

**VALTECH**  
**A French joint stock company (“société anonyme”)**  
**with a share capital of EUR 1,351,534.90056**  
**Registered office: 80, Avenue Marceau -**  
**75008 PARIS – FRANCE**  
**389 665 167 RCS PARIS**

**Fiscal Year 2007**

**MANAGEMENT REPORT**

Dear Shareholders,

Pursuant to law and our company’s articles of incorporation, we have convened to report to you on our company’s business and operations during the fiscal year ended 31 December 2007.

We are pleased to submit to you this report for your consideration, together with the balance sheet, profit and loss account and related notes prepared as at 31 December 2007.

We remind you that, in accordance with legal requirements, all of these documents, together with the reports of the statutory auditors, remain available to you at the registered office for a period of fifteen days prior to the general meeting.

**I. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**I.1 GROUP ACTIVITIES DURING 2007**

2007 saw Valtech delivering on its guidance for revenue, but just below its promises on profit from operating activities. Nevertheless, the Group is still growing with the market and still improving its net profits.

The constant focus on optimising the Group’s cost structure, coupled with a set new service offerings (On-Demand service portfolio) positioned at meeting the client needs in a constantly changing business environment, places the Group in a strong position to drive further revenue growth. This significantly increased the bottom line profitability.

With a particularly strong performance in our Scandinavian, UK and German operations, the Group delivered increased profitability in each of these geographical sectors. Much of this profitability was driven by scale as the Group grew the businesses and well as tightly managed costs.

**I.2 GROUP RESULTS FOR 2007**

Revenues for the year ended 31 December 2007 exceeded the EUR 100 million level coming in at EUR 106.8 million (an increase of 7.1% over the prior year).

Revenue by business sector was broadly consistent with the prior year and is distributed as follows:

Technology Consulting:	52%
Global Sourcing:	13%
Business Services:	35%

Profit from operating activities increased to 4.8% of revenues, totalling EUR5.1 million (up 41.7% from EUR 3.6 million in 2006).

The Danish, Swedish and UK entities all had exceptional years recording double-digit operating margins. The Rest of Europe geographical sector recorded both increase in revenues and operating margin for the year.

The French business units had a strong organic growth in 2007 at 14% but due to highly competitive market conditions achieved an EBITA % just below 1%.

The only sector which did not increase both revenue and profitability was the USA/Asia region. The lack of revenue growth and profitability growth is largely driven by the drop in the US dollar value with respect to euro. Excluding the impact of exchange rate, the US entity has increased revenues by 3% in 2007. Furthermore, the operations in North American made a top management change in November 2006, hence 2007 has therefore been influenced by this. A repositioning of our service offerings had an effect in the later part of 2007. The Indian operation has also been impacted by currency exchange due to the depreciation of the Rupee. The Indian operation has reached a total of 449 employees and is the 4<sup>th</sup> largest offshore center among French IT services companies.

Regional profitability is stated before contribution to corporate costs.

Sales and marketing costs reduced as a percentage of revenue to 6.2% (7.4% in 2006) despite the drive for revenue growth throughout the year. This represents management’s commitment to cost control throughout the period and is mirrored in the context of administrative costs. Administrative cost, which were held at 20.9% of revenues (21.9% in 2006), increased 2.1% as compared to a 7.1% increase in revenue over prior year.

Continued use of sub-contractors, where appropriate, has allowed the group to remain flexible and mitigate some of the payroll pressures being experienced across the IT Consulting sector. Issues of resourcing and salary inflation will remain high on the list of priorities for management during 2008 where we expect to be influenced by the change in the market conditions and therefore need to be flexible.

The Group had other operating expenses of EUR 1,0 million in 2007 that were used in investigating possible strategic partnerships that did not materialise and therefore have been accounted for.

Our pre- and post-tax profitability has increased slightly to EUR 3.6 million (EUR 3.3 million in 2006) and EUR 2.6 million (EUR 2.3 million in 2006), the Group have continued to utilise tax credits relating to previous losses wherever possible.

During the last fiscal year the Group employed an average 1,316 employees of which 87% were billable staff and of which 449 were based at the global development centre in Bangalore, India.

Total payroll costs (inclusive of all bonuses, commissions and company contributions toward social taxes) were EUR 66.0 million.

The Group recorded a net cash inflow for the year of EUR 2.4 million and closed the year with cash in hand of EUR 4.5 million offset by overdrafts of EUR 4.9 million.

A summary of movements in the year is shown below:

	<b>EUR million</b>
Gross inflow from operations	5.0
Change in working capital	0.4
<b>Net operating cashflow</b>	<b>5.4</b>
Capital expenditure	(2.5)

Investment in Korea JV	(0.1)
Outflows relating to prior acquisitions	-
Capital increase	1.3
Loan repayments	(1.2)
Other movements	(0.5)
<b>Change in cash &amp; equivalents</b>	<b>2.4</b>

The Group made a further investment in the Korea joint venture during the year increasing the Group's shareholding to 50.793%. The Korea operation is profitable but is not fully consolidated into the group results. The Group has taken the share of gains from Korea of EUR 0.3 million in the Group profit & loss account.

The outflows relating to prior acquisitions concern deferred earn-out provisions relating to the Valtech Agency (ACDSI) acquisition. No new acquisition activity took place during the year.

**Financial assets (K€)**

	Gross	Depreciation	Net
Investments in companies:			
Valtech CO. LTD (Korea)	2,674	2,051	623
Total	2,674	2,051	623
Other investments:			
Medhost Inc.	4,384	4,088	296
Loans:			
Loan to Valtech CO. LTD (Korea)	-	-	-
Other financial assets:			
Deposits:			
United States	24	-	24
France	196	-	196
Sweden	-	-	-
Denmark	293	-	293
Germany	5	-	5
United Kingdom	1,711	-	1,711
India	482	-	482
Other			
United States	10	-	10
Total	2,721	-	2,721
Total financial assets	9,779	6,139	3,640

**Provision on accounts receivable**

Valtech had doubtful debts provision of EUR 0.6 million for accounts receivable.

**I.3 GROUP FINANCIAL SITUATION**

The Group's shareholder's equity totalled EUR 31.7 million as at 31 December 2007, compared to EUR 28.2 million as at 31 December 2006.

Net cash flows for the year were positive, as outlined in section I.2, management believe that the Group's trading performance coupled with focus on working capital management (particularly of accounts receivable) will continue to strengthen the balance sheet.

As at 31 December 2007, Valtech had off-balance-sheet liabilities of approximately EUR 11.3 million relating to future rental payable on office leases. This is shown net of any contracted sub-let income. Some property leases are due for renegotiation, renewal or other change during 2008 as the Group ensures office accommodation remains appropriate to the growing business.

Valtech's credit lines and utilisation at 31 December 2007 were as follows:

Characteristics of issued securities or loans	Variable rate	Total amount of credit lines ('000)	Balance as at 31 December 2007 ('000)	Expiry dates	Secured Y/N?
<b>Spot FORTIS overdraft</b>	6.69% (Euribor 3 months + 2 points)	EUR 1,600	EUR 1,400	Rolling facility - Renewal by supply of new customer invoices	Customers invoices
<b>FORTIS Overdraft</b>	Euribor 3 months + 2%	EUR 400	EUR 0	Rolling facility - Renewal by supply of new customer invoices	Customers invoices
<b>Factoring BNP FACTOR overdraft</b>	Euribor 3 months + 0.5%	EUR 5,000	EUR 3,486	Rolling facility - Renewal by supply of new customer invoices	Customers invoices
<b>FORTIS Mid-term Loan</b>	6.69% Euribor 3 months + 2 points	EUR 2,000	EUR 351		
<b>SILICON VALLEY BANK overdraft</b>	10.25 % variable	USD 3,500	USD 1,400	Rolling facility	Charge on all assets
<b>HSBC overdraft</b>	Base rate + 2%	GBP 600,	GBP 0	April 2008 (Bank has confirmed renewal agreed)	Charge on all assets
<b>Nordea Bank Overdraft</b>	5.875% variable	DKK 3,000	DKK 0		No security
<b>UTI Bank overdraft</b>	10% variable	INR 39,500	INR 21,407	June 2008	Security over book debts and moveable tangible assets

#### I.4 RESEARCH & DEVELOPMENT ACTIVITY

Valtech remains committed to remaining at the forefront of software development and assists many of its customers daily in their research and development activity. However, no specific internal activity has been capitalised as R&D activity in the year 2007.

## II. PRESENTATION OF THE FINANCIAL STATEMENTS

### II.1 THE COMPANY'S ACTIVITIES & RESULTS IN 2007

#### Valtech SA Activities

Valtech SA is engaged in organisational and IT consulting services and the completion of projects in France or in cooperation with its Indian offshore centre.

**Valtech SA Results**

Valtech SA's net sales totalled EUR 32.2 million in 2007.

Operating expenses amounting to EUR 33.6 million in 2007, had decreased by 12.3% as compared to 2006. The decrease arose from the decrease in other operating income and expense, in addition to the absence of impairment charge in 2007 (nil in 2007 and EUR 2.9 million in 2006).

