bertrand Ducurtil, hold a total of 70.3% of the share capital.

15. CONCLUSION

In conclusion, we ask you to approve the financial statements for the year ended December 31, 2014, the management report prepared by your Board of Directors and, consequently, to give the Board faithful discharge of duty for its management during the said year and to adopt the resolutions that will be submitted to your vote.

Board of Directors

APPENDIX TO THE MANAGEMENT REPORT: TABLE OF THE LAST FIVE YEARS

(euros)	2010	2011	2012	2013	2014
Capital at year-end					
• Share capital	9,424,437	9,449,104	9,503,866	9,584,513	9,592,704
• Number of common shares outstanding	23,561,093	23,622,759	23,759,664	23,961,283	23,981,759
• Number of preferred shares (without voting rights) outstanding	-	-	-	-	-
• Maximum number of future shares to create					
- by bond conversions	-	-	-	-	-
- by exercising voting rights	-	-	-	-	-
Operations and income for the year					
• Revenues (ex. VAT)	61,461,931	76,504,313	82,906,918	96,846,834	95,957,486
• EBIT, employee profit sharing and allocations to depreciation and provisions	144,908	7,633,830	4,709,406	3,665,678	4,333,776
• Corporate income tax	(3,655)	542,485	29,032	394,542	(68,450)
• Employee statutory profit sharing due for the year	-	-	-	-	-
• After tax income, employee profit sharing and allocations to depreciation and provisions	133,242	6,728,568	4,560,052	3,483,483	3,768,010
• Income distributed	1,627,982	1,417,143	1,418,026	1,437,677	1,438,906
Earnings per share					
• After tax income, employee profit sharing but before allocations to depreciation and provisions	0.01	0.30	0.20	0.14	0.18
• After tax income, employee profit sharing and allocations to depreciation and provisions	0.01	0.28	0.19	0.15	0.16
• Dividend attributed to each share	0.06	0.06	0.06	0.06	0.06*
Personnel					
• Average salaried personnel employed during the year	17	18	19	19	21
• Payroll for the year**	1,616,523	1,549,823	1,703,070	1,834,044	1,690,940
• Sums paid for fringe benefits for the year (Social Security, social services, etc.)	761,900	653,086	944,428	750,708	711,090

* Subject to approval by the Combined Shareholders' Meeting (third resolution) of June 4, 2015.
** Including €618,409 in 2009 and €179,944 in 2010 corresponding to the provision for the estimated cost of allocating bonus shares based on the Company shares purchased on the market in 2008.

5.2. CEO'S SPECIAL REPORT TO THE SHAREHOLDERS' MEETING ON THE CONDITIONS OF PREPARING AND ORGANIZING THE BOARD OF DIRECTORS' WORK AND ON INTERNAL CONTROL (ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE)

We inform you, pursuant to article L.225-37 of the French Commercial Code, of the conditions of preparing and organizing the Board of Directors' work and we present our report on internal control.

1. CONDITIONS OF PREPARING AND ORGANIZING THE BOARD OF DIRECTORS' WORK

As a medium-sized group, with a majority shareholder among the managers, NEURONES has chosen to refer to MiddleNext's Corporate Governance Code published in December 2009.

Composition of the Board of Directors

There are five Directors on the Board of Directors:
- two members (CEO and the Executive Vice-President) who have a full-time operational role in the Company,
- three external directors, without an operational role in the group, including one historical director and one independent director. The criterion for women's representation is respected.

Powers of the CEO and the Executive Vice-President of the parent company

The powers of the CEO and the Executive Vice-President are those provided for by Law. The bylaws provide that the Board of Directors can limit these powers as an internal measure, which cannot be enforced against third parties. This option has not been used.

Frequency of Board meetings and its operation

NEURONES' Board of Directors met three times in 2014:

Date	Agenda
February	Year-end closing of the annual statutory and consolidated financial statements. Approve the CEO's report on internal control and corporate governance. Approve the regulated agreements. Close the capital following the exercise of stock options during the previous year Determine officers' fixed remuneration for the current year and their variable remuneration for the previous year. Notice of the Shareholders' Meeting with draft resolutions.
June (at the end of the Shareholders' Meeting)	Elect the Chairman of the Board of Directors, after designation of the directors for the coming year (by the Shareholders' Meeting held the same day). Renew the Executive Vice-President's term of office.
September	Close the half-year consolidated financial statements. Professional gender and salary equality policy. Review the risk map.

The auditors are invited to present to both Boards the final financial statements (half-year and annual).

Given its size, the geographic proximity of its main subsidiaries, executives' participation in the share capital, the operational role of two of the five members of the Board of Directors and their high level of share capital held, NEURONES believes, for now, that implementing committees reporting to the Board of Directors (audit committee, remunerations committee, etc.) would generate more disadvantages than advantages.

Beyond the two annual sessions closing the annual and half-yearly financial statements, the Board meets whenever the situation requires (e.g., opinion on potential acquisitions, decision to allocate bonus shares, calling an Extraordinary Shareholders' Meeting, contribution of assets, merger, etc.).

Board's work (closing financial statements)

The financial statements (balance sheet, income statement and notes) are generally terminated at the end of January (for the annual financial statements) and the end of August (for the half-yearly financial statements). The finance department prepares them and they are initially approved by the two directors who have an operational role in the Group.

These financial statements are then sent to:
- to the external directors, at the same time as the notice calling the Board meeting to close the financial statements, to which they are most often attached. They then have several days to ask the two other directors or the finance department any questions they deem necessary, and
- to the auditors, which finish their control work.

Once the auditors have finished their audit, a review meeting is organized with at least one director (most often the Executive Vice-President), the Group's CFO and the auditors. The auditors share their observations and, if necessary, any requested adjustments. These points are discussed and, with the auditors' agreement, the financial statements are presented to the Board of Directors.

During this meeting, the Board hears the presentations concerning the:
- accounting principles and methods used,
- main accounting options adopted,
- impacts of any changes of method,
- changes in the scope of consolidation, and
- main facts and figures (income items, presentation of the balance sheet and financial situation).

It also hears the auditors' report on the extent and conclusions of their audits as well as their comments, without formally assessing the internal control.

Then the Board of Directors approves the financial statements (annual, half-yearly and consolidated depending on the case) and subsequently the annual and consolidated financial statements are presented to the Shareholders' Meeting for approval.

Officers' remuneration policy

NEURONES refers to the recommendations regarding officers' remuneration as initially formulated in the Afep-Medef Code.

All items concerning officers' remuneration, benefits in kind and stock options or bonus shares are in the management report and in the notes to the consolidated financial statements.

2. REPORT ON INTERNAL CONTROL

Internal control objectives

Taking calculated risks is a voluntary and necessary action that characterizes companies. In order to grow with reasonable assurance of operational, legal, financial and accounting security, NEURONES has implemented risk management based on procedures, methods and tools. This report was prepared consistent with the general internal control procedures set out in the general framework presented in the Afep-Medef report on Mid-cap and Small-cap companies of July 22, 2010.

One of the objectives of the internal control system is to prevent and control risks resulting from the company's business activity and those caused by errors or fraud, especially in the accounting and financial areas. Like any control system, it cannot however provide an absolute guarantee that all risk is completely eliminated.

The objective of risk management procedures, or internal control, are particularly to:
- identify potential risks and assess them (probability of occurring and impact), whether they are accounting and financial risks or operational risks,
- define and implement actions to manage and control these risks.

In the accounting and financial area

The most important control procedures (likely to have an impact on the financial statements) aim to manage the following processes:
- recognition of revenues and margin (projects' stage of completion, overruns, estimated loss at completion and completeness of expenses),
- off balance sheet commitments (lease contracts in particular), and
- cash.

At operational level

The main potential risks identified (sales process and provision of services) are as follows:
- cost overruns on applications development and outsourcing turnkey projects (and thus risk of financial loss),
- failure to follow the "go/no go" procedure and offer insufficiently reviewed (need for a unique technical manager for the offer, review of sales conditions, etc.),
- customer dissatisfaction detected too late on a project or operating contract, significant disputes not reported (customers, employees, suppliers),
- recruitment and payroll management processes not fully adhered to, employees' potential insufficiently formalized and monitored, and
- assessment processes for acquisition projects not respected.

The operational risks related to the business goodwill are limited due to its distribution: the biggest customer represents, on a consolidated basis, 9.7% of revenues, with multiple decision centers that order services independently of each other and from different Group business units. The largest turnkey project accounts for less than 1% of revenues.

Legal organization and powers

NEURONES is a group comprised of a holding company (NEURONES S.A.) and 34 subsidiaries and "sub-subsidiaries" (situation at 12/31/2014), all majority controlled (percentage of control, direct or indirect, exceeds 50%). The subsidiaries are all French and the head offices are grouped in the Paris region: Nanterre, Neuilly-sur-Seine, Levallois-Perret and Paris. The "sub-subsidiaries" are located in Tunisia, Romania, London and Singapore. Eight establishments or open offices in the regions (2 in Angers, 2 in Nantes and 1 in Lyon, Orléans, Bordeaux and Lille) report directly to the head office of the companies concerned in Nanterre and Paris and do not have independent management.

NEURONES is a limited company with a Board of Directors. It has not seemed necessary to establish an audit committee, nor a disclosure committee in charge of controlling the risk-related financial information.

The legal forms of the subsidiaries and "sub-subsidiaries" are Simplified Joint Stock Companies (23 of them, all French), without a Board of Directors or a Supervisory Board, Limited Liability Companies or equivalent (8 of them including 3 abroad), "Private Limited Companies" (2 of them) and one Limited Company with a Board of Directors (Tunisia). The managers of subsidiaries are in most cases holders of a minority stake (from 1% to 49%) of the share capital of the company they manage. Although they have the most extensive powers vis-a-vis third parties, as provided for by Law, their powers are limited in the bylaws as an internal measure and the different officers must first request authorization from the Partners' Meeting for any decision exceeding day-to-day management.

The managers of subsidiaries manage their investments, based on the annual forecast in their budget. Annual capital expenditures are on average 1.5% of revenues. Given the position of the subsidiaries' managers as partners, the risks taken by the Group in these areas are considered as controlled.

An annual budget process was implemented 20 years ago. The Group's Finance department monitors actuals and analyzes variances every month.

Organization of the accounting system and information system

The group's administrative and finance department handles the legal function (with the help of various outside consultants, depending on the area) and accounting function (accounting, reporting, consolidation, taxation, finance and cash) and organizes the management control. The current organization can be mapped into 12 distinct "administrative" sub-units that are part of or report functionally to the Group's administrative and finance department:

Sub-unit No. 1

Two legal entities located in Nanterre, accounting for 30% of the revenues and 44% of the personnel.

This unit has a management team, assisted by an outside CPA. The information system is built around standard software packages (Sage line 100 and ADP-Zadig in particular) whose main processes are interfaced (business, sales and payroll management).

Sub-unit No. 2

A legal entity located in Nanterre, accounting for 22% of the revenues and 18% of the personnel.

This unit has an autonomous management team. The information system is built around standard software packages (Sage X3 and ADP-Zadig in particular) whose main processes are interfaced (business, sales and payroll management).

Sub-unit No. 3

A holding company and seven legal entities located in Paris, accounting for 10% of the revenues and 8% of the personnel.

The management team is assisted by an outside CPA. The information system is built around standard software packages (Sage Coala and ADP-Zadig in particular) whose main processes are interfaced (business, sales and payroll management).

Sub-units No. 4 to 12

Nine entities located in the Paris region.

These sub-units have an autonomous management team, sometimes assisted by an outside CPA. Payroll is generally managed in the ADP-Zadig system just like the sub-units 1, 2 and 3. The information systems are the product of internal developments or are built around standard software packages, whose main processes are interfaced (business, sales and payroll management).

Back-up and access to the accounting information system

The Group's accounting information is backed up daily, just like all of the electronic and digital data. The back-up storage system meets the requirements that an IT professional should follow.

Upgrading of information systems

The objective of upgrading the accounting and finance information systems is to satisfy the requirements of reliability, availability and relevance of the information. This continuous upgrading is done based on the Group's needs. The priority has been given to hardware and harmonizing front-office applications (business management) and the interfacing with payroll and accounting.

Role of the Group's administrative and finance department

This department's central staff role is to ensure that the accounting standards are adhered to and to act as the guarantor vis-a-vis senior management and the Board of Directors. It coordinates and organizes the budget and reporting processes. It reports to the Group's senior management and produces the consolidation.

Each company's monthly reports are established based on the French standards, consistent with the accounting principles manual. The Group consolidation and the related restatements are established at the parent company level on a monthly basis according to the IFRS guidelines.

Role of persons performing internal control activities

The Group Administrative and Finance Director is responsible for internal control in in collaboration with the CFOs, finance managers and management controllers of the Group companies.

Procedures manual – risk management audit

The "Group management rules" document distributed to the different managers of subsidiaries, contains the recommended behavior procedures and rules.

Risk mapping identified five risks for the operational units:
- the development strategy, the putting together of offers and technological developments,
- the HR processes, recruitment, salary policy and management of key personnel,
- the accounting and management processes and especially the fight against errors and fraud,
- the protection, back-up and storage processes for data and IT environments, and
- commitments of any kind, whether they are related to current operations or to acquisitions.

For each risk, the probability of occurrence was assessed and estimated as was the weight of the impact in case the risk occurs. Each risk was measured accordingly. Action plans and control measures were defined and implemented. These documents continued to be updated in 2014.

The Group's finance department and the finance managers or directors of entities are responsible for verifying that the employees concerned effectively apply the risk management principles and methods. To date, no formalized risk audit has been carried out, either internally or externally. Nevertheless, the risk mapping exercise carried out in each of the main companies was able to identify, with the operational managers, action plans to reduce the risks.

Finally, and by construction, the Group's Board of Directors is informed of the broad lines of the risk management since two of five directors are the CEO and the Executive Vice-President of the Group.

Internal control – procedures related to the preparation and treatment of accounting and financial information

Financial communication

In order to comply with the regulations that apply to all listed companies, a schedule of the periodic obligations is formalized, both concerning the publication aspects and the other regulatory procedures (legal, fiscal, etc.). The finance department monitors changes in regulations.

The finance department and senior management prepare the financial information that is published. At present there is no external review before the information is published.

Budget procedures / monthly reporting

The general control procedures are centralized and based around two main processes:
- the annual "forecasting / budget" process. Each operating unit establishes an annual month-by-month budget at the beginning of the year. A budget revision is organized when necessary.
- the monthly "reporting" process. The schedule for this process is monthly. It involves preparing every month a balance sheet and complete income statement (up to the corporate income tax line). The Group voluntarily opted for streamlined reports in terms of the quantity of information provided, but relevant in terms of the essential character of the data produced. The analysis of the different significant indicators, over a short time interval (one month), lets the finance department analyze the variances between actuals and initial forecasts and to detect, if necessary, any significant errors in the financial statements by cross-checking key indicators (revenues, margins, income, cash, etc.). A complete monthly consolidation is carried out based on the monthly accounts submitted by the different subsidiaries.

To do this, the Group companies rely on the "accounting and financial procedures manual" and the reporting tools.

These procedures, applied by all subsidiaries, are monitored and controlled directly by the Group's finance department.

Each company then has, at its level, local internal control procedures (delegation of bank signatures, control of current operations, etc.).

Preparation of the consolidated financial statements

The statutory consolidated financial statements are prepared half-yearly and annually, according to a procedure and within a timeframe similar to the process used to prepare the monthly reports, but with a greater level of detail. In addition to the information the subsidiaries submit monthly, all information used to produce the consolidated financial statements and in particular to establish the IFRS restatements is also submitted. Consequently, the restatements are made centrally by the finance department.

Recognition of revenue

The main subsidiaries concerned by the recognition of revenue on a degree of completion basis (turnkey) are equipped with analytical management tools by project, which can be used to monitor margins by project as well as the accounting degree of completion at each monthly closing. The risk of billing error or fraud is considered as limited by the complete monthly reporting system (income statement / balance sheet), which would provide an alert rather quickly (of the order of 2 to 3 months), if the trade receivables in a subsidiary increased abnormally and without cause.

Off balance sheet commitments

Earn out payments and commitments to buy out minority interests are documented at the time of acquisitions. There are no other off balance sheet commitments apart from the commitments to repurchase used hardware (few in number and insignificant), which do not exceed 1% of their new value for hardware 36 months old and 25% for brand name hardware 2 years old (Group management rules).

Cash flow cycle

For this process, generally considered as sensitive, an organization with separation of tasks has been implemented:
- for the disbursement cycle, different participants perform the following tasks: delivering payment authorizations / issuing payment instruments / signing payment instruments (check, transfer) / accounting operations / bank reconciliation / bank reconciliation control,

- likewise, for the collection cycle, different participants perform the following tasks: customer reminders / receiving customers' payment instruments / remittance for collection / accounting operations / bank reconciliation / bank reconciliation control.

Internal control – business operating procedures

Pre-sales service and customer contracts

Each entity has a "go/no go" procedure adapted to its business and an offer review procedure concerning in particular the sales conditions. It decides to sell or to carry out a project based on the risks incurred.

After validation by senior management, the sales conditions for the referenced services concern the Group companies involved in the services.

Complex contracts, with performance guarantees, are developed by a cross-functional team. Most often they concern several businesses and interest different entities. In this case the legal aspects are also reviewed and treated centrally.

Service performance

The risk of cost overruns on a turnkey project and the means used to control it are described in chapter 1 above ("Group businesses"), in sub-chapter 1.6 ("Risk factors").

The reasons for customer dissatisfaction must be reported in time so corrective action plans can be implemented, at the risk of suffering cost overruns, penalties, causing discontent and even losing customers.

Projects: the control system is based on degree of completion input systems and initial budget revision systems for each project. They anticipate and re-estimate at the end of each month the best forecast of anticipated overruns.

Recurrent contracts for straightforward technical assistance: the Branch Technical Managers have on-site visit quotas and formally report complaints in the quality system. They are handled during the monthly quality review meeting.

Recurrent contracts with NEURONES as the prime contractor: the Operational Account Managers organize monthly meetings with formalized reports. For the service desk contracts, the system also includes audits by a mobile quality team (one-on-one behavior coaching, documentation of knowledge bases and compliance with the Quality Assurance Plan).

The risk of unpaid bills is covered by credit insurance in the Group entities where this coverage is deemed useful.

Human resources, payroll management and management of key persons and high potentials

The key recruitment process is decentralized in the operational subsidiaries. Technical applicants have at least two interviews (personality and technical aspects) and a questionnaire in their specialty. For applicants applying for sales or supervisory positions, the recruitment processes are also defined.

The prospects of changes in the payroll are discussed with each subsidiary once a year, during the budget presentation. It is essential to control this item in service businesses. This control is based on using a single database (for the majority of the sub-subsidiaries), which provides a real-time view of all data concerning remunerations and which can be used to run simulations on demand.

For a Consulting and IT Services company to grow, an essential condition is to build personnel loyalty in general and even more so managers' loyalty. For key staff, the risk of leaving the company is attenuated by the Group's very decentralized management and involvement in capital-sharing and bonus share schemes. Another key stake is the detection and then the management of high potential staff.

Acquisitions

This process is primarily handled by the Group's senior management and remains under its control. To obviate the risk of "losing a rational point of view" on any operation, the procedures provide that the evaluation of each project shall be formalized and discussed in a meeting involving at least three people.

Earn out payments are limited and specific audits are performed in order to limit the probability of fraud by a manager.

Trend in internal control

The internal control system is based on continuous improvement.

The financial control system (budget/reporting) has been operational since 1999. It is based on powerful tools adapted to the size of the Group but should evolve in case of strong growth and geographic expansion.

The managerial staff and the finance department ensure that the rules are applied. Depending on how its size grows, the Group will strengthen this function pragmatically: strengthen management control, improve the organization structure, optimize information systems, document key processes, etc.

NEURONES will be required to periodically audit its risk management, either internally or externally, and to formalize regular improvement action plans.

5.3. AUDITORS' SPECIAL REPORT ON THE CHAIRMAN'S REPORT ON INTERNAL CONTROL (YEAR ENDED DECEMBER 31, 2014)

Auditors' report, established pursuant to article L. 225-235 of the French Commercial Code, on the report of the Chairman of the Board of Directors of NEURONES S.A.

To the shareholders of Neurones:

In our capacity as statutory auditors of NEURONES S.A. and pursuant to article L. L.225-235 of the French Commercial Code, we hereby submit to you our opinion on the report prepared by your company Chairman in accordance with the provisions of article L.225-37 of the French Commercial Code for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the Company's internal control and risk management procedures, along with the other disclosures required by Article L.225-37 of the French Commercial Code, especially with regard to corporate governance.

It is our responsibility:
- to report to you our observations on the information contained in the Chairman's report concerning the internal control and risk management procedures related to the preparation and treatment of accounting and financial information, and
- to certify that this report contains the other disclosures required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to verify the accuracy of these disclosures.

We conducted our work in accordance with the professional standards applicable in France.

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report regarding the internal control and risk management procedures related to the preparation and treatment of the accounting and financial information. Those procedures consisted primarily in:
- obtaining an understanding of the internal control and risk management procedures related to the preparation and treatment of the accounting and financial information underlying the information presented in the Chairman's report, as well as the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining whether any material weaknesses in the internal controls related to the preparation and treatment of the accounting and financial information that we might have found in the course of our work are properly disclosed in the Chairman's report.

On the basis of these examinations, we have no comment to make on the information concerning the company's internal control and risk management procedures related to the preparation and treatment of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L.225-37 of the French Commercial Code.

We hereby certify that the Chairman's report includes the other disclosures required by article L.225-37 of the French Commercial Code.

Paris, April 13, 2015
The Auditors

KPMG Audit
Department of KPMG S.A.

Jean-Marc Laborie
Partner

BM&A
(Bellot Mullenbach & Associés)

Thierry Bellot
Partner

5.4. DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF JUNE 4, 2015

The resolutions presented hereafter were approved by the Board of Directors and will be submitted to the Shareholders' Meeting. They may be completed by shareholders with the required authority, within the timeframes set out in the laws and bylaws.

COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

First resolution

The Shareholders' Meeting, after having reviewed:
- the Board of Directors' management report,
- the Chairman's report provided for in article L.225-37 of the French Commercial Code,
- the auditors' report on the consolidated financial statements,
- the auditors' special report on the report prepared by the Chairman of the Board of Directors,

1) approve the consolidated financial statements for the year, which show net income attributable to the Group of €20,504,737,

2) approve, in addition, all of the operations and measures reflected in these financial statements or summarized in the Board of Directors' management report.

Second resolution

The Shareholders' Meeting, after having reviewed:
- the Board of Directors' management report,
- the Chairman's report provided for in article L.225-37 of the French Commercial Code,
- the auditors' report on the consolidated financial statements,
- the auditors' special report on the report prepared by the Chairman of the Board of Directors,

1) approve the financial statements for the fiscal year, which show net book income of €3,768,009.98,

2) approve, in addition, all of the operations and measures reflected in these financial statements or summarized in the Board of Directors' management report.

Third resolution

In light of positive retained earnings of €51,820,214.74 and profit for the year of €3,768,009.98, the Shareholders' Meeting notes that the distributable income stands at €55,588,224.72 and decides to allocate it as follows:

• to the legal reserve	€819.04
• €0.06 per share to dividends, namely*	€1,438,905.54
• the balance to retained earnings, which therefore becomes:	€54,148,500.14

* Calculation made based on the number of shares in circulation at December 31, 2014 (i.e. 23,981,759), which will be adjusted if necessary, especially as a result of stock options exercised between January 1, 2015 and the day before the ex-dividend date.

The dividends related to the new shares subscribed by exercising stock options from January 1, 2015 will be deducted from retained earnings.

The dividend will be paid on June 12, 2015.

The sum distributed this way between shareholders is fully eligible for the 40% tax allowance provided for in article 158-3.2° of the French General Tax Code.

Pursuant to the legal provisions, the following dividends were distributed during the past three fiscal years:
2011: €0.06 per share,
2012: €0.06 per share,
2013: €0.06 per share,

Fourth resolution

The Shareholders' Meeting approves and ratifies as needed the agreements the auditors reported on it their special report established pursuant to the provisions of article L.225-38 of the French Commercial Code.

Fifth resolution

The Shareholders' Meeting gives the Board of Directors complete and definitive discharge without reservation of its duties and management at December 31, 2014.

Sixth resolution

The Shareholders' Meeting decides to renew the Directorship of Mr. Luc de Chammard, for one year, namely until the day the Shareholders' Meeting is called to approve the financial statements for the year ending December 31, 2015, who has declared that he accepts the renewal of his duties.

Seventh resolution

The Shareholders' Meeting decides to renew the Directorship of Mr. Bertrand Ducurtil, for one year, namely until the day the Shareholders' Meeting is called to approve the financial statements for the year ending December 31, 2015, who has declared that he accepts the renewal of his duties.

Eight resolution

The Shareholders' Meeting decides to renew the Directorship of Mrs. Marie-Françoise Jaubert, for one year, namely until the day the Shareholders' Meeting is called to approve the financial statements for the year ending December 31, 2015, who has declared that she accepts the renewal of her duties.

Ninth resolution

The Shareholders' Meeting decides to renew the Directorship of Mr. Jean-Louis Pacquement, for one year, namely until the day the Shareholders' Meeting is called to approve the financial statements for the year ending December 31, 2015, who has declared that he accepts the renewal of his duties.

Tenth resolution

The Shareholders' Meeting decides to renew the Directorship of Mr. Hervé Pichard, for one year, namely until the day the Shareholders' Meeting is called to approve the financial statements for the year ending December 31, 2015, who has declared that he accepts the renewal of his duties.

Eleventh resolution

The Shareholders' Meeting decides to renew the appointment of one of the two auditors and of its alternate auditor, which expires at the end of this Meeting.

The appointments of BM&A, lead auditor, and Mr. Eric Blache, alternate auditor, are renewed for a term of six years, namely until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

Twelfth resolution

"Say on pay"

The Shareholders' Meeting, having reviewed the Board of Directors' management report, issues a favorable opinion on the remuneration components due or attributed for FY2014 to Mr. Luc de Chammard, CEO, as shown in paragraph 13 of the said report.

Thirteenth resolution

"Say on pay"

The Shareholders' Meeting, having reviewed the Board of Directors' management report, issues a favorable opinion on the remuneration components due or attributed for FY2014 to Mr. Bertrand Ducurtil, Executive Vice-President, as shown in paragraph 13 of the said report.

Fourteenth resolution

Authorization for the Company to buy-back its own shares (valid 18 months)

The Shareholders' Meeting, ruling pursuant to the provisions of article L.225-209 of the French Commercial Code, after having reviewed the Board of Directors' management report, authorizes, for a period not exceeding 18 months from this Meeting, the Board of Directors to purchase the Company's own shares in order to:

1) subsequently cancel them,

2) cover:
   a. stock option plans and other forms of allocating shares to employees and/or to Group officers, especially for Company profit sharing, a Company Savings Plan (CSP) or the allocation of bonus shares,
   b. financial securities conferring the right to receive Company shares,

3) support the share price through an Investment Service Provider via a liquidity agreement pursuant to the code of professional conduct of the Association Française des Marchés Financiers (French Association of Financial Markets),

4) hold purchased shares for subsequent use as exchange or payment as part of an acquisition.

The shares may be purchased by intervening on the market or by purchasing blocks, without any specific limitation for such block acquisitions,

The maximum price at which the shares may be acquired is set at €21 per share.

The maximum number of shares that can be purchased by the Company cannot exceed 10% of the total number of shares comprising the authorized share capital (i.e. 2,398,175 shares) representing a maximum purchase amount of €50,361,675, it being noted that the maximum number of shares acquired with the view of subsequently being exchanged or used as payment as part of acquisitions cannot exceed 5% of the share capital the day of this decision.

This number of shares and the purchase price limit will be adjusted, if needed, during the Company's potential financial operations or decisions affecting the authorized share capital.

The Shareholders' Meeting grants all powers to the Board of Directors, which may delegate, for purposes of placing stock market orders, conclude agreements, make all declarations and perform all formalities with all organizations and, in general, do anything that is necessary.

The Shareholders' Meeting notes that this authorization supersedes any previous authorization for the same purpose.

The Board of Directors will give shareholders, as applicable, in its report to the annual Shareholders' Meeting, all information related to share purchases and sales actually carried out.

COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

Fifteenth resolution

Authorization to allocate bonus shares (valid 24 months)

The Shareholders' Meeting, after having reviewed the Board of Directors' management report and the auditors' special report on the report pursuant to articles L.225-197-1 et seq of the French Commercial Code, authorizes the Board of Directors to allocate bonus shares from existing shares or shares to be issued by the Company, in one or more times, to members of the salaried personnel of the Company or related companies within the meaning of article L.225-197-2 of the French Commercial Code, as well as officers pursuant to the provisions of article L.225-197-6 of the same code.

For the shares to be issued, the Shareholders' Meeting delegates to the Board of Directors all necessary powers for the purpose of approving one or more increases in the Company's capital (by capitalizing additional paid-in capital, reserves, profits or other items that can be legally and statutorily capitalized) resulting from the allocations of free common shares newly issued by the Company.

No more than 239,000 common shares of the Company can be allocated free of charge under this authorization, representing slightly less than 1% of the Company's share capital at the date of this Shareholders' Meeting. The difference between the number of shares allocated to each employee cannot be greater than a ratio of one to five.

The minimum acquisition period is set at two years. The Board of Directors will establish, at the time of each allocation, the acquisition period at the end of which the allocation of the common shares will become definitive. This period cannot be less than the two years fixed in this authorization. However, the allocation of the shares to their beneficiaries will become definitive before the end of the acquisition period in the event the beneficiary becomes disabled according to the classification in the second or third categories provided for in article L.341-4 of the French Social Security Code. The minimum mandatory retention period is set at two years. The Board of Directors will establish, at the time of each allocation, the mandatory retention period that starts when the shares are allocated definitively. This period cannot be less than the two years fixed in this authorization. Nevertheless, the shares are freely transferable in the event the beneficiary becomes disabled according to the classification in the aforementioned categories of the French Social Security Code.

The Shareholders' Meeting notes and decides, as needed, that this authorization entails, to the benefit of the beneficiaries of the free common shares to be issued, the shareholders' waiver of their preemptive subscription and allocation right to the common shares that will be issued as and when the shares are allocated definitively and, more generally, to any right to the common shares issued free of charge or from part of the reserves, profits or additional paid-in capital, which will serve, where appropriate, in the case that new shares are issued, as the basis of this authorization.

The Shareholders' Meeting gives all powers to the Board of Directors, subject to the limits set out above, for the purposes of implementing this authorization and in particular to:

- allocate the bonus shares,
- fix the conditions and, where necessary, the criteria of allocating the common shares as well as, consistent with the legal provisions, the dates when the bonus shares will be allocated,
- determine the identity of the beneficiaries, the number of common shares allocated free of charge to each of them, the terms of allocating the common shares and, in particular, the acquisition period and the retention period for the shares allocated accordingly,
- decide to proceed based on the terms that it will determine, during the acquisition period of the shares allocated free of charge, to make any adjustments in order to take into account the impact of operations on the Company's share capital and, in particular, to determine the conditions under which the number of common shares allocated will be adjusted,

- determine the terms and conditions of share issues that would be carried out under this authorization, especially the dividend date for new shares, and
- more generally, with the powers of delegation in accordance with the law, to conclude any agreements, establish all documents, record capital increases following the definitive allocations, modify if necessary the bylaws accordingly, request the admission of the new shares for quotation, carry out all formalities and, in general, do anything that will be necessary.

The Board of Directors will inform the Shareholders' Meeting every year of the allocations carried out under this resolution pursuant to article L.225-197-4 of the French Commercial Code.

The period during which the Board of Directors can make use, in one or more times, of this authorization is fixed at 24 months from the date of this Meeting.

The Shareholders' Meeting notes that this authorization supersedes any previous authorization for the same purpose.

Sixteenth resolution

Authorization to increase the share capital reserved for employees (valid 26 months)

The Shareholders' Meeting, having reviewed the reports of the Board of Directors and the auditors, authorizes the Board of Directors, pursuant to articles L.225-129 et seq of the French Commercial Code and according to the conditions provided for in articles L.3332-18 et seq of the French Labor Code, to increase the share capital, in one or more times and at its discretion, a maximum nominal amount of €600,000 per issue subscribed in cash and reserved, if necessary by distinct blocks, for employees and former employees, retired or pre-retired, of the Company or related companies within the meaning of article L.3344-1 of the French Labor Code, who are members of a company savings plan.

This delegation entails the shareholders' express waiver of their preemptive subscription right to this authorized share capital increase.

This authorization is valid for a period of 26 months from the date of this Meeting.