The profit from operating activities achieved positive results in 2007, amounting to EUR 263k.

The net financial income amounted to EUR 1.2 million in 2007, compared to EUR 1.78 million net financial expense in 2006. The increase is a result of dividends received from subsidiaries in 2007 (EUR 1.9 million in 2007 and EUR 156k in 2006) as well as the decrease of financial impairment expense in 2007 (EUR 0.2 million in 2007 and EUR 1.8 million in 2006).

In the context of the annual review by the management of the fair value of assets and investments, there is no impairment required by the company in 2007.

After tax and exceptional items of EUR 980k, the Company recorded a net profit of EUR 841k in 2007 as compared to a net loss of EUR 4.6 million in 2006.

**Balance Sheet****Changes In Share Capital During The Year Ended 31 December 2007**

Valtech SA share capital increased by EUR 50,448.18 to EUR 1,351,534.90 in 2007. The share capital increases coupled with issue premium of an aggregate amount of EUR 1,229,987.05416 relate to the following transactions:

Transaction Completion Date	Transaction	Number of shares issued	Par value of share capital increase	Issue premium	Successive amounts of share capital	Combined number of shares
01/02/08 (CA)	Exercise of stock options in the context of the plan granted on 16/02/99 – Plan A	28,182	EUR 429.49368	/	EUR 1,301,516.21472	85,368,292
01/02/08 (CA)	Exercise of stock options in the context of the plan granted on 25/10/20	727,886	EUR 11,092.98264	EUR 272,782.55736	EUR 1,312,609.19736	86,114,178
01/02/08 (CA)	Exercise of BPSC in the context of the plan granted on 25/10/20	2,554,180	EUR 38,925.78032	EUR 957,204.4968	EUR 1,351,534.90056	88,668,358
<b>TOTAL</b>		<b>3,310,248</b>	<b>EUR50,448.17952</b>	<b>EUR 1,229,987.05416</b>	<b>EUR1,351,534.90056</b>	<b>88,668,358</b>

**Balance Sheet Details**

Valtech SA financial statements include shareholders' equity totalling EUR 54.8 million (2006: EUR 52.7 million). Financial debts total EUR 1.9 million, a decrease as compared to EUR 2.9 million in 2006. The Company holds cash of EUR 1.1 million as compared to EUR 1.9 million in 2006.

Valtech SA's primary assets comprise its investment in its subsidiaries and the accounts receivable from such subsidiaries. Valtech continues to hold an investment in the share capital of US software publisher Medhost.

**II.2 ACQUISITIONS & SUMMARY OF SUBSIDIARIES' BUSINESS ACTIVITIES**

Valtech SA holds the following interests:

- 100% of the share capital of Valtech Training S.A. (a French subsidiary)
- 100% of the share capital of Valtech Agency SAS (a French subsidiary)
- 100% of the share capital of Valtech Technology Consulting SAS (a French subsidiary)
- 100% of the share capital of Valtech Axelboss SAS (a French subsidiary)
- 95.01% of the share capital of Valtech Offshore S.A (a French subsidiary) the other 4.99% is being held by the Chesapeake Group (a US corporation), which holds 100% of the share capital Valtech India Technology Solutions Private Limited
- 100% of the share capital of Valtech Limited (a UK subsidiary)
- 100% of the share capital of Valtech Technologies Inc (a US subsidiary)
- 100% of the share capital of Valtech AB (a Swedish subsidiary), which holds 100% of the share capital Overland Mobile Kommunikation AB (a Swedish subsidiary)
- 100% of the share capital of Valtech A/S (a Danish subsidiary)
- 100% of the share capital of Synaris AG (a German subsidiary), which holds 100% of the share capital of Valtech GmbH (a German subsidiary)
- 100% of the share capital of Valtech India Systems Private Limited (an Indian subsidiary)
- 100% of the share capital of Valtech India Software Services Private Limited (an Indian subsidiary)
- 50.793% of the share capital Valtech CO. LTD. (a Korean company)

**The turnover of each subsidiary in 2007 is as follows:**

<b>In thousands of euros</b>	
Valtech Training S.A	5,301
Valtech Agency SAS	2,503
Valtech Ltd.	20,487
Valtech Technologies Inc.	17,095
Valtech AB	9,495
Overland Mobile Kommunikation AB	-
Valtech A/S	11,414
Synaris AG	-
Valtech GmbH	8,874
Valtech India Systems Private Limited	7,567
Valtech India Technology Solutions Private Limited	2,272
Valtech India Software Services Private Limited	541
Valtech Offshore SA (95%)	-
Valtech CO. LTD (50.793%)	5,259

The two additional French companies (Valtech Axelboss SAS and Valtech Technology Consulting SAS), the share capital of which is wholly owned by Valtech SA, were incorporated with a view to allow, if required, for the separation of the activities of the operating businesses in France from the holding company. Neither company undertook any trading activity in 2007.

**II.3 VALTECH SA RESEARCH & DEVELOPMENT ACTIVITY**

Valtech SA did not significantly engage in research and development activity in 2007.

**III. SUBSEQUENT EVENTS & OTHER PROSPECTS****Year-To-Date Activity**

The Group has continued to see a positive sales pipeline, with a particularly encouraging series of client wins in the US business. Cost control remains a focus of management to ensure that growth drives profitability as well as top line revenue.

Revenues for Q1 2008 totalled EUR 26.7 million (a decrease of 2% over the comparable period in 2007) and operating margins reached 5.8% (2007: 4.4%). The first quarter results show a continuous improvement in our operating profitability in line with our guidance. It also highlights a more difficult environment to generate high growth. For comparability it is worth noting that Easter was in March in 2008 and in April in 2007, hence the workdays available to carry out our services has been fewer in 2008 than 2007. This has an impact on the revenues recognised in 2008.

Excluding the foreign exchange impact and the impact of Easter as mentioned above, these results are therefore in line with the guidance given for the year.

#### **Prospects**

- Valtech generates one third of its revenues from the UK and USA. As a consequence, our revenues growth will be impacted with the continuous weakness of the local currencies. Despite this currency impact, we anticipate to grow at least as fast as the IT market and generate organic growth of 6% for 2008.
- Operating margins will improve for the fifth consecutive year to exceed 6% of the revenues. In absolute value, the operating profit should increase by 30% over 2007. Most of the operating profitability improvement will come from increased gross margin which should rebound after a loss of more than 2 points in 2007 due to losses on the initial phases of large fixed-price contracts.

#### **IV. DIVIDENDS PAID DURING THE PREVIOUS FISCAL YEARS**

The Company did not pay a dividend in any of the last three fiscal years.

#### **V. ALLOCATION OF INCOME**

We propose that the net profit of Valtech SA (for the year ended 31 December 2007) of EUR 841,100 be allocated to retained earnings carried forward which would accordingly increase from EUR (10,075,800) to EUR (9,234,700).

#### **VI. AGREEMENTS REFERRED TO IN ARTICLE L225-38 OF THE FRENCH COMMERCIAL CODE**

The Board of Directors has given all useful information to the statutory auditors in order to enable them to prepare their special report on the agreements referred to in article L 225-38 of the French Commercial Code, i.e., any agreement that may have been entered into between the Company and directors, executive officers or companies in which your directors or executive officers may have interests, or between the Company and any of its shareholders holding more than 5% of the share capital, or between the Company and a company controlling a company holding more than 5% of the share capital.

#### **VII. NON DEDUCTIBLE EXPENSES**

Pursuant to the provisions of Articles 223 quater and quinquès of the French Tax Code, it is specified that the financial statements for the fiscal year ended do not take into account any expenses referred to in Articles 39-4 and 39-5 of said Code, which are not deductible from taxable income.

#### **VIII. APPROVAL OF FINANCIAL STATEMENTS**

We would be grateful if you could approve the Company's consolidated and corporate financial statements submitted to you after reading the statutory auditors' reports.