The Shareholders' Meeting delegates all powers to the Board of Directors for purposes of carrying out this authorized share capital increase, and especially to:

- determine, where applicable, the companies whose employees and retired or pre-retired employees could subscribe to the shares issued pursuant to this authorization,
- settle all of the terms and conditions of the operation(s) to carry out and, in particular:
  - fix where necessary the length of service conditions that beneficiaries of the new shares must fulfill and the time given to the subscriptions to pay up these shares,
  - decide the amount of the issue, the subscription price, the length of the subscription period, the entitlement date, even retroactive, of the new shares and more generally all of the terms of each issue,
  - at its sole discretion, after each capital increase, to charge the transaction costs to the amount of the related additional paid-in capital,
  - perform all actions and formalities required to record the completion of each capital increase up to the number of shares that will actually be subscribed, make any related changes to the bylaws, make all publications and, more generally, do everything that will be useful and necessary, with the option of substitution.

The whole in compliance with the legal and regulatory provisions in effect.

Seventeenth resolution

Delegation of authority to grant to the Board of Directors for purposes of increasing the capital by issuing shares and/or financial securities that confer entitlement to the share capital reserved for shareholders and/or by capitalizing reserves, additional paid-in capital and profits (valid 26 months)

The Shareholders' Meeting, having reviewed the Board of Directors' report and the auditors' special report:

- delegates to the Board of Directors its competence to increase the share capital, in one or more times, in the proportions and at the times it will determine:
  - by issuing, both in France and abroad, shares and/or financial securities providing immediate or future entitlement, at any time or at a fixed date, to the Company's common shares, be it by subscription, conversion, exchange, reimbursement, presentation of a coupon or any other manner; and/or
  - by capitalizing additional paid-in capital, reserves, profits or other in the form of bonus share allocations or by raising the face value of existing shares;
- fixes at 26 months the length of this delegation, counted from the date of this Meeting;
- decides to fix, as follows, the limits of the amounts of authorized issues in the event the Board of Directors uses this delegation of authority:
  - the total nominal amount of the shares likely to be issued pursuant to this delegation cannot exceed €11 million;
  - this ceiling includes the total nominal value of the additional shares that may be issued to protect, pursuant to the Law, the rights of holders of marketable securities that confer entitlement to the share capital;
  - moreover, the total nominal amount of the shares issued, directly or not, will be charged against this ceiling, by virtue of the next resolution;
  - the total nominal amount of the financial securities representing claims on the Company that can be issued cannot exceed €90 million;
- in the event the Board of Directors uses this delegation of authority on the occasion of the issues described above:
  - decides that the shareholders may exercise, under the conditions provided for by Law, their preemptive subscription right in proportion to the amount of entitling shares held. In addition, the Board of Directors may grant shareholders the right to subscribe to excess shares or other financial securities beyond the number of shares they could subscribe in proportion to the number of entitling shares held, in proportion to their preemptive subscription rights and, in any case, subject to the limit of their request;
  - decides that, if the subscriptions in proportion to the number of entitling shares held and, where applicable, for excess amounts, do not absorb the entire issue of shares or other financial securities carried out pursuant to this delegation, the Board of Directors may use, in the order it deems appropriate, one or more of the following options:
    (i) limit the issue to the number of subscriptions received, provided that this amount reaches at least three quarters of the issue initially decided;
    (ii) freely divide all or part of the unsubscribed financial securities between the people of its choosing;
    (iii) offer to the public all or part of the unsubscribed securities issued;
  - decides that, with regard to any capitalization of additional paid-in capital, reserves, profits or other, where necessary, the rights to fractional shares will not be negotiable and that the corresponding shares will be sold, the proceeds from the sale being allocated to the holders of the rights within the time period set by the legal provisions;
  - notes, as required, that this decision entails, to the benefit of the holders of the financial securities issued pursuant to this delegation, waiver by the shareholders of their preemptive subscription right to the shares that these financial securities confer rights;
  - decides that the Board of Directors will have, within the limits fixed above, the necessary powers, especially to set the conditions of the issue(s), record the completion of the resulting capital increases, make

any related changes to the bylaws, charge, at its sole initiative, the costs of the capital increases to the related additional paid-in capital and, more generally, take all necessary measures;
- notes that this authorization supersedes any previous authorization for the same purpose.

Eighteenth resolution

Delegation of authority to grant to the Board of Directors for purposes of increasing the capital through a public offering by issuing shares and/or financial securities that confer entitlement to the Company's share capital, with the suppression of the preemptive subscription right (valid 26 months)

The Shareholders' Meeting, having reviewed the Board of Directors' report and the auditors' special report and pursuant to the provisions of the French Commercial Code and in particular its articles L.225-129-2 and L.225-136-1°:

- delegates to the Board of Directors its competence for purposes of carrying out capital increases, one or more times, in the proportions and at the times it determines, both in France and abroad, by public offering, by issuing shares and/or financial securities that confer immediate or future entitlement, at any time or at a fixed date, to the Company's share capital, be it by subscription, conversion, exchange, reimbursement, presentation of a coupon or by any other means; it being made clear that these securities may be issued for purposes of compensating securities that would be contributed to the Company as part of a take-over bid by way of an exchange of securities that satisfies the conditions set out by article L.225-148 of the French Commercial Code;
- fixes at 26 months the length of validity of this delegation, counted from the date of this Meeting;
- decides to fix, as follows, the limits of the amounts of authorized issues in the event the Board of Directors uses this delegation:
  - the total nominal amount of the common shares likely to be issued pursuant to this delegation cannot exceed €11 million;
  - moreover, the total nominal amount of the shares issued will be charged against this ceiling, by virtue of the previous resolution;
  - the nominal amount of the financial securities representing claims on the Company that can be issued like this cannot exceed €90 million;
- decides to eliminate shareholders' preemptive subscription right to the securities covered by this resolution, nevertheless leaving the Board of Directors the option of giving the shareholders a preferential right pursuant to the Law;
- decides that the sum payable, or that should be payable, to the Company for each of the common shares issued under this delegation, after taking into account, in case stand-alone share purchase warrants are issued, the issue price of the said warrants will at least equal the minimum required by the applicable legal and regulatory provisions at the time when the Board of Directors will implement this delegation;
- decides, in the case financial securities are issued to compensate securities contributed as part of a take-over bid by way of an exchange of securities, that the Board of Directors will have, within the limits set out above, the necessary powers to decide the list of securities contributed to the exchange, to fix the issue conditions, the exchange parity and, where applicable, the amount of the balancing cash adjustment to pay, and to determine the issue terms;
- notes, as required, that this decision entails, to the benefit of the holders of the financial securities issued pursuant to this delegation, waiver by the shareholders of their preemptive subscription right to the shares that these financial securities confer rights;
- decides that the Board of Directors will have, within the limits fixed above, the necessary powers, especially to set the conditions of the issue(s), record the completion of the resulting capital increases, make any related changes to the bylaws, charge, at its sole initiative, the costs of the capital increases to the related additional paid-in capital and deduct from this amount the necessary sums to bring the legal reserve to one tenth of the new share capital after each increase, more generally, take all necessary measures;
- notes that this authorization supersedes any previous authorization for the same purpose.

Nineteenth resolution

Authorization to increase the amount of issues in the event of oversubscriptions (valid 26 months)

For each of the issues decided pursuant to resolutions 17 and 18, the number of securities to issue may be increased under the conditions provided for by article L.225-135-1 of the French Commercial Code and within the limits established by the Shareholders' Meeting, when the Board of Directors records an oversubscription.

Twentieth resolution

Delegation of authority to grant to the Board of Directors to carry out a capital increase in order to compensate the contributions in kind of equity securities or financial securities that confer entitlement to the share capital (valid 26 months)

The Shareholders' Meeting, having reviewed the Board of Directors' report and the auditors' special report and pursuant to article L.225-147 of the French Commercial Code:

- authorizes the Board of Directors to increase the capital to compensate contributions in kind granted to the Company comprised of equity securities or financial securities that confer entitlement to the share capital when the provisions of article L.225-148 of the French Commercial Code are not applicable;
- fixes at 26 months the length of validity of this delegation, counted from the date of this Meeting;
- decides that the total nominal amount of the common shares likely to be issued pursuant to this delegation cannot exceed 10% of the share capital. This ceiling is independent of all of the ceilings that apply to the other authorizations to increase share capital given to the Board of Directors as part of adopting the preceding resolutions 17 and 18;
- delegates all powers to the Board of Directors, with the option of subdelegation under the conditions set by Law, in order to carry out capital increases, to record their completion, to charge against the contribution premium, where applicable, all of the costs and fees generated by the capital increase, to deduct from the contribution premium the necessary sums to bring the legal reserve to one tenth of the new share capital after each increase, and to modify the bylaws accordingly;
- notes that this authorization supersedes any previous authorization for the same purpose.

JOINT AUTHORITY

Twenty first resolution

The Shareholders' Meeting gives all powers to the holder of a copy or extract of the minutes of this Meeting to fulfill all legal filing and publication formalities.

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

6.1. 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 on December 5, 1984 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 concerning: consulting, design, production, development, deployment, installation, support, operation and distribution of any IT and electronic systems, both for services and 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,
- generally, carry out any commercial, industrial and financial operations pertaining directly or indirectly to its purpose.

Company Trade Register

R.C.S. Nanterre 331 408 336.

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 twentieths (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 downward 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, within the deadline of five stock exchange trading days.

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 2014 financial year, the company did not buy back any of its own shares. Accordingly, as at December 31, 2014, it did not possess any of its shares.

The Combined Shareholders' Meeting held on June 5, 2014 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 4, 2015),
- maximum share of the capital to be acquired: 10%,
- maximum purchase price: €18 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 6, 2013, which the Board of Directors had not used.

A motion will be put to the Combined Shareholders' Meeting on June 4, 2015 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 3, 2016),
- maximum share of the capital to be acquired: 10%,
- maximum purchase price: €21 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 Combined Shareholders' Meeting of June 5, 2014.

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.

6.2. CAPITAL AND SHARES

Share capital

At December 31, 2014, the Company's share capital amounted to €9,592,703.60 divided into 23,981,759 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 allocation 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 6, 2013 authorized the Board of Directors to allocate a bonus share plan for up to 237,000 common shares (valid 24 months). The Board of Directors did not use this authorization.

After deducting the options and bonus shares that had expired and the options already exercised, at December 31, 2014, there were 271 151 allocated options and bonus shares that could be used to create the same amount of additional shares according to the details set out below:

	Other potential securities (at 12/31/2014)	% of capital
Stocks options that can be exercised (less Plans No. 2 and 3, expired and already exercised)	58,151	0.24%
Bonus shares during the acquisition period (less Plan E, expired)	213,000	0.89%
TOTAL	**271,151**	**1.13%**

Authorized capital

The Combined Shareholders' Meeting of June 6, 2013, authorized the Board of Directors to issue in France or on international markets during the subsequent 26 months (or until August 5, 2015), shares or securities giving access, immediately or at term, to company capital (fourteenth, fifteenth, sixteenth and seventeenth 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 €11 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 €90 million.

A motion will be put to the Combined Shareholders' Meeting on June 4, 2015 to renew these authorizations. according to the same terms and conditions.