**IX. DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES WHICH THE COMPANY IS FACING – COMPANY'S OBJECTIVES AND POLICY IN TERMS OF FINANCIAL RISK MANAGEMENT, POLICY REGARDING THE COVER OF EACH PRIMARY CATEGORY OF PROSPECTIVE TRANSACTIONS FOR WHICH COVER ACCOUNTING IS USED, COMPANY'S EXPOSURE TO PRICE, CREDIT, LIQUIDITY AND CASH-RELATED RISKS**

**IX.1 MARKET RISKS**

**Liquidity Risk**

As at 31 December 2007, Valtech had debts totalling EUR 5.52 million comprising:

- Relating to finance leases EUR 0.23 million
- Bank overdrafts EUR 4.94 million
- Other loans EUR 0.35 million

Characteristics of issued securities or loans	Variable rate	Total amount of credit lines ('000)	Balance as at 31 December 2007 ('000)	Expiry dates	Secured Y/N?
<b>Spot FORTIS overdraft</b>	6.69% (Euribor 3 months + 2 points)	EUR 1,600	EUR 1,400	Rolling facility - Renewal by supply of new customer invoices	Customers invoices
<b>FORTIS Overdraft</b>	Euribor 3 months + 2%	EUR 400	EUR 0	Rolling facility - Renewal by supply of new customer invoices	Customers invoices
<b>Factoring BNP FACTOR overdraft</b>	Euribor 3 months + 0.5%	EUR 5,000	EUR 3,486	Rolling facility - Renewal by supply of new customer invoices	Customers invoices
<b>FORTIS Mid-term Loan</b>	6.69% Euribor 3 months + 2 points	EUR 2,000	EUR 351		
<b>SILICON VALLEY BANK overdraft</b>	10.25 % variable	USD 3,500	USD 1,400	Rolling facility	Charge on all assets
<b>HSBC overdraft</b>	Base rate + 2%	GBP 600	GBP 0	April 2008 (Bank has confirmed renewal agreed)	Charge on all assets
<b>Nordea Bank Overdraft</b>	5.875% variable	DKK 3,000	DKK 0		No security

<b>UTI Bank overdraft</b>	10% variable	INR 39,500	INR 21,407	June 2008	Security over book debts and moveable tangible assets
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Specific terms of the various lending agreements are as follows:

- The first listed Fortis overdraft is held by Valtech SA and has a limit of EUR 1.6 million. This overdraft has no specific covenants although it can be discontinued by Fortis in the event of “strong degradation of Valtech’s activity”, there is no further specific guidance as to that which may constitute such “strong degradation”. In the event that this overdraft should be cancelled, Valtech SA believes it has sufficient headroom within its BNP Factor facility to meet all cash requirements.
- The second Fortis overdraft is held by Valtech Training and has a limit of EUR 0.4 million. This overdraft has covenants matching those of the primary overdraft of Valtech SA as outlined above.
- Valtech SA has access to a factoring facility with BNP Factor with a limit of EUR 5 million. This line of credit has no specific covenants and is dependent upon the level of eligible receivables held by the Company.
- The Silicon Valley Bank overdraft held by Valtech US has a maximum draw-down limit of USD 3.5 million. The primary covenants on this facility related to a working capital ratio and to EBITDA results on a rolling 3-month basis. The working capital ratio is to be no less than 1.5 and is defined as the relationship between the cash held in the Silicon Valley Bank account combined with the eligible accounts receivable that provide security to the bank, and accounts payable aged more than 60 days. The 3 month EBITDA requirement is a net zero amount for a rolling three months. The interest rate is based on the prime rate plus 1.25%.
- The HSBC overdraft held in by Valtech UK has a limit of GBP 600k. It has no specific covenants and is subject to annual renegotiation and renewal (renewal to take place in April each year). HSBC have indicated that there will be no issues with renewal in April 2008.

### Interest Rate Risk

EUR'000	Total	< 1 year	1 to 5 years	Beyond
<b>Financial liabilities</b>				
Overdraft (incl amounts to BNP factor)	4,939	4,939	-	-
Finance Leases	227	163	64	-
Other loans	352	352	-	-
<b>Financial assets</b>				
Lease Deposits	2,711	-	832	1,879
Net position before management	(2,807)	(5,454)	768	1,879
Off-balance sheet	N/A	N/A	N/A	N/A
Net Position after management	(2,807)	(5,454)	768	1,879

- Bank overdrafts are subject to different interest rates in each country.
- Lease agreements relate primarily to computer equipment and have an average term of 3 years
- Deposits given relate to property leases and some accrue interest to which the Group will become eligible at the end of the lease term. Of the deposit of EUR 1.88 million reported as continuing beyond 5 years, EUR 1.7 million relates to the office premises in London which are leased until 2015.

Valtech’s interest-rate risk is derived from the variable interest rates on the factoring agreements and overdrafts in France, the United Kingdom and the United States. The maximum possible borrowing under these agreements amounts to EUR 13.3 million. At this maximum borrowing, a 1% increase in applicable interest rates would increase Valtech’s financial expenses by EUR 133k.

## Exchange Risk

The Group's primary risk from exchange rate fluctuations is due to the conversion of results denominated in non-euro currencies (those of subsidiaries and affiliates located in the United States, the United Kingdom, Denmark, Sweden, India and Korea) into euros (the reporting currency of Valtech SA).

Other than in relation to India, Valtech companies traditionally focus their operations within their own geographical area and operate in local currency. As such, exposure to foreign exchange risk by virtue of operations is limited.

The Valtech India business undertakes significant subcontracting activity in India in connection with projects sold in local currencies by its subsidiaries in Europe and in the United States. The costs incurred by Valtech India are recorded in "rupees." The value of the "rupee" tends to fluctuate in relationship with the US dollar. Any significant rise or fall in the Indian "rupee" directly impacts the subcontracting cost of Valtech's subsidiaries. In addition, the adverse movement of the US dollar with respect to euro has resulted in a lower euro reported value from the US entity.

The purpose of the following table is to calculate the loss risk in currencies for assets, liabilities and off-balance sheet liabilities based on an unfavourable and uniform one-percent fluctuation in the currency in which the accounts are established against all of the currencies concerned.

In thousands	US Dollar	Pound Sterling	Swedish Crown	Danish Crown	Indian Rupee	Korean won
Total assets (net of interco receivable)	7,701	5,949	38,489	48,257	699,350	2,293,322
Outside-zone loan in currencies *	-	-	-	-	-	-
Assets in currencies after eliminations	7,701	5,949	38,489	48,257	699,350	2,293,322
Total liabilities per balance sheet (A)	4,676	4,820	18,802	18,154	356,262	683,910
Outside-zone debt in currencies (B)	-	-	-	-	-	-
Less intercompany payables (C)	(1,541)	(579)	(3,660)	(1,476)	(216,609)	-
Liabilities in currencies after eliminations (A)+(B)-(C)	3,135	4,241	15,142	16,678	139,653	683,910
Endorsements and Guarantees given in currencies	875	6,061			150	
Net position before management [assets (less interco) – liabilities (less interco)]	4,566	1,708	23,347	31,579	599,698	1,609,412
Cover						
Net position after management in currencies – assets - (liabilities)	4,566	1,708	23,347	31,579	599,698	1,609,412
Conversion rate	0.67930	1.36361	0.10592	0.13408	0.01721	0.00073
Net position before management in euros'000	3,102	2,328	2,473	4,234	9,632	1,175
Net position after management in euros'000	3,102	2,328	2,473	4,234	9,632	1,175
Unfavourable fluctuation in the currency by one cent of euro as compared to the currency	31	23	25	42	96	12

**Shares-related risk**

Valtech has 214,900 treasury shares (See Note 8.2 of the appendix to the consolidated financial statements). The market value of those shares is inherently variable with trading conditions.

**IX. 2 INSURANCE AND RISK COVER**

Each of Valtech's subsidiary companies has taken out insurance policies covering the following risks:

1. insurance for employees during their professional duties,
2. insurance for the premises and equipment,
3. insurance for vehicles used by employees,
4. civil liability insurance with respect to defects affecting computer systems to which Valtech contributes,
5. insurance for each subsidiary's corporate officers.

Insurance cover in place at 31 December 2007 was as follows:

	<b>Civil Liability (4.)</b>	<b>Comprehensive insurance (including risks 1.2. and 3. above)</b>	<b>Corporate Officers' Civil Liability (5.)</b>
<b>France</b>			
Cover amount	EUR 13,000,000	EUR 1,500 984	EUR 7,700,000
Premium amount	EUR 31,858	EUR 10,558	EUR 16,109
<b>U.K.</b>			
Cover amount	GBP 5,000,000	GBP 15,000,000	GBP 1,000,000
Premium amount	GBP 28,930	GBP 20,762	GBP 1,260
<b>U.S.</b>			
Cover amount	USD 5,000,000	USD 12,250,000	USD 5,000,000
Premium amount	USD 6,969	USD 98,764	USD 26,153
<b>SWEDEN</b>			
Cover amount	SEK 2,000,000	SEK 96,400,000	
Premium amount	NIL	SEK 61,585	
<b>DENMARK</b>			
Cover amount	DKK 3,000,000		
Premium amount	DKK 45,000	DKK 157,299	
<b>INDIA</b>			
Cover amount		INR 187,572,807	
Premium amount		INR 2,045,162	
<b>GERMANY</b>			
Cover amount		EUR 60,608,000	
Premium amount		EUR 25,994	

Valtech is subject to a number of contractual confidentiality obligations in many of its operating territories. The board considers that giving further detail as to the financial cost and the levels of cover applicable in each country may breach such obligations. However, Valtech is satisfied that insurance policies taken out by each of its subsidiaries provide adequate cover for any damage or loss. Valtech consultants perform much of their work at client premises and it is not considered that any disaster (fire, explosion, etc.) occurring in any of the Valtech offices would result in a loss of sales greater than 1% of the Group's monthly turnover. Further, it is unlikely that any such loss would continue for a period beyond one month. As such, other than in the UK where Valtech operates within the City of London, Valtech businesses do not carry extensive business interruption insurance.

**IX.3 RISK RELATING TO ADDITIONAL PRICES**

Valtech has committed to paying additional prices for the following transactions:

For Valtech Agency SAS:

As above, the acquisition of Valtech Agency SAS (Valtech's French web agency business) in October 2005 included terms providing for future adjustments to the purchase price by way of earn-out. Again these future amounts are provided for in full in the amount of EUR 1,502,385.

**X. INFORMATION ON THE ENVIRONMENTAL ISSUES RELATING TO THE COMPANY'S BUSINESS**

Valtech's business does not require any production and/or manufacturing process and consequently creates no significant environmental issues.

Local policies and procedures encourage, where possible, employees to minimise the use of finite resources including limiting travel.

There is no further specific environmental information to be given.

**XI. EMPLOYEES****XI.1 INFORMATION ON THE SOCIAL CONSEQUENCES OF THE COMPANY'S BUSINESS**

<b>Information concerning headcount</b>	
Total headcount ( <i>annual average</i> ) :	232
Hirings ( <i>annual average</i> ):	
- On an unlimited-term basis:	54
- On an limited-term basis:	12
Any recruitment issue ( <i>analyses</i> )	No
Grounds for termination:	
- genuine and serious cause:	2
- serious misconduct:	0
- gross misconduct:	0
- followed by settlement agreement:	2
- economic reasons:	0
Overtime	Salaries based on 218 days of work a year for executives. Overtime for employees, technicians and supervisors: 91 hour
Personnel not employed by the Company	12
Information relating to staff reduction and employment safeguard programmes:	
- reassignment efforts	
- rehiring and follow-up measures:	
( <i>where applicable</i> )	N/A
<b>Information relating to work time</b>	
Organisation of work time:	
- number of full-time employees:	230
- number of part-time employees:	2
Employees' work time	
- full time:	Monthly 151.67 hours except travelling executives whose salary is based on 218 days of work a year.
- part time:	Average of 174 hours

Reasons and duration of leaves: (maternity leaves excl.) - sickness: (*) - industrial accident and travel: (*) - parental: (*) - authorised leaves (family, training): - other reasons (unjustified and leave without pay):	663 days 0 day 423 days (346 days of maternity leave ; 77 days of paternity) 170.5 days for training 130 days
Annual variation in remuneration: - social security taxes: - men/women equal opportunity:	+ 5 % increase in 2007 as compared to 2006 There is no salary discrimination between women and men employees
Professional relationships and outcome of collective agreements:	No union A single collective agreement: 35 hours 2 Works councils with 5 elected incumbents, on the one hand, and one incumbent, on the other – Monthly meetings 1 Central works council meeting biannually Staff Delegate: 1 elected by appointment – Monthly meetings
Health and safety conditions: - existence or not of major risks: - frequency of meetings of the Committee for Hygiene, Safety and Working Conditions: - industrial accidents rate:	N/A quarterly 0 %
Training: - training budget, including salaries: - number of employees trained in 2006	1,6 % 48
Employment and training of the disabled:	1
Charity:	NIL
Subcontracting:	Number of subcontractors on a cost plus basis : 25 Number of days: 1,365.75 Number of subcontractors on a flat rate basis: 0
Information relating to the management by the Company of its business' territorial impact in terms of employment and territorial development	N/A
If applicable, relationships with training associations, education institutions, environment protection associations, local residents	Relationship with education institutions for trainees, recruitment
Importance of subcontracting and manner in which the Company promotes and ensures compliance, by its subsidiaries, with the provisions of the International Labour Organisation's major conventions.	N/A
Manner in which foreign subsidiaries take account of their business impact on regional development and local residents.	N/A

## XI.2 INFORMATION ON THE GROUP'S PERSONNEL

As at 31 December 2007 Valtech had a headcount of 1,435 employees or similar workers, including self-employed workers and subcontractors (119 persons).

The table below describes the distribution of employees at each yearend:

	On 31 December 2004	On 31 December 2005	On 31 December 2006	On 31 December 2007
Valtech employees	1,072	1,130	1,197	1,316

Valtech employees which are consultants	906	954	1,079	1,147
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The average percentage of all consultants used on projects was 76% in 2007.

Said percentage of use is defined as the ratio between the total number of days billed to the Company's customers on the total number of available days for billable personnel except week-ends, bank holidays and paid leave.

Billable personnel accounted for 87% of the headcount in 2007, down from 90% in 2006.

Under orientation and encouragement law No. 98-461 of 13 June 1998 relating to the reduction of time worked and law No. 2000-37 of 19 January 2000 relating to the negotiated reduction of time worked, all companies governed by French legislation employing more than 20 employees are required to observe the rules relating to the 35-hour working week. Under Article 1 of the law of 19 January 2000, the statutory working time has been retroactively applicable from 1 January 2000.

Moreover, in accordance with the current legislation above, a collective agreement was signed on 22 June 1999 between the employers' organisations and trade unions that were party to the SYNTEC agreement applicable to the technical surveys, engineering and consulting trades. Such collective agreement was extended by a ministerial decree of 21 December 1999 to the technical surveys, engineering and consulting trades.

On 21 December 1999 Valtech entered into an agreement on the reduction of the working time with trade-union organisations CFDT and CFE-CGC. This agreement relates to all of the Company's personnel other than its top executives. This agreement came into effect on 31 December 1999.

## **XII. OTHER INFORMATION ON THE COMPANY**

### **XII.1 SHARE CAPITAL AS AT 31 DECEMBER 2007**

**Number of issued ordinary shares:** 88,668,358 issued ordinary shares, all being of the same category and fully paid up.

There is no par value.

**Amount of issued capital fully paid up:** EUR 1,351,534.90056.

### **XII.2 CAPITAL AUTHORISED BUT NOT ISSUED – REVIEW OF THE USE OF GENERAL AND INDIVIDUAL AUTHORISATIONS GRANTED BY THE BOARD OF DIRECTORS**

It is recalled that the Board of Directors was granted the following delegations of powers in 2007:

#### **1. Delegation of powers to increase the share capital up to a maximum amount of EUR 457,304, while preserving shareholders' preferential subscription rights (General Meeting of 4 April 2002)**

Delegation to the Board of Directors of the powers necessary, both in France and abroad, in euros, foreign currencies or Unit of Account set by reference to several currencies, in one or more occasions, in proportions and at times that it will determine, for purposes of one or more new capital increases, to issue the Company's

shares while preserving the shareholders' preferential subscription right, for which payment of the subscription may be made in cash or by debt offset; the amount of the new capital increases which can be made pursuant to the delegation referred to above, shall not be in excess of a par value of **EUR 457,304** or its exchange-value in any other authorised currency, it being specified that this ceiling is set without taking account of the effects on the capital amount of the adjustments likely to be made, in accordance with the law, further to the issue of securities including share warrants giving access to the capital on a deferred basis.

Said delegation shall be valid for a term of five years commencing 4 April 2002. Said authorisation has not been used and it has now lapsed.

**2. Delegation of powers to increase the share capital up to a maximum amount of EUR 457,304 by way of incorporation of all or part of the reserve funds, profits, etc. (General Meeting of 4 April 2002)**

Delegation to the Board of Directors of the powers necessary, in one or more occasions, in proportions and at times that it will determine, to increase the share capital by way of capitalisation of all or part of the reserve funds, profits or share premiums, or of merger or contribution; the capital increase(s) having to be made by means of the creation or grant of bonus shares or by the elevation of par or nominal value of each share forming the capital. The aggregate amount of the capital increases that may be carried out in the context of said delegation of powers shall not exceed a nominal amount of EUR 457.304.

Said delegation shall be valid for a term of five years commencing 4 April 2002. Said authorisation has not been used and it has now lapsed.

**3. Delegation of powers to issue convertible bonds ("*obligations convertibles*") while preserving the preferential subscription right up to a maximum amount of borrowing instruments of EUR 50 million and of capital increase of EUR 457,304 (General Meeting of 4 April 2002)**

Delegation to the Board of Directors of the powers necessary, both in France and abroad, in euro, foreign currencies or unit of account set by reference to several currencies, on one or more occasions, in proportions and at times to be determined by the Board of Directors, while preserving the shareholders' preferential subscription right, to issue convertible bonds ("*obligations convertibles*") of the company entitling to shares in the company on a deferred basis, for which payment of the subscription may be made in cash or by debt offset; the par value of the capital increases that may be made under the above-mentioned delegation of powers shall not be in excess of a par amount of EUR 457,304 or the equivalent of said amount in any other authorised currency, it being specified that this ceiling is set without taking account of the effects on the capital amount of the adjustments likely to be made, in accordance with the law, further to the issue of securities including share warrants giving access to the capital on a deferred basis; the term of any borrowing instruments shall not exceed 20 years. The par value of the bonds that may be issued under this delegation of powers shall not exceed EUR 50,000,000 or the equivalent of said amount in any other authorised currency.

Said delegation shall be valid for a term of five years commencing 4 April 2002. Said authorisation has not been used and it has now lapsed.