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	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	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) of BSPCE/other 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 the delivery of shares to the beneficiaries of the Plan C bonus share allocation	€54,762	€85,775.50	136,905	23,759,664	€9,503,865.60
12/31/2013	Capital increase following the exercise of stock options and the delivery of shares to the beneficiaries of the Plan D bonus share allocation	€80,647.60	(€11,911.10) *	201,619	23,961,283	€9,584,513.20
12/31/2014	Capital increase following the exercise of stock options	€8,190.40	€101,915.40	20,476	23,981,759	€9,592,703.60

** €64,088.90 of additional paid-in capital (in relation to the capital increase following the exercise of stock options), less €76,000 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, 2012				Situation at December 31, 2013				Situation at December 31, 2014			
	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	10,968,683	46.2%	21,759,127	53.2%	10,968,683	45.8%	21,759,127	52.8%	10,968,683	45.7%	21,759,127	53%
Luc de Chammard and children	5,487,526	23.1%	10,975,052	26.9%	5,224,626	21.8%	10,449,252	25.3%	5,083,490	21.2%	10,159,493	24.7%
SUBTOTAL	**16,456,209**	**69.3%**	**32,734,179**	**80.1%**	**16,193,309**	**67.6%**	**32,208,379**	**78.1%**	**16,052,173**	**66.9%**	**31,918,620**	**77.7%**
Bertrand Ducurtil	769,167	3.2%	1,375,334	3.4%	809,167	3.4%	1,480,333	3.6%	809,167	3.4%	1,480,333	3.6%
Other officers (managers) with registered shares	785,186	3.3%	785,186	1.9%	1,059,938	4.4%	1,369,946	3.3%	1,063,950	4.4%	1,373,958	3.3%
SUBTOTAL OFFICERS (MANAGERS)	**18,010,562**	**75.8%**	**34,894,699**	**85.4%**	**18,062,414**	**75.4%**	**35,058,658**	**85%**	**17,925,290**	**74.7%**	**34,772,911**	**84.6%**
Employees with registered shares	341,752	1.4%	345,502	0.8%	370,200	1.5%	384,950	0.9%	297,390	1.3%	312,140	0.8%
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Public*	5,407,350	22.8%	5,638,228	13.8%	5,528,669	23.1%	5,790,347	14.1%	5,759,079	24%	6,004,419	14.6%
TOTAL	**23,759,664**	**100%**	**40,878,429**	**100%**	**23,961,283**	**100%**	**41,233,955**	**100%**	**23,981,759**	**100%**	**41,089,470**	**100%**

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

Threshold crossings

Pursuant to statutory rules, Jousse Morillion Investissement declared it moved under the threshold of 2% of the capital on May 14, 2014.

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

Between March 6 and 28, 2014, Luc de Chammard sold 108,623 shares on the market for the sum of €1,648,180.

Between November 20 and December 31, 2014, Luc de Chammard sold 32,513 shares on the market for the sum of €462,121.

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

Lock-up undertakings concluded during the year

During the financial year, no commitment concerning the conservation of shares was concluded.

Shareholder agreements

None.

Actions in concert

Luc de Chammard, his children and Host Développement (held 100% by Luc de Chammard) act in concert. On the other hand, they do not act in concert with Bertrand Ducurtil.

Pledged shares

None.

6.3. THE MARKET FOR COMPANY SHARES

NEURONES' shares are listed in compartment "B" of the only list (Eurolist) on Euronext Paris (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 also included in the CAC All Tradable, CAC Mid & Small, CAC Technology and CAC Soft & C.S. indexes in particular.

The trends in the share price and the volumes traded in 2014 were as follows:

Month	Highest price *(in €)*	Lowest price *(in €)*	Average closing *(in €)*	Number of shares traded *(in € thousands)*	Number of trading sessions
January 2014	13.86	12.46	13.44	200	22
February 2014	14.95	13.40	14.26	217	20
March 2014	16.00	13.90	15.11	315	21
April 2014	15.60	14.19	15.10	143	20
May 2014	15.78	14.10	14.88	177	21
June 2014	14.93	13.35	14.21	78	21
July 2014	14.68	13.80	14.13	64	23
August 2014	14.00	12.61	13.50	62	21
September 2014	14.35	12.76	13.45	100	22
October 2014	14.00	12.30	13.08	196	23
November 2014	14.50	13.38	14.03	240	20
December 2014	15.00	13.31	13.81	59	21
Highest, lowest and average for 2014	**16.00**	**12.30**	**14.07**	**154**	**21**

Source: Euronext.

The average volume traded daily on Euronext during 2014 was approximately 7,300 shares. This does not take into account the exchange of sometimes significant blocks of shares conducted "off the market" (nor transactions carried out on alternative platforms.)

6.4. CORPORATE GOVERNANCE

Board of Directors

Members

The Board of Directors is comprised of 5 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 in 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 + 9 offices	1 office
Marie-Françoise Jaubert	Director	NEURONES	None
Jean-Louis Pacquement	Director	NEURONES	None
Hervé Pichard	Director	NEURONES	5 offices

Seniority in the position

Director	Date of first appointment	Expiry appointment expires
Luc de Chammard	December 5, 1984*	AGM of June 4, 2015
Bertrand Ducurtil	June 30, 1999	AGM on June 4, 2015
Jean-Louis Pacquement	December 5, 1984*	AGM on June 4, 2015
Hervé Pichard	October 15, 2004	AGM on June 4, 2015
Marie-Françoise Jaubert	June 9, 2011	AGM on June 4, 2015

* NEURONES' founding date.

Jean-Louis Pacquement is a long-standing director. Hervé Pichard is 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 an "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. In particular, they do not have any financial, contractual or family connection with the company or its managers likely to affect their ability to make independent judgments.

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

Nearly two thirds 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

Number of meetings of the Board of Directors in 2014: 3. Attendance rate of members of the Board of Directors in 2014: 93%.

Renewal of directors' terms of office

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, 2014.

Remuneration of directors

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

Compliance with 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 (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 with 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 expected 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. These meetings fulfill, in part, the role expected of an audit committee meeting, the main duties and functions of which are also covered by the Board, more specifically by the review of internal control work.

Updating of the risk map continued in 2014. It is described in Chapter 2 of the Chairman's Special Report, in the section containing the procedural guide to auditing risk management.

Managers' interests

The total gross amounts of remuneration and fringe benefits attributed to members of NEURONES' Board of Directors for FY2013 and FY2014 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 clients or suppliers.

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

6.5. 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 271,151 options or bonus share allocations in circulation at December 31, 2014 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 allocation or purchase plans not expired at January 1, 2014 is shown below:

	Stock option plan No. 2	Stock option plan No. 3	Stock option plan No. 6
Shareholders' Meeting	11/29/99 & 06/09/11	11/29/99 & 06/09/11	06/25/04
Board of Directors meeting	07/27/00 & 03/31/11	07/11/01 & 03/31/11	06/28/06
Maturity date of the plans	07/27/05	07/11/06	07/01/10
Expiry date of the plans	07/26/15	07/11/16	06/30/14
Number of beneficiaries	10	10	10
- of which officers	-	-	-
Number of shares granted	34,298	81,000	33,000
- of which officers	-	-	-
Number of expired options at 12/31/2013	(27,629)	(16,000)	(4,000)
Number of shares already subscribed at 12/31/2013	-	(65,000)	(29,000)
Number of options that expired during the period	-	-	-
Number of shares subscribed during the period	-	-	-
- of which officers	-	-	-
- of which employees	-	-	-
Subscription price (in €)	7.5	3.8	5.1
Number of options in circulation at 12/31/2014	6,669	-	-
Number of exercisable options at 12/31/2014	6,669	-	-

For the NEURONES officers and 10 Group employees who received the most bonus shares, the history of the bonus share allocation plans that had not expired at January 1 2014 is shown below:

	Bonus share plan C	Bonus share plan D	Bonus share plan E
Shareholders' Meeting	06/11/09	06/10/10	06/09/11
Board of Directors meeting	07/24/09	12/14/10	06/07/12
End of acquisition period	08/01/12	12/15/13	06/08/15
End of retention period	08/01/14	12/15/15	06/08/17
Number of beneficiaries	10	10	10
- of which officers	-	-	-
Number of bonus shares allocated	72,000	68,000	75,000
- of which officers	-	-	-
- of which the first ten employee beneficiaries	*72,000*	*68,000*	*75,000*
Number of expired shares at 12/31/2013	(27,000)	(14,000)	-
Number of shares in the acquisition period at 12/31/2013	-	-	75,000
Number of shares expired during the acquisition period in the fiscal year	-	-	-
Number of shares in the acquisition period at 12/31/2014	-	-	75,000
Number of shares in the retention period at 01/01/2014	45,000	54,000	-
Number of shares in the retention period at 12/31/2014	-	54,000	-

Statutory profit sharing and optional profit sharing

In addition to potential stock option and bonus share attribution 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	2010	2011	2012	2013	2014
Statutory profit sharing	2,708	2,283	3,206	2,334	2,724
Optional profit sharing	76	146	80	97	0
TOTAL (statutory + optional profit sharing)	2,784	2,429	3,286	2,431	2,724

6.6. 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 (France)
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.

BM&A
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 (France)
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 – 92000 Nanterre (France)
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 hereby 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

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."

6.7. RELATED INFORMATION

Information included for reference purposes

The following information is included in this reference document for reference purposes:
- the consolidated financial statements for FY2011 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.
- the consolidated financial statements for FY2012 established in accordance with the French accounting standards, plus the related statutory auditors' report, shown on pages 48 to 68 of the 2012 annual report filed with the AMF on April 17, 2013 under number D. 13-0372.
- the consolidated financial statements for FY2013 established in accordance with the French accounting standards, plus the related statutory auditors' report, shown on pages 52 to 72 of the 2013 annual report filed with the AMF on April 17, 2014 under number D. 14-0379.

Publicly available documents

The following documents in particular are available on the company website (www.neurones.net):
- this Reference Document 2014,
- the Reference Documents 2011, 2012 and 2013.

The company by-laws can be consulted at NEURONES' head offices: 205, Avenue Georges Clemenceau – 92000 Nanterre (France).

The Reference Documents 2011, 2012 and 2013, and this Reference Document 2014, are also available on the AMF website (www.amf-france.org).

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

2014 REFERENCE DOCUMENT

This reference document was filed with the Autorité des Marchés Financiers on April 16, 2015 in accordance with 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.

TABLE OF CONCORDANCE

This table identifies the information to be included in the annual report filed as a reference document.

GLOSSARY

The terms defined below essentially relate to NEURONES' various businesses. This glossary is intended to facilitate the understanding of technical terms and acronyms used in this annual report.

ACD (Automatic Call Distribution): function of a telephone switchboards (PABX/Private automatic branch exchange) used by a service desk or call center. It is used to assign incoming calls to support technicians' queues and manage them.

AJAX (Asynchronous JavaScript And XML): application development environment that provides a very rapid response to Internet user requests: retrieves only data and executes the JavaScript code via the user's browser (instead of sending whole XHTML pages).

Analytics: data analysis. See Big data.

API (Application Programming Interface): interface that allows software programs to communicate with each other.