**4. Suspension of delegations of powers granted by the Board of Directors within a period of public takeover bid or public exchange bid on the Company's securities**

Under Order No. 2004-604 of 24 June 2004 and since said date, the delegations of powers granted to the Board of Directors as detailed above for purposes of increasing the Company's share capital, have now been suspended during a period of public takeover bid or public exchange bid on the Company's securities, unless they are used in the context of the Company's ordinary course of business and that their use may not jeopardise the bid.

**5. Combined total ceiling of the authorisations described above (General Meetings of 4 April 2002 and 27 June 2003):**

The combined total ceiling of all said authorisations has been set at:

- EUR 457,304 for the maximum par amount of the immediate or deferred share capital increases, it being specified that the par amount of any additional shares to be issued to maintain the rights of the holders of the securities or options entitling to shares shall be added to this nominal amount where applicable,

- EUR 50,000,000 for the par amount of the bonds that may be issued.

**6. Tables summarising the authorisations granted and still valid in 2007 with a view to issuing capital and debt shares as well as how they have been used.**

Type of authorisation	General Meeting	Expiry	Maximum par amount of the authorised share capital increase	Share capital increases performed in connection with this authorisation
Share capital increase with the preferential subscription right being preserved	04/04/2002	Lapsed since 04/04/2007	EUR 457,304	/
Share capital increase by capitalisation of reserve funds, premiums or profits	04/04/2002	Lapsed since 04/04/2007	EUR 457,304	/
Issue of convertible bonds with the preferential subscription right being preserved	04/04/2002	Lapsed since 04/04/2007	EUR 457,304 maximum amount of borrowing instruments: EUR 50,000,000	/
<b>Total maximum amount of all the authorisations above</b>			<b>EUR 457,304</b> <b>maximum amount of borrowing instruments: EUR 50,000,000</b>	/

**XII.3 SECURITIES NOT REPRESENTATIVE OF THE SHARE CAPITAL**

N/A.

**XII.4 OTHER SECURITIES PROVIDING ACCESS TO THE SHARE CAPITAL**

**XII.4.1 Share warrants for entrepreneurs (BSPCE)**

A table summarising all of the entrepreneurs share warrants issued by the Company and still valid in the context of the authorisations granted by the General Meeting is given in **XII.4.4** below.

**XII.4.2 Share subscription options**

(See the special report prepared by the Board of Directors under Article L.225.184, paragraph 1, of the French Commercial Code.)

A table summarising all of the subscription options issued by the Company and still valid in the context of the authorisations granted by the General Meeting is given in **XII.4.4** below.

### XII.4.3 Adjustments to the conditions of exercise of the rights in complex securities issued by the Company

It is recalled that, further to the allocation, at no charge, of the share warrants of July 30, 2003, the following adjustments were made in accordance with statutory provisions:

Pursuant to the various authorisations granted for this purpose to the Board of Directors by the general meetings having authorised or resolved the issue or grant of complex securities (shares with share warrants, autonomous share warrants, entrepreneurs' share warrants), during its meeting of 9 July 2003 and pursuant to the provisions of Article 171 of the Decree dated 23 March 1967, in order to preserve the rights of the holders of existing autonomous share warrants, shares with warrants to subscribe for shares and entrepreneurs' share warrants, the Board of Directors decided to grant at no charge to each holder of existing warrants that would exercise them one new autonomous share warrant for each new share issued in order to enable such holder to subscribe for new shares of the Company under the same conditions and in the same proportions as the current shareholders of the Company.

Each holder will therefore be granted one new autonomous share warrant for each new share issued upon the exercise of existing warrants. Such new warrants will not be listed on a regulated market and will necessarily be in registered form. However they will be transferable.

Ten new share warrants will make it possible to subscribe for one new share issued at the price of EUR 1.50.

Such new share warrants will be exercisable:

- for holders having exercised their existing share warrants and entrepreneurs' share warrants prior to the end of the exercise period of the share warrants at no charge, until the end of said period – (such warrants have thus expired since July 29, 2005 - See **XII.4.1 above**)
- for holders having exercised their existing share warrants and entrepreneurs' share warrants after the end of the exercise period of the share warrants at no charge, no later than within eight days of their exercise. Considering the expiry of the share warrants for entrepreneurs on 25 October 2007, the time limit to subscribe for such warrants lapsed on the 2<sup>nd</sup> of November 2007.

### XII.4.4 Tables summarising still exercisable securities and titles

#### Share Option Plan

General Meeting's authorisation	09/02/99	09/02/99	05/11/99
<b>Board Meeting date</b>	<b>16/02/99</b>	<b>16/02/99</b>	<b>19/04/01</b>
Awarded options	985 410	459 660	2 440 169
<b>Potential share (1)</b>	<b>25 300</b>	<b>0</b>	<b>0</b>
<b>Subscription price</b>	0,01524 €	0,60949 €	5,5 €
Expiry date	16/02/09	16/02/09	<b>19/04/06</b>
Cancelled options	247 498	173 092	2 317 045
Exercised options as at 31/12/2007	28 182	0	0

General Meeting's authorisation	05/11/99	04/04/02	04/04/02
<b>Board Meeting date</b>	<b>03/10/01</b>	<b>25/10/02</b>	<b>24/09/03</b>
Awarded options	3 680 379	4 766 784	468 131
<b>Potential share (1)</b>	<b>0</b>	<b>0</b>	<b>124 633</b>
<b>Subscription price</b>	1,43 €	0,39 €	1,03 €
Expiry date	<b>03/10/06</b>	<b>25/10/07</b>	23/09/08
Cancelled options	3 414 478	1 232 622	343 498
Exercised warrants as at 31/12/2007	0	727 886	0

General Meeting's authorisation	04/04/02	04/04/02	04/04/02
<b>Board Meeting date</b>	<b>31/12/03</b>	<b>26/01/04</b>	<b>09/04/04</b>
Awarded options	1 102 500	317 600	757 071
<b>Potential share (1)</b>	<b>365 000</b>	<b>30 500</b>	<b>481 071</b>
<b>Subscription price</b>	0,90 €	0,90 €	0,98€
Expiry date	30/12/08	25/01/09	08/04/09
Cancelled options	737 500	287 100	276 000
Exercised warrants as at 31/12/2007	0	0	0

General Meeting's authorisation	04/04/02	04/04/02	04/04/02
<b>Board Meeting date</b>	<b>29/06/04</b>	<b>07/09/04</b>	<b>13/12/04</b>
Awarded options	36 000	175 000	18 500
<b>Potential share (1)</b>	<b>0</b>	<b>30 000</b>	<b>1 500</b>
<b>Subscription price</b>	0,89 €	0,68 €	0,96 €
Expiry date	28/06/09	06/09/09	12/12/09
Cancelled options	0	145 000	17 000
Exercised warrants as at 31/12/2007	0	0	0

General Meeting's authorisation	04/04/02
<b>Board Meeting date</b>	<b>30/05/05</b>
Awarded options	2,128,500
<b>Potential share (1)</b>	<b>1 422 000</b>
<b>Subscription price</b>	0,87 €
Expiry date	29/05/10
Cancelled options	706 500
Exercised warrants as at 31/12/2007	0

(1) After deduction of options allocated to employees who left the Group and whose options have since become null and void

### Share warrants for entrepreneurs

General Meeting's authorisation	04/04/02	27/06/03	27/06/03
<b>Board Meeting date</b>	<b>25/10/02</b>	<b>26/01/04</b>	<b>09/04/04</b>
Awarded warrants	5 844 675	162 000	1 311 426
<b>Potential share (1)</b>	<b>0</b>	<b>42 500</b>	<b>1 178 926</b>
Subscription price	0,39 €	0,97 €	0,98 €
Expiry date	25/10/07	25/01/09	08/04/09
Cancelled warrants	604 329	119 500	132 500
Exercised warrants as at 31/12/2007	2 554 180	0	0

(1) After deduction of warrants allocated to employees who left the Group and whose warrants have since become null and void

### Autonomous share warrants (potential)

General meeting date	27/06/03
<b>Board Meeting date or Chairman's decision date</b>	<b>22/07/03</b>
Type of warrants	Non listed autonomous warrants
Potential authorised warrants	2,607,691 potential warrants for reservation of rights
Warrant subscription price	Free of charge
Subscribed warrants	/
<b>Potential share</b>	<b>0</b>
Warrant exercise price (10 warrants giving the right to subscribe for one share)	EUR 1.50
Expiry date to exercise the warrant	= expiry date of the validity of first securities + 8 days or no later than 02/11/07

**XII.4.5 Information relating to the possible dilution of the Company's share capital (as at 31 December 2007)**

Nature of the instruments that may be diluted	Issue Date	Exercise Price	Holders of said instruments	Exercise Period	Number of shares entitling to said instruments	Potential dilution that may result in the exercise of said instruments
<b>Initial share capital: number of shares forming the share capital as at 31.12.07: 88,668,358</b>						
Share Subscription Options	16.02.99	€ 0.01524	Foreign Employees / Officers	12.04.99 to 16.02.09	25,300	0.03%
Share Subscription Options	24.09.03	€ 1.03	Foreign Employees / Officers	24.09.04 to 23.09.08	124,633	0.14%
Share Subscription Options	31.12.03	€ 0.90	Foreign Employees / Officers	31.12.03 to 30.12.08	365,000	0.40%
Share Subscription Options	26.01.04	€ 0.90	Foreign Employees / Officers	26.01.05 to 25.01.09	30,500	0.03%
Share Subscription Options	09.04.04	€ 0.98	Foreign Employees / Officers	09.04.05 to 08.04.09	481,071	0.53%
Share Subscription Options	07.09.04	€ 0.68	Foreign Employees / Officers	07.09.05 to 06.09.09	30,000	0.03%
Share Subscription Options	13.12.04	€ 0.96	Foreign Employees / Officers	13.12.05 to 12.12.09	1,500	0.002%
Share Subscription Options	30.05.05	€ 0.87	French & Foreign Employees / Officers	30.05.09 to 29.05.10	1,422,000	1.56%
<b>Potential dilution (options) on the basis of a number of shares increased to 91,148,362</b>					<b>2,480,004</b>	<b>2.72%</b>
Entrepreneurs share warrants	26.01.04	€ 0.97	French Employees / Officers	26.01.05 to 25.01.09	42,500	0.05%
Entrepreneurs share warrants	09.04.04	€ 0.98	French Employees / Officers	09.04.05 to 08/04/09	1,178,926	1.31%
<b>Potential dilution (Entrepreneurs share warrants) on the basis of a number of shares increased to 89,889,784</b>					<b>1,221,426</b>	<b>1.36%</b>
<b>Total potential dilution on the basis of a number of shares increased to 92,369,788</b>					<b>3,701,430</b>	<b>4.01%</b>

**XII.5 CURRENT APPROPRIATION OF THE SHARE CAPITAL AND VOTING RIGHTS****XII.5.1 Company’s shareholding as at 31 December 2007**

<b>Shareholders</b>	<b>Number</b>	<b>% capital</b>	<b>% voting rights</b>
Jean-Yves Hardy	1,362,505	1.54%	1.54%
Olivier Cavrel (and relatives)	3,262,930	3.68%	3.69%
Douglas Land	100,000	0.11%	0.11%
Lars Bladt	41,269	0.05%	0.05%
Jean-Claude Turri (and relatives)	2,400,000	2.70%	2.71%
<b>Corporate Officers Total (1)</b>	<b>7,166,704</b>	<b>8.08%</b>	<b>8.1%</b>
Treasury shares	214,900	0.24%	/
Public	81,286,754	91.68%	91.90%
Total	<b>88,668,358</b>	100%	100%

(1) Members of the Board or their relatives

Since the Company has not issued double voting right shares, the apportionment of the voting rights is the same as that of the share capital (subject to treasury shares).

**XII.5.2 Crossing of threshold**

No crossing of threshold was notified in 2007.

**XII.5.3 Shareholders’ Agreement**

To the best of the Company’s knowledge, no shareholders’ agreement has to date been entered into between the shareholders and the Company.

**XII.5.4 Employee shareholding**

Under Article L.225.102, paragraph 1 of the French Commercial Code, it is specified that the employees of the company and the Group do not hold any share in the company according to articles L 443-1 and subsequent and L 442-7 of the French labour code, L 214-39 and L 214-40 of the French Monetary and Financial Code. Therefore, no share is collectively held by employees of the Group or is non-transferable under the above-mentioned articles.

The last proposal made to the shareholders to increase the capital on one or more occasions in favour of the employees within the framework of the ordinary and extraordinary general meeting of 27 June 2003 was refused by the aforementioned meeting.

In 2007, as the required quorum was not met, no extraordinary general meeting was held to decide, *inter alia*, on the three-year obligation to propose a share capital increased reserved for employees members of a company savings plan.

**XII.6 CHANGES IN THE SHARE MARKET PRICE OVER THE LAST FISCAL YEAR**

The Company has been listed on the “New Market” since 12 April 1999.

It is now registered on Eurolist “C”.

The Company considers that the liquidity recorded in the Valtech share does not require that an agreement be entered into in connection with the market tendency. The agreement entered into with Aurel Level was terminated in 2003.

The following chart recalls the changes in the closing market price and the volume of transactions for the Company's share between October 2004 and April 2007:

**Volume of transactions and changes in the share market price in euros:**

Month	Number of trading days	Monthly Market price		Shares exchanged	Market capitalisation (EUR) (1)
		Highest	Lowest		
October 2004	21	0.84	0.76	15,362,736	62,825,314
November 2004	22	1.09	0.8	61,351,703	74,669,098
December 2004	23	1	0.83	29,395,250	71,830,162
January 2005	21	0.96	0.87	23,603,784	75,825,024
February 2005	20	1.01	0.89	15,116,280	78,533,060
March 2005	21	0.97	0.85	10,421,976	75,229,850
April 2005	21	0.92	0.84	5,017,406	73,642,723
May 2005	22	0.91	0.85	2,275,315	72,502,712
June 2005	22	0.94	0.85	4,802,018	74,780,284
July 2005	21	0.89	0.81	5,160,804	71,143,399
August 2005	23	0.87	0.77	3,500,712	63,370,074
September 2005	22	0.88	0.76	9,358,240	66,391,227
October 2005	21	0.82	0.71	3,228,845	64,621,589
November 2005	22	0.74	0.65	4,178,877	57,584,615
December 2005	21	0.69	0.62	5,533,113	54,997,943
January 2006	22	0.77	0.63	6,918,283	59,372,090
February 2006	20	0.76	0.66	9,166,237	58,534,300
March 2006	23	0.76	0.68	7,739,201	59,352,130
April 2006	18	0.85	0.67	27,204,574	62,747,050
May 2006	22	0.75	0.65	7,037,256	59,054,762
June 2006	22	0.68	0.55	4,584,893	51,802,423
July 2006	21	0.60	0.54	2,367,792	48,641,287
August 2006	23	0.64	0.54	4,424,488	49,513,440
September 2006	21	0.65	0.57	3,028,364	51,415,047
October 2006	22	0.63	0.57	3,988,631	49,807,070
November 2006	22	0.68	0.59	8,526,380	52,991,960
December 2006	19	0.67	0.58	11,538,501	51,317,722
January 2007	22	0.73	0.63	11,118,151	57,228,733
February 2007	20	0.72	0.63	7,872,620	58,683,701
March 2007	22	0.69	0.60	7,107,585	55,909,562
April 2007	13	0.69	0.64	2,757,424	57,518,234
May 2007	22	0.67	0.6	3,616,024	55,649,441
June 2007	21	0.65	0.6	3,894,352	53,096,661
July 2007	22	0.64	0.58	4,049,469	51,512,865
August 2007	23	0.59	0.54	5,062,870	48,188,844
September 2007	20	0.61	0.53	4,456,221	48,332,462
October 2007	23	0.65	0.56	9,259,633	52,187,540
November 2007	22	0.62	0.51	6,352,313	48,649,402
December 2007	19	0.56	0.52	4,573,543	46,880,333
January 2008	22	0.53	0.32	8,144,329	38,034,987
February 2008	21	0.45	0.39	6,979,949	37,150,452
March 2008	18	0.46	0.39	5,559,100	36,265,918
April 2008	22	0.41	0.36	5,608,400	34,496,849

(1) Calculated on the basis of each month's average closing market prices

Source Euronext

**XII.7 INFORMATION ON THE HOLDING BY THE COMPANY OF ITS OWN SHARES AS AT 31 DECEMBER 2007**

As at 31 December 2007, the Company held 214,900 treasury shares in the following conditions in connection with plans of options to purchase shares reserved for the employees, acquired in 1998, before the company's IPO, for 67,865.

Value of the shares held at the closing assessed on the basis of the purchase price: EUR 67,865.

Net value of such shares in the balance sheet as at 31 December 2007: EUR 67,865.

Nominal value of such shares (par): EUR 0.01524

Value of such shares at the nominal value: EUR 3,275.08

Portion of the share capital represented by such shares as at 31 December 2007: 0.24%

Over the last fiscal year, the Company did not buy or sell any share.

There has not been any operation since 31 December 2004.

## **XII.8 LATEST SHARE PURCHASE PLAN**

The share purchase plan (visa No. 02-0684) dated 5 June 2002 ended on 4 December 2003. Its renewal was not submitted to the shareholders' approval in 2003 or in 2004.

An authorisation to renew was granted by the shareholders during the General Meeting of 30 June 2005 but it has not been used and no share purchase plan was performed in 2005.

An authorisation to renew was granted by the shareholders during the General Meeting of 26 June 2006 but it has not been used and no share purchase plan was performed in 2006.

An authorisation to renew was granted by the shareholders during the General Meeting of 26 June 2007 but it has not been used and no share purchase plan was performed in 2007.

An authorisation to implement a new repurchase plan is proposed at the 2007 General Meeting. The detail of this request for authorisation is given in the relevant resolution.