Application servers (n-tier architecture)/enterprise platforms: the development of "web-based" information systems can be defined as the construction of next generation applications built in three tiers: a web browser ("universal client" installed as standard on desktops or smartphones), an application server (Java, .Net) and finally a database management system (Oracle, SQL, DB2, etc.). Hence, the term "three-tier architecture", as opposed to the so-called "client/server" architecture that preceded it. There are several solutions currently on the market: Microsoft .Net, Sun ePlanet and Java, IBM WebSphere, free solutions like Tomcat/PHP pages/Apache, BEA Weblogic. These platforms for running J2EE and .Net applications are evolving rapidly and analysts now speak increasingly of "enterprise application platforms" rather "application servers".

Assistance to contracting authorities (French AMO: Assistance à Maîtrise d'Ouvrage): consulting company or digital service company that assists contracting authorities in defining their requirements (establishing specifications and managing calls for tender), in supervising their relationship with the prime contractor for the duration of the project, the project acceptance phase and the warranty period.

BAM (Business Activity Monitoring): BAM aims to monitor business processes (applications and processes involving human intervention): performance, availability, accessibility, etc. A BAM project requires the implementation of tools to gather data concerning processes and a tool for compiling and presenting the results. Essentially, it is an additional layer to BPM tools (see below). Publishers are either "pure play" BAM providers (such as Systar), or BPM players (such as Tibco), or decision-process specialists (such as Informatica and Cognos).

Big Data: data sets (Web, mobile telephone systems, cameras, sensors, transactions, etc.) that are so large and so varied (relational, semi-structured, unstructured, etc.) and which are generated at such high speed (time-sensitive process) that they become difficult to store with traditional or conventional databases and also difficult to analyze ("Big Analytics"). Researchers therefore need to develop new tools to store (NoSQL, Google MapReduce, massively parallel databases such as Hadoop, etc.), to analyze and to make sense of this data with a low information density (analytics, search, algorithms, inferential statistics, etc.). Big Data has applications in large scientific programs, public programs (yottabytes of Internet data in the future data center of the National Security Agency in Utah, tax application data comparison, etc.), digital marketing (definition of client profiles by analyzing Wallmart transactions, Facebook photos, websites consulted) or financial markets (information processing for trading robots). Big Data is considered a major IT challenge for the next decade (2015-2025).

Bluetooth: wireless communication protocol for exchanging data over a very short distance using UHF radio waves. The aim of Bluetooth is to simplify the connections between electronic devices by removing hard-wire connections. It is very widespread and has replaced the use of wires for many devices: computers, tablets, mobile phones, printers, keyboards, mice, video game controllers, hands-free kits, headphones, car radios, digital cameras, barcode readers, etc.

BPM (Business Process Management): set of methods and application tools that automate and optimize company workflows, whether they be internal to the company or involve third parties. Business processes are integrated into BPM. A typical business process is customer management: their orders, online payments, file validation, management of their possible claims, etc. While independent of operational data and business applications, BPM applications draw on the latter, often using Enterprise Application Integration (see EAI below): Leading BPM publishers are: Tibco Software, IBM Websphere Process Server, Webmethods from Software AG and Oracle Weblogic.

BPO (Business Process Outsourcing): outsourcing of a function or process, not just IT: accounting, payroll, subscriber management, etc.

Business Intelligence (BI): term referring to all disciplines related to decision-making, from "data warehouse" input to the publication of information (on the Internet or other media), including the creation of multidimensional OLAP cubes. This also includes datamining and analytical processing applications, previously known as information centers, EIS (Executive Information System) or IDSS (Information and Decision Support Systems).

BYOD (Bring Your Own Device): the use of your own personal equipment (smartphone, laptop, tablet) in a professional context. This growing new trend poses technical, legal and social questions (employment contract, internal regulations, IT charter) and raises security and data protection issues. BYOD may be limited to certain applications and certain types of users (temporary subcontractors or PhD students, for example). See also CYOD.

Cloud computing: third-party services provided according to the following models: Infrastructure as a Service (IaaS), Platforms as a Service (PaaS) and Software as a Service (SaaS) on demand over private or public networks. As regards infrastructures, we distinguish between the public cloud (e.g.: Google, Microsoft Azure, Amazon, etc.) and the private cloud. There are many forms of private cloud: "Dedicated private cloud" (with dedicated infrastructures), private cloud (with infrastructures shared among several companies). A private cloud architecture is deemed "complete" if the client can order services on a self-service basis (provisioning), if the resources are automatically allocated to the client, and, lastly, if the services are invoiced according to use. In this way, many companies make significant gains thanks to virtualization and quick access to powerful shared infrastructures. Basically, in a private cloud, users will pay their consumption "on demand" based on a number of servers instances (CPU and memory), terabytes of storage and bandwidth. The provider will have a secure infrastructure consisting of virtual servers, storage capacity, networks and shared and redundant backups (including backup sites). Sometimes companies use several private and/or public clouds at the same time. This is called "hybrid cloud". Through cloud computing solutions, companies free themselves from managing all or part of their IT infrastructure (IaaS, PaaS) or from installing applications (SaaS).

CMDB (Configuration Management Data Base): a database describing the components of an information system and their inter-relations. It tracks all the changes made to their configuration. CMDB is a fundamental component of the ITIL architecture of an IT facility. Indeed, there are significant practical difficulties in ensuring good documentation concerning an IT system in production (documentation by process, deciding upon the level of detail, redundancy, difficulties in ensuring updates, history management, etc.).

CMM (Capability Maturity Model): a reference model of best practices in software development and maintenance. The model helps to optimize processes and evaluate the business on a maturity scale with five levels (initial, repeatable, defined, managed, optimized). Since 2006, the latest model – CMMI (I: Integration) – has been used.

COBIT (Control Objectives for Information and Technology): reference model for evaluating IT risks and investments, and more generally IT governance.

Collaborative platform: set of tools and applications enabling collaborative work in a department, company or group, between people located on different sites. This tool set includes functions for communication (rapid peer-to-peer messaging, audio-conferencing, etc.), collaboration (file sharing with common updates), project management tools, process or workflow management, rights management (directory with photo gallery), a knowledge base, a discussion forum (with grading system for articles), multi-user instant messaging, an archiving system, personal pages, etc.

Computer security: the increasing openness of information systems (connected to the Internet, inter-connected between sites, open to clients and suppliers, remotely accessible via mobile devices or from home, etc.) has led to the development of IT security. Indeed, this is now a specialty in its own right. Its scope covers: incoming data protection solutions (anti-virus software, firewalls, proxy-cache, intrusion detection and content inspection), access protection (VPN encryption, administration, access authorization) and security administration (including identifying vulnerabilities). The associated services are essentially: consulting, architecture, auditing, monitoring and administration. This specialty is part of the broader issue of "general security". The two terms are distinct and should not be confused. General security also includes: emergency plans, the establishment of backup resources, rules concerning behavior and procedures, the physical security of premises and access points, etc.

Connected object (Internet of Things): an object equipped with computing capabilities, which communicates using wireless devices. The object may be a mobile phone or an accessory used in everyday life. The Internet of Things is expected to grow rapidly between 2015-2025.

Content inspection: content inspection filters the content of the e-mails or websites to prevent potential misuse. Content inspection also detects mobile codes: small applications (applets) such Java, ActiveX, .exe, which are often attached to e-mails and which are sometimes malicious.

Content Management (ECM – Enterprise Content Management): electronic management of unstructured information (mail, contracts, invoices, e-mails, HTML Web files, photos, audio files, films, etc.) as opposed to structured information in databases ECM notably covers:
- managing and formatting the content published on large Internet sites or extranet sites (WCM: Web Content Management),
- Electronic Document Management applications (production EDM and office EDM).

The leading content management publishers are: EMC Documentum, IBM FileNet, Microsoft Sharepoint, Alfresco, OpenText, Vignette, Broadvision.

Contracting authority: an entity or decision-maker who requests the development of a new custom application or the integration of all or part of a software package, or, more generally, who orders an IT project in response to their needs.

CRM (Customer Relationship Management): all company functions aimed at winning and retaining clients. This term, which has replaced the term "front office", groups together the management of marketing operations, sales support, customer service, the call center and service desk. The CRM software packages on the market perform one or more of these functions.

CTI (Computer Telephony Integration): CTI manages the exchange of information (mainly call numbers) between telephone systems and computer systems. Help desk or CRM applications are then used to link a call number to information (stored in a database) concerning the caller or the person called. The information is then displayed in real time on the user's screen. CTI can be implemented locally on a workstation or in a call center. The leading publisher is Genesys.

CYOD (Choose Your Own Device): approach which allows users to choose their equipment (smartphone, tablet, laptop) from a selection of solutions validated by the employer. Also see BYOD.

Datacenters: processing centers that provide gains for companies by pooling equipment, software and services. Historically, these centers were mostly used for large systems ("mainframes") where outsourcing generally included the purchase of the client's hardware ("outsourcing of ownership"). Today, consolidated and virtualized servers in high-density cabinets and shared storage and backup systems (which all consume a lot of energy in terms of operation and cooling) have led to sustained growth in the hosting market, since conventional machine rooms are not suited to the volumes involved. The latest generation of datacenters provide the same computing power but consume less and less electricity. Despite this rapid development, it should not be forgotten that the main issue for a datacenter is the effective management of servers: supervision, operation, batch processing, backups, etc.

Digital marketing (web marketing): marketing campaigns that uses digital channels (computers, tablets, mobile phones, video games, digital billboards, televisions in sales outlets). Digital marketing aims to reach consumers based on a personalized approach, in an interactive and highly targeted manner. Digital marketing is one of the major areas of application for Big Data technologies, due to the amount of data acquired via digital networks. Digital marketing budgets are steadily increasing, at the expense of traditional marketing budgets.

EAI (Enterprise Application Interface or Enterprise Application Integration): the system that links company applications together (production management with stock management, CRM with ERP – see definitions above and below – or two ERP systems within the same group, etc.) to ensure the uniformity of the Information System. Although often achievable through an exchange of files, but without the benefit of real time, the integration of two applications requires the development of interfaces (called connectors) between their corresponding APIs (see definition above). Different API standardization projects have been conducted, but without much success. As such, specific EAI solutions were developed which manage a limited number of software packages on the market.

ECM (Enterprise Content Management): see Content Management.

EDM (Electronic Document Management): IT system for acquiring, filing, storing and archiving digital documents. Electronic formatting of incoming (incoming mail) or outgoing documents (bank statements or telephone operator invoices) are typical examples of EDM applications. See also: Content Management.

e-learning: refers to all distance-learning techniques, notably using the Internet, Intranets, teleconferencing tools and CD-ROMs.

Encryption/data encryption: encoding information in order to make it incomprehensible to anyone other than the intended recipient. Since the French inter-ministerial committee decision of January 19, 1999, France has liberalized encryption and adopted the rules applied by other major G7 countries.

Enterprise Social Network: an application platform that groups together a community for business purposes. The members are the company's employees, clients, shareholders or partners. As with a "general public" social network, an enterprise social network uses "profile sheets" highlighting the expertise of employees, their interests and a "wall" for monitoring activity, which provides a consolidated view of the ecosystem's activity (colleagues, communities, exchanges on a particular topic, etc.). For example: Microsoft Yammer.