The purpose of this authorisation is to enable the Company to:

- Ensure the liquidity and promotion of the share market through the intermediary of an investment service provider acting independently under a market liquidity agreement in compliance with the ethic code recognised by the French Financial Markets Authorities;
- Issue title upon the exercise of the rights in the securities giving access to the Company's share capital;
- Retain shares for purposes of their subsequent delivery as payment or exchange in the context of external growth operations;
- Grant shares to employees or corporate officers of the Company or of its Group's companies under the conditions required by the law, in particular in the context of profit sharing in the case of the Company's expansion, of share purchase options or under a company-sponsored or group-level savings investment plan, or by way of the grant of shares free of charge;
- Cancel the shares subject to the Extraordinary General Meeting's consent;
- Adopt any market practice that may be acknowledged by the French Financial Markets Authorities, in particular to perform any other transaction in accordance with current legislation.

Share purchases shall be made in accordance with current legislation, by any means, in particular in or outside the stock market, over the counter, at any time, in particular over a period of purchase or exchange

public offer or market price guarantee. The part of the plan that may give rise to block negotiations is unlimited and may account for the entire plan.

In the context of such authorisation, the Company may purchase its own shares in or outside the market within the limit set forth below:

- maximum purchase price: EUR 0.80 per share,

subject to any adjustments relating to operations affecting the Company's share capital.

The maximum amount earmarked for the performance of such share purchase plan is EUR 6,000,000. The maximum number of shares shall not exceed 8.46 % of the share capital, i.e., 7,500,000 shares, in addition to existing treasury shares held.

### **XIII. MEMBERS OF THE MANAGEMENT AND SUPERVISION BODIES**

#### **XIII.1 DISTRIBUTION OF THE BOARD OF DIRECTORS AND OTHER DUTIES AND TERMS OF OFFICE IN 2007**

The table below details the situation of Valtech SA various directors under French law and according to the French Financial Market Authorities' recommendations.

Name - Forename	Date of 1 <sup>st</sup> Appointment	Expiry date of term of office	Main duties in the Company	Main duties outside the Company	Other terms of office or duties
Jean-Yves Hardy	21.12.1992	Annual general meeting deliberating on the fiscal year 2012	Chairman & General Manager	/	<p><i>Valtech Group</i></p> <p>Valtech Training (France) Valtech Offshore (France) SYNARIS AG (Germany) Valtech Technology Consulting Valtech CO LTD (Korea) Valtech India Technology Systems Private Limited (India) Valtech India Systems Private Limited (India)</p> <p><i>Outside the Group</i></p> <p>BANG (France) NEOSAPIENS</p> <p><i>Duties / Terms of office</i></p> <p>Président Président Directeur Général Director Président Member of the Board Member of the Board and Director Member of the Board and Director</p>
Olivier Cavrel	3.10.1997	Annual general meeting deliberating on the fiscal year 2012		/	<p><i>Valtech Group</i></p> <p>Valtech Agency SYNARIS AG (Germany) Valtech Offshore (France) Valtech India Technology Systems Private Limited (India) Valtech India Systems Private Limited (India) Valtech Software Services Private Limited (India)</p> <p><i>Outside the Group</i></p> <p>FINAERO (France) IMRAN</p> <p>Président Director Administrateur Chairman of the Board and Director Chairman of the Board and Director Chairman of the Board and Director</p> <p>Représentant permanent de HCC, administrateur Gérant</p>
Douglas Land	31.12.2003	Annual general meeting deliberating on the fiscal year 2012		Chesapeake Group Chief Executive Officer	<p><i>Valtech Group</i></p> <p>Valtech Offshore SA</p> <p><i>Outside the Group</i></p> <p>Whitman Hart Incorporated Chesapeake Group Covansys Covansys Mauritius</p> <p>Administrateur Director Chief Executive Officer Director Director</p>

Mis en forme : Français  
France

Jens Heimburger	13.07.2000	Annual general meeting deliberating on the fiscal year 2007		/	<p><i>Outside the Group</i></p> <p>Womens Wear Group A/S Chairman  Womens Wear 1 A/S Chairman  I Say A/S Chairman  I Say Retail A/S Chairman  Genpack Invest A/S Chairman  Genpack A/S Chairman  Daniamant Holding A/S Chairman  Daniamant APS Chairman  Scanvogn Invest A/S Chairman  Scanvogn A/S Chairman  Priess-Veksø Invest A/S Chairman  Veksø- Taulov Invest A/S Chairman  Veksø A/S Chairman  Alfred Priess A/S Chairman  Lampas A/S Chairman  Ravfehm Invest A/S Chairman  Ravfehm APS Chairman  Trade Wind A/S Chairman  H.P Værktøj A/S Chairman  Schou Company A/S Chairman  Schou International A/S Chairman  H.P Ejendomme A/S Chairman  Waveplane A/S Chairman  Primetime Kommunikation A/S Chairman  Fuglsang SØ A/S Chairman  M2 A/S Chairman  M2 Kaløvig Parken A/S Chairman  M2 Project Management A/S Chairman  M2 Stavtrup A/S Chairman  M2 Anisse Bakker A/S Chairman  M2 Fritid A/S Chairman  M2 Golf A/S Chairman  Dansk Generationsskifte A/S Board Member / Director  Dansk Generationsskifte Kapital I A/S Board Member / Director  Krogedammen A/S Board Member / Director  HRH A/S Board Member / Director  Heimre A/S Board Member / Director  Rabo Tricycles A/S Board Member / Director  Noitsa APA Board Member / Director</p>
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NON BINDING ENGLISH TRANSLATION FROM THE FRENCH ORIGINAL – FOR CONVENIENCE PURPOSES ONLY

					International Quality Systems A/S Aktieselskabet AF Bølgeinvest APS Astion Pharma A/S Astion Inflammation APS Astion Development A/S Astion Dermatology A/S Jørgen Schou Holding A/S Nensius Research A/S	Board Member / Director Board Member / Director Board Member / Director Board Member / Director Board Member / Director Board Member / Director Board Member / Director Board Member / Director Board Member / Director
Lars Bladt	11.12.2007	Annual general meeting deliberating on the fiscal year 2011			<i>Valtech Group</i> Valtech AB Valtech A/S Valtech Ltd Valtech Technologies Inc	Chairman of the Board of Directors Chairman of the Supervisory Board Director Director
Jean-Claude Turri	29.11.2002	Annual general meeting deliberating on the fiscal year 2007	Consulting Manager	/	<i>Valtech Group</i> Valtech Axelboss SAS  <i>Outside the Group</i> IFIS Groupe Ouroumoff	President  Chairman of the Board of Directors Gérant
Jonathan Poole	28.06.2007	Annual general meeting deliberating on the fiscal year 2012	Chief Executive Officer		<i>Valtech Group</i> Valtech AB Valtech A/S Valtech Limited Valtech Technologies Inc	Member of the Board of Directors Member of the Supervisory Board Chairman of the Board of Directors Chairman of the Board of Directors

## **2007 Organisational Changes**

In March 2007 the board rearranged the structure of the operational and financial management for the Group. This does not impact the composition of the board of directors.

From an operational point of view :

- Lars Bladt, formerly managing director of Valtech Denmark, was the former group chief operating officer (COO), under the management of Jonathan Poole. Lars Bladt had resigned on December 31, 2007 and had been nominated as a member of the board, in replacement of Jens Heimburger, on December 11, 2007.
- Andy Stephens, formerly UK finance director, the former group chief financial officer (CFO), has been replaced by a transition manager who has assumed a 6-month contract from October 1, 2007.

## **XIII.2 INDEPENDENT DIRECTOR**

Valtech does not have any independent director sitting on its Board.

## **XIII.3 OPERATION OF THE MANAGEMENT BODIES**

*See Chairman's report on in-house audit procedures.*

## **XIII.4 CORPORATE GOVERNANCE**

From 27 July 2007, Valtech has internal regulations allowing the Board of Directors to conduct meetings via conference call, without being physically present at the meeting.

The Valtech directors cannot purchase or sell the Valtech shares over a period of 10 days prior to the announcement of the Company's results. They cannot buy or sell the Valtech shares from the day when the Board of Directors becomes aware of decisive information that may affect the market price until the day when such information is made public.

*See also Chairman's report on in-house audit procedures.*

## **XIII.5 ATTENDANCES FEES**

In 2007, a maximum aggregate amount of EUR40,000 of attendance fees were approved.

The Board of Directors proposed the General Meeting that a maximum aggregate amount of EUR 40,000 be distributed as attendance fees for 2008.