ERP (Enterprise Resource Planning): an ERP system groups together all the management applications required in a company, whether "horizontal" applications (accounting, human resources management, etc.) or "vertical" applications (production management, stock management, etc.), sometimes specialized by industry. Unlike an assembly of specific software packages, ERP systems have a single common infrastructure (shared databases, exchange mechanisms between modules) and generally include tools for collaborative work (groupware, workflow). Although they traditionally dealt with back office operations, ERP systems have gradually integrated decision making and front office functions. They have also become more open; their APIs (see definition above) have been made public by their publishers, so as to facilitate interfacing with more specialized software packages, using, EAI tools (see definition above), for example. The most common ERP system in large industrial enterprises is made by the German company SAP.

eSCM (eSourcing Capability Model): reference model of best practices in sourcing and client/supplier relationships. This model was developed in the USA in the early 2000s, and covers the entire life cycle of outsourced services: definition of the sourcing strategy, study of outsourcing opportunities, supplier selection, contract life and reversibility.

ESN (Entreprise de Services Numériques): Digital Service Company. French acronym that is slowing replacing the term SSII (IT services company)

ETL (Extract and Translation language): software tools that extract information from production databases and load them into another database (usually a "data warehouse"). Leading ETL publishers are: Informatica, DataStage, Talend.

Extranet: secure Internet application used by the clients, suppliers and users of a large organization. Extranets are generally used to provide these third parties with information concerning their operations/accounts (activity tracking, process status etc.) The third parties use their standard browser to access the application via the Internet, with no specific development or deployment required.

Firewall: firewalls filter incoming and outgoing access between two different IP networks. There are several filtering techniques: packet filtering according to the source and destination IP addresses, session Inspection (stateful inspection) with analysis of session header files, proxy (see definition below) with translation of addresses to hide internal user addresses from outside eyes. The firewalls proposed on the market come in different forms: software firewalls, router firewalls and hardware firewalls.

Fixed price service: fulfillment of a project for a fixed price with specific delivery time, based on a specifications file. The service provider (prime contractor) has a guaranteed-performance commitment and decides on the resources to be deployed.

3G, 4G, 5G: transmission standards used by mobile telephone devices. 3G was the standard between 2000 and 2010; it provided a bit rate of around 10Mbit/s, divided between the different users on the same relay. The latest standard, 4G, has been operational since 2012, and offers a theoretical bit rate of up to a Gigabit/s. In practice, 4G is 10 to 15 times faster than 3G. Although not yet specifically defined, 5G should be operational around the year 2020, with theoretical bit rates of up to 50 gigabits/s.

GAFA: Google, Apple, Facebook, Amazon: the four major American firms (founded at the end of the 20th Century or at the start of the 21st Century, except for Apple which was created in 1976). These companies dominate the digital sector. "GAFAM" includes Microsoft!

GFRT/GRT: The Guaranteed Fault Repair Time (GFRT) is a guaranteed-performance commitment within a given time deadline. The Guaranteed Response Time (GRT) is the guarantee of resources with a given deadline.

Green IT: set of methods, software programs, hardware and IT processes that reduce the impact of IT on the environment (energy saving, waste management, etc.), as well as the use of computers and new technologies to reduce a company's environmental footprint in general (tele-working, etc.).

Hosts (housing and hosting): this profession generally provides two levels of service. A first level involving co-rental or "housing" (space and connectivity: machines, bays, memory, Internet "pipes", specialized lines, air conditioning, fire safety, secure electrical power supply via generators, secure physical access). The second level of service is "hosting" which requires the presence of IT staff 24/7; this consists of application supervision and control services (backup, supervision, security management, recovery and reboot after incident, etc.). This second level of service is often provided as an option by the "housing" specialists.

Hot line: telephone response service to answer requests on specific issues (unlike the help desk which handles all requests concerning a workstation: incidents, support, upgrade requests).

IaaS: Infrastructure as a Service. See cloud computing.

Intranet: secure in-house Internet application used by users within an organization.

Intrusion test: penetrating an IT infrastructure using various attack techniques in order to test defects or vulnerabilities. Intrusion tests are done with client approval and on a scope that has been agreed upon beforehand; a report is made concerning the results. Any vulnerability is corrected by implementing new security measures.

IP (Internet Protocol) – VoIP (Voice over IP): protocol for transmitting data in packets, used by the vast of LANs and on the Internet. Recent telephone switchboards transport voice over IP (VoIP) and this development is irreversible. Telephony (voice) will therefore move onto company network infrastructures. It is an key component in telephony/computer convergence.

ISP (Internet Service Provider): a provider of Internet access and Internet services in general, for companies and private individuals. ISPs generally offer Internet access, but also website hosting on Web servers, and sometimes even website development. Examples are: Orange, Free, Numéricable-SFR, Colt, etc.

ITIL (Information Technology Infrastructure Library): reference system of best practices for managing IT operation services. It provides an organizational structure for optimizing these services in terms of quality and costs, based on ten key management processes (configuration management, incident management, etc.). It has become a de facto standard.

IT Outsourcing/outsourcing: IT outsourcing involves entrusting the management of all or part of a company's IT system to a service provider who takes over the operational responsibility and upgrades the system within the framework of a fixed-price contract over several years. The outsourcing service provider undertakes to meet specific service levels (through a Service Level Agreement – SLA). The contract may or may not include the transfer of employees or equipment and software. The provider's teams are generally based on both the client's sites and in provider's shared service centers. A reversibility clause allows the client to recover the IT system/processes or to entrust the management to another specialist. The term IT outsourcing is often incorrectly used to describe simple outsourcing, which does not include the contractual commitments of IT outsourcing. The market is often segmented into five categories:
- Outsourcing of hardware/infrastructure (of central site environments in general),
- Outsourcing of distributed infrastructures (IM – Infrastructure Management),
- Outsourcing of networks,
- Application outsourcing (TPAM – Third Party Application Maintenance, AM – Application Management),
- Complete Outsourcing.

ITSM (IT Service Management): processes and tools for managing the activity of an IT team: system and network alerts, incident and user request management, problem management, change management, configuration management (see CMDB).

IVR (Interactive Voice Response): a system enabling dialog between a telephone caller and a telephone switchboard; the caller chooses an option from a list of choices (usually several times). IVR systems have been criticized as being difficult to use because of their simplistic programming. Service desks are very interested in the latest generation of IVR systems, since they enable users to deal with certain common incidents by themselves ("self-help"), without the help of a support technician. These IVR systems can be used to build decision-making trees, which can be modified dynamically. They produce accurate statistics concerning use, branch by branch.

KM (Knowledge Management): a set of systems and tools for formalizing processes or know-how. Knowledge Management addresses the limitations of EDM (see definition above). Indeed, Electronic Document Management (EDM) systems only manage and classify digital information which was previously available in analog form (paper, voice, image, etc.). However, there is a vast amount of knowledge (present on the Web or in diverse locations, for example in users' personal documents) that can never be completely ranked or made available through a database. With this in mind, Knowledge Management describes all the tools and techniques used to address the weaknesses of indexation systems, for example by extracting the meaning of a document (cognitive engineering), scanning all the content (full search or full text) or interpreting the user's question. These tools also draw on the technologies of expert systems technologies and case-based reasoning.

LAN (Local Area Network): this primarily consists of: servers, workstations, peripherals, active elements (routers and switches) used to transfer information between servers and workstations.

MDM (Mobile Device Management): management of a fleet of mobile devices (smartphones, tablets): remote updating of the OS, remote control, inventory, backup and recovery, locking and remote erasing (in the event of theft), performance testing (battery status, etc.), roaming management, etc. Leading publishers are: Airwatch, Good Technology.

Meta-directory: directory which groups together all the users of all the applications in a company, with their passwords and their associated functions. This centralized and cross-functional view facilitates the management of secure access to company data (arrivals and departures of employees, for example)

Middleware: all technical software layers between the OS (Operating System) and client applications.

Mobility: an increasing number of mobile users want to have remote access to their company's applications (business, messaging, diaries, etc.) and data, so as to update or synchronize data. Several types of terminals are used: laptops, tablets (iPad, Galaxy Tab,, etc.) and smartphones (iPhone, Galaxy, Blackberry, etc.). A mobility project notably includes taking into account the choice of terminal (and the corresponding Operating System: iOS, Android, etc.), the synchronization server, the Internet access provider, as well as the integration of the latter and possibly specific developments. Security is always an important component of mobility projects.

MOOC (Massive Open Online Course): an open, distance-learning course. Teachers and students communicate solely via the Internet. Often, this involves very large numbers of participants.

Nearshore: see Offshore.

Network integration: all the design and implementation services concerning the local and remote network layers of an organization. A network integrator sizes the "pipes" and throughputs, but does not work of the upper application layers, nor on the servers or client workstations.

Object: a software component representing a real-world object (person, order, invoice, etc.). An object describes a set of behaviors (methods) and data (attributes) required for the execution of these behaviors. By extension, programming languages (Java, C++, etc.), design methods (UML, etc.), databases (Versant, etc.) and middleware (ORB) are qualified as "objects". There are different technologies for accessing or linking objects: COM, CORBA and, most recently, SOAP, which makes it easy to create connections between several Internet services.

Offshore/Offshoring: operation which involves relocating the provision of services to geographical areas with a large available labor force, and where labor costs are lower than in the contracting authority's country. Offshoring may involve outsourcing or not. The term "nearshore" is used when the country is less than two hours by plane from the contracting authority's country (in the case France, this might be North Africa for example). Certain services are more likely to be offshored than others (in the case of France, 60% of offshoring operations concern Third-Party Application Maintenance). In a contract which includes offshoring, part of the local service (sometimes called "front office") remains in France. The part that may be offshored is called "back office".

PaaS: Platform as a Service. See cloud computing. The provision of the infrastructure and all the components of a software platform (OS, databases, middleware) required for to install and run an application (e.g.: Java, .Net platforms, etc.). Clients only deal with the development of their application which they place on the platform of their PaaS provider.

PGI (Progiciel de Gestion Intégré): see ERP.

Phishing: a fraudulent e-mail request for confidential information by pretending to be an organization that is known to the user (a bank, for example).

PKI (Private Key Infrastructure): the current authentication solutions are: simple passwords, which are widespread but quite vulnerable, PKI certificates, tokens, smart cards, and biometrics. A PKI is an identification and authentication system based on a set of two keys (public and private). For a connection to be authorized, users must not only have their key (password), but an additional key (specific software module) must also be installed on their machine.

PLM (Product Life-cycle Management): product life-cycle management groups together all information concerning the design, manufacture, repair and recycling of a product by including all the information within a single technical reference base.

PMO (Project Management Office): the team that defines and maintains the reference system of processes linked to project management. The PMO's aim is to standardize and industrialize projects. It is in charge of project management, documentation and evaluation. It often draws on the Prince 2 methodology. A specific PMO may be created for a major project.

Portal: a website that serves as the main gate or entry point to other websites; the aim is to generate maximum traffic. Alongside "general" portals (dominated by search engines), there is an increasing number of thematic portals whose role is to provide a one-stop shop to respond to the supposed requirements of visitors, who belong to a certain community or are interested in a given subject. Other category: corporate portals for employees, clients and prospects. Portals have a common characteristic: they provide a range of additional services (which may be more or less extensive), ranging from a meta search engine and the hosting of personal web pages to news bulletins and the personalization of the site interface. In short, they have everything needed to build visitor loyalty!

PPM (Project Portfolio Management): processes and software tools used to manage a portfolio of projects.

Prime contractor: the project manager with a guaranteed-performance commitment. Depending on the case, this may be the client himself or one or more contracted IT service providers.

Proprietary systems: computers whose hardware and operating system (OS) are developed and distributed by a single manufacturer (z- and i-Series from IBM, etc.). The term is used in contrast to “open” operating systems (Unix, Microsoft, Linux, Android, etc.) which do not belong to the manufacturers.

Proxy: a server that regulates the security policy of inputs and outputs to the Internet at application-layer level (FTP/file transfer, HTTP/Internet browsing, SMTP/e-mail), unlike the firewall which operates on the lower layers. For example, it is the proxy that denies access to certain websites that have nothing to do with the business activity. The proxy function is often integrated into the firewall.

PUE (Power Usage Effectiveness): relationship between the electricity consumption (in kWh) of servers connected to the power supply and the total electricity consumption of a datacenter (power used by servers added to that of all the different equipment in the center, essentially linked to cooling and power backup). In conventional computer rooms, the PUE is well above 2. In the latest generation of datacenters (Tier3+) at full load, the target PUE can achieve levels below 1.5.

Responsive design: design characteristic of an application whose presentation (text, pictures and resolution) automatically adapts to the terminal being used for display (computer, tablet or smartphone). As such, responsive-design applications (HTML5 CSS3 standard) are developed once and can be used for all types of terminals.

RSS (Really Simple Syndication), RSS feeds: presentation format (standardized XML envelope) which is automatically updated when a new article is published on a site to which the user has subscribed beforehand. RSS feeds (a sort of personalized press review) can be consulted using specialized software or with the latest browser versions.

SaaS (Software as a Service): model for selling software applications on an “on demand” basis, rather than selling a license. The software is usually accessed over the Internet and hosted by the publisher, often in cloud mode, which is why the two terms are frequently associated. This service has several benefits for businesses: reduced delivery times, reduced integration, deployment and update costs. Applications with standardized processes are most suited to SaaS: CRM (such as Salesforce.com), skills management, expense-sheet management, messaging services, (such as Google), etc. SaaS will take longer to develop in the field of business applications (due to the need to handle business processes from end to end, interface development, security, privacy, performance and availability).

SAN (Storage Area Network)/NAS (Network Attached Storage): sophisticated storage solutions for storing large volumes of data. SAN is a private network linked to a server. NAS is a storage system on the network. The backup is considered as secondary storage.

SAP BC (SAP Basis Component): SAP ERP module for system administration, notably for the management of the database (and system performance in terms of CPU/processor and memory), and the management of user security and authorizations.

SAP SRM (SAP Supplier Relationship Management): SAP ERP module that manages the entire supplier relationship: expenditure analysis, procurement, operational contracts, purchase requests, invoicing and supplier management.

SCM (Supply Chain Management): SCM tools aim to reduce stocks and delivery times while improving customer service levels. In operational terms, the tools reconcile information concerning demand and production capacity in order to establish production and delivery plans. In tactical terms, they draw on statistical techniques – notably datamining tools – to optimize procurement, smooth out production and determine the best delivery paths. In strategic terms, the tools perform simulations to determine the best possible layout for the manufacturing plants and distribution network, and even establish the product renewal rate according to the target market. The main challenge is to automatically transfer this data into the management system (ERP).

Self-care (or Self-help): this approach provides users with a set of automated tools that enable them to troubleshoot on their own, without calling on a support technician. More and more businesses encourage this approach with a view to reducing costs. The Interactive Voice Response (IVR) servers deployed over recent years initiated this trend. However, they have structural limits and, are often considered “irritating”; as such, they only provided a partial response to users’ needs. The use of self-care Internet tools has radically changed the situation. These tools require a lot of upstream work to identify the most frequently asked questions and to standardize answers. They adapt dynamically according to the use. Companies can use this concept on a broader level, in customer service, for example.

Server consolidation: there was a tendency for the number of servers to increase each time applications went into production. To reduce operating costs, applications can be grouped together on a smaller number of production servers. Consolidation is usually linked to “virtualization” (see definition below), where physical servers are divided into logic “instances” or “images”.

Server virtualization: software layer that simulates a physical machine and its components, from an applications point of view. Virtualization is often associated with consolidation projects. It aims to increase the average usage rate of IT resources by having several virtual servers on the same physical machine.

Service desk (or help-desk): a structure based on telephone, IT and human resources designed to receive and handle information-system user requests, in order to resolve the queries or pass them on to other entities for resolution (“escalation”). Service desks can be located on an organization’s site or outsourced to a service provider’s support 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. In the service desk business, the professional phone manner and tone of support technicians is as important as their technical knowledge. Maintaining the quality of service over a period of time (several years) is a key success factor. For organizations with businesses in different countries, help-desk services are provided in several languages 24/7.

Single Sign-On (SSO): a physical key associated to a single password at login and which replaces all passwords linked to each application.

SMACS (Social Mobility Analytics Cloud Security) or SMAC: a term covering all the areas of digital transformation which today represents a sub-segment of the digital services market; this sub-segment is expected to grow rapidly.

SOA (Service Oriented Architecture): flexible application architecture made up of independent but interconnected application services. This is a concept and not technology. The concept is well-suited to web services, as well as other technologies. The core idea of SOA is to be able to upgrade your computer system very quickly by changing or adding services demanded by operational departments. While the aim is appealing, there is still much debate about the methods for implementing SOAs. For example, even if you identify applications that can be used in several processes, what data granularity do you choose? How do you define the interfaces? How do you develop new applications as services while taking the existing application base into account?

Social media: all websites on which Internet users create content and communicate: tools for publishing (Wikipedia, etc.), discussing (Skype, etc.), social contact networks (Facebook, Twitter, LinkedIn, Viadeo, etc.), content-driven social networks (YouTube, Deezer). This term is gradually replacing the term “Web 2.0”.

Spoofing: stealing an Internet address in order to pretend to be someone else and attempt to obtain information.

SSII: IT services company (French: Société de Services et d'Ingénierie Informatiques). See ESN.

Systems integration: all the design and implementation services concerning systems applications on LAN and WAN networks: Server OS (Operating System), workstation OS, thin client OS, emulators, messaging systems, remote access, Internet access, business applications, utilities (tele-distribution, supervision, alarm reports, backups, management of disk arrays, clusters, etc.). The term "systems integration" can also be used in a different sense. In this context, "systems integrators" are overall digital service providers (IT service providers) who can address both the functional aspects of a major information system upgrade (such as the implementation of an ERP system, for example) using software packages as well as custom development. Systems integrators also deploy the requisite technical infrastructures. This is called "information systems integration."

Technical assistance: this involves providing the expertise of a consultant at a fixed price for a given period. Service companies only have an obligation to provide resources. The end customer is therefore in charge of the project management. As such, the end customer does not need to share the overall project specifications with the service provider upstream.

Thin client: term that refers to applications whose main operations are carried out on the server, and not on the user's workstation. The term became widespread to describe Citrix and MetaFrame thin client solutions. In the context of "Web" applications, the web browser is a thin client. With the arrival of Ajax, the term "thin client" is also used for applications that leave virtually all processing to the server, and the term "rich client" is used for applications that perform most of the processing on the user's workstation (in Javascript).

Transaction security: a transaction is deemed certified if the parties are identified, if their integrity is guaranteed and if the transaction cannot be repudiated by either party (certification = identification + integrity + non-repudiation). In addition to certification, the transaction's confidentiality must be guaranteed

Trojan Horse: a small program that is installed on a computer without the user knowing and which carries out malicious operations on their workstation. This category includes "spyware", a software program that transmits data from infected hard drives to other entities.

TPAM (Third-party Applications Maintenance): maintenance (for corrective and upgrade purposes) and updating of computer applications managed by an external service company.

UC2 (Unified Communications and Collaboration): in the telecommunications and office software industry, unified communications form a set of new services which integrate: real-time interpersonal communication resources (telephony, video-phone systems), collaborative work software (instant messaging, document sharing) and office tools in the broad sense (asynchronous messaging, diaries, word processing, spreadsheets and presentation viewers). Users can access the communication resources, while continuing to use the IT tools they use every day at the same time. The leading companies in the industry (IBM, Microsoft, Cisco, SAP, Oracle, etc.) are all committed to unified communications.

VDI (Virtual Desktop Infrastructure): system that separates the user's desktop environment from the physical machine used to access it. Users only have a terminal screen and the workstations are managed on virtual machines in a central datacenter. The main advantages of VDI are that it facilitates desktop management and deployment costs are very low. However, VDI is more dependent on the central datacenter (where are all the workstations are managed) and the reliability of the network. VDI can be an effective solution for organizations with many remote locations with just a few workstations (bank branches, etc.).

Virus/anti-virus program: a virus is a malicious program capable of reproducing itself and propagating from machine to machine. An anti-virus is a computer program that detects and eradicates viruses. Since there is no universal antidote, users must regularly update their anti-virus, which only detects and neutralizes viruses for which it has antidotes.

VLAN (Virtual LAN): virtual local area network. This is an extensive logical IT network that links together several local networks of the same organization or company. Several VLANs can coexist on the same physical network.

VPN (Virtual Private Network): a network that uses a public telecommunications infrastructure (like the Internet) or private telecommunications infrastructure (operators) and which ensures the integrity and confidentiality of transmitted data through encryption techniques and "tunneling".

WAN (Wide Area Network): a network covering a broad area. It groups together all the links between the different LANs of the same information system.

Web 2.0: this term refers to current web developments; the concept emphasizes user-generated content, and interaction with others. Although it is still difficult to describe in precise terms, Web 2.0 is focused on users, giving them the opportunity to interact and identify with a community. See also social media.

Web services: a software function that can be accessed by other programs. A web service has no user interface. Any website producer can incorporate these services (for a fee) in their online applications (tourist guide, travel booking, etc.) in a totally transparent manner for users (e.g.: ViaMichelin has launched web services linked to geolocation). Publishers have widely adopted this technology (XML, WSDL interface) due to its simplicity. However, on the down side, the standards have yet to be finalized.

WiFi (Wireless Fidelity 808.11ac): Communication protocol for creating wireless high-speed local networks (in theory, 1.3 Gbit/s for the 802.11ac standard since December 2013). The range can reach several dozen meters indoors. Wi-Fi requires terminals to operate.

XML (Extensible Markup Language): a powerful meta-language for describing unstructured data and document modeling; it is becoming a de facto standard among publishers. XML is more advanced and comprehensive than the HTML Internet page description standard.

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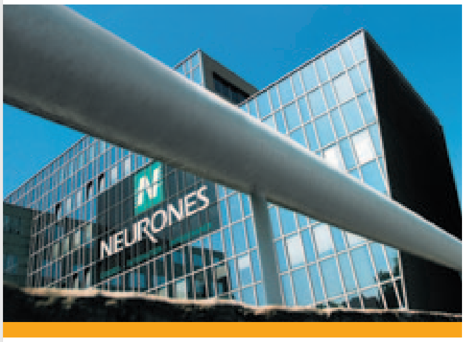

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