**XIII.6 CORPORATE OFFICERS' 2007 COMPENSATION AND BENEFITS****XIII.6.1 Gross compensation and direct and indirect benefits of any kind received by each corporate officer inside and outside the Group and fees paid to companies in which the corporate officers have an interest.****XIII.6.1.1 – Direct compensation paid by Valtech and its subsidiaries in 2007**

Name	Titles	Type of remuneration	2007 Annual amount	2006 Annual amount
Jean-Yves Hardy	General Manager & Chairman of the Board	General Manager (GM)	Gross fixed compensation as GM: EUR 36,000 Benefit in kind as GM: N/A Bonus compensation as GM: N/A Attendance fees : N/A	Gross fixed compensation as GM: EUR 36,000 Benefit in kind as GM: N/A Bonus compensation as GM: N/A Attendance fees : N/A
Olivier Cavrel	Deputy General Manager (resigned on 7 March 2007) Director	Deputy General Manager (DGM)  CEO de Valtech India (CEO India)	Gross fixed compensation as DGM: EUR 3,107 Gross fixed compensation as CEO India: EUR 51,832 Benefit in kind paid by Valtech France: N/A Benefit in kind paid by Valtech India: EUR108,462 Bonus compensation: N/A Attendance fees: N/A	Gross fixed compensation as DGM: EUR 36,000 Benefit in kind as DGM: N/A Bonus compensation as DGM: N/A Attendance fees : N/A Benefit in kind paid by Valtech India: EUR 18,560
Douglas Land	Director	Fixed salary	Gross fixed salary: EUR 35,020 Attendance fees: N/A	Attendance fees : EUR 36,480 (USD 48,000)
Jens Heimburger	Director (resigned on 11 December 2007)	Attendance Fee	Attendance fees: N/A	Attendance fees : EUR 52,740
Jean-Claude Turri	Director	Manager	Gross fixed salary: EUR 6,120 Attendance fees : N/A	Gross fixed salary: EUR 6,120 Attendance fees : N/A
Lars Bladt	Director (appointed on 11 December 2007)	Manager	Gross fixed salary: EUR 181,008 Bonus compensation: EUR 69,846 Benefits in kind: EUR27,117 Attendance fees : N/A	
Jonathan Poole	Director (appointed on 28 June 2007)	Group CEO	Gross fixed salary: EUR 216,077 Bonus compensation: EUR 122,400 Benefits in kind: EUR44,280 Attendance fees : N/A	

Neither the company nor any of its subsidiaries has made any specific undertaking (except for mandatory contributions) for corporate officers in connection with any pension plan or in the event of termination of their term of office as such.

**XIII.6.1.2 – Indirect compensation and/or fees received by companies in which corporate officers have an interest and paid by Valtech or its subsidiaries**

Companies concerned	Type of compensation	Director concerned	% held by the Director concerned in the company concerned	2007 Annual amount	2006 Annual Amount
Agreements between Valtech SA and Bang	Fees	Jean-Yves Hardy	94.39%	Fixed fees: EUR 270,960 Travel fees: N/A Bonus fees relating to FY 2007: N/A	Fixed fees: EUR 225,500 Travel fees: EUR 26,400 Bonus fees relating to FY 2006: N/A Bonus fees relating to FY 2005: EUR 31,765
Agreements between Valtech SA and Imran	Fees	Olivier Cavrel	100%	Fixed fees: EUR 244,664 Travel fees: EUR 16,000 Bonus fees relating to FY 2007: N/A Bonus fees: N/A	Fixed fees: EUR 225,500 Travel fees: EUR 62,400 Bonus fees relating to FY 2006: N/A Bonus fees relating to FY 2005: EUR 20,500 Bonus fees: N/A
Agreements between Valtech SA and Groupe Ouroumoff	Fees	Jean-Claude Turri (1)	99.99%	Fixed fees: EUR 306,636 Travel fees: N/A Bonus fees relating to FY 2007: N/A	Fixed fees: EUR 273,400 Travel fees: EUR 4,000 Bonus fees relating to FY 2006: N/A Bonus fees relating to FY 2005 : EUR 41,099
Agreements between Valtech A/S (Danish subsidiary) and Krogedammen A/S	Fees	Jens Heimburger	100%	Fixed fees: EUR 27,670 Travel fees: EUR 13,792	Fixed fees: Nil
Agreement between Valtech SA and the Chesapeake Group	Fees	Douglas Land	50%	Fees: Nil	Fees: Nil

(1) For the sake of completeness, see also the information given below in connection with the mutual business finder agreement entered into between VALTECH and IFIS 2007.

□ **PRESENTATION OF THE AGREEMENTS ENTERED INTO BETWEEN VALTECH AND BANG, IMRAN AND GROUPE OUROUMOFF FOR 2007**

The agreements entered into by Valtech with Groupe Ouroumoff, Imran and Bang set out the services that will be provided by each of the companies; the corresponding fees were set in accordance with the same principles for all three agreements. Such agreements gave rise to payment of the monies referred to in XIII.7.1.3.

**1/ Services provided by each of the three service providers**

**GROUPE OUROUMOFF** provides Valtech and its subsidiaries with the following services:

(a) services for the Valtech Axelboss department in the following fields:

- management, in particular, financial management,
- marketing and sale,
- monitoring of the uses of French know how abroad,

(b) carrying out of the consultancy subcontracting activity with regard to end customers sold by “Valtech Axelboss”,

(c) the supervision of Valtech Germany’s non-global sourcing business, and the support of Valtech Germany in introducing Valtech management consulting services on the local market.

**IMRAN** provides Valtech and its subsidiaries with the following services:

(a) definition, development and implementation of the strategies to develop the activities of the “Global Sourcing” division for the entire Valtech Group carried out in France, USA, England, Germany and India.

**BANG** provides Valtech and its subsidiaries with the following services:

(a) definition, development and implementation in France of strategies to develop:

- in France, the “Valtech Training” and “ACDSI” (or “Valtech Agency”) activities and the Valtech SA technology services; and

(b) research into new financial partners for the Group as well as management of negotiations for the Group

(c) reviewing of the financial communication for the Group

**2/ Presentation of the remuneration for the services provided**

For each agreement, the services remuneration is determined, firstly, on the basis of fixed flat fees, coupled with additional indemnification or each day spent abroad and, secondly, by payment of performance fees calculated as follows:

1. Fees determined on the basis of the attainment or non-attainment of targets calculated on the basis of the consolidated EBIT of the Group over the last three fiscal years, l’EBIT<sub>200x</sub> being defined as the Valtech Group’s earnings before interest and tax as featured in the fiscal year 200X consolidated accounts ended by the Board of Directors and certified by the auditors.

2. Fees calculated on the basis of the Valtech stock price, the stock prices attained over a given period being EUR 1.25, 1.75 and 2.25.

The yearly amount, exclusive of tax, of variable fees referred to above may not under any circumstances exceed the aggregate amount of EUR 200,000 for FY 2006, EUR 270,000 for FY 2007, and EUR 400,000 for FY 2008.

### **3/ Term, termination and termination compensation**

Each agreement has been entered into for a three years' period with effect from 1 January 2006; it may be terminated either by agreement between the Parties in accordance with mutually agreed terms and conditions or in accordance with the following terms and conditions:

1/ each service provider may terminate the relevant agreement unilaterally, with or without cause, subject to a termination notice of at least six months, such termination will not give rise to compensation.

2/ For its part, subject to compliance with certain time limits, Valtech may request the termination of the agreement in the event that the annual EBIT target upon which the variable fees rely is not attained. Valtech will then pay the service provider concerned a lump-sum termination compensation equal to 24 times the monthly fixed flat fees, exclusive of tax, of the ongoing year.

3/ Subject to compliance with certain time limits, and in the event that the annual EBIT target is attained, Valtech may also request the termination of the agreement but it will then pay the service provider concerned a lump-sum termination compensation equal to two times the annual fixed flat and variable fees for the ongoing year.

### **4/ Other clauses**

The agreements also contain a non-compete clause of 18 months and a non-poaching clause of 24 months, which, in case of breach, gives rise to automatic payment of a penalty.

**Such service providers have their own operating expenses. Therefore, only part of the fees thus paid may be used to remunerate the corporate officers. Such fees were validated in 2006 by a prior opinion of the remuneration committee (See Chairman's Report).**

□ **VALTECH / CHESAPEAKE GROUP Agreement**

1/ Agreement

Douglas Land is a shareholder and CEO of US corporation Chesapeake Group, the purpose of which is to advise IT companies of merger and acquisition transactions. One of the Chesapeake Group's specialities is its expertise in the Indian market for IT services.

Since December 2002, the Chesapeake Group has been assisting Valtech in this context, under a service agreement entered into in December 2002, prior to Douglas Land becoming a director of Valtech. The Chesapeake Group may be called from time to time to act in the fields described above upon Valtech's request.

The Chesapeake Group also holds 4.99% in Valtech Offshore SA, a subsidiary of Valtech SA. Valtech Offshore SA holds 100% in Valtech India Technology Solutions Private Limited.

2/ Management of Settlement Agreement with Medhost Inc.

During the Board of Directors meeting held on 7 March 2007, the Board of Directors gave Chesapeake the power to negotiate, on Valtech's behalf, compensation from Medhost as Valtech has claimed that Medhost did not respect the shareholding rights granted to Valtech. As remuneration for this service, Chesapeake should receive fees agreed as follows:

- A fee of 15% of the financial amount that Medhost will pay to Valtech at the resolution of the negotiation.
- If the negotiation comes to an end and Valtech receives as compensation, shareholding in Medhost or in another company, Chesapeake Group will receive 15% of these shares instead of the financial amount.

□ **OTHER AGREEMENTS SIGNED FOR 2007**

**1/ VALTECH / IFIS Agreement**

It is also specified, for any useful purpose, that Jean-Claude Turri is a director of Valtech, and the shareholding officer of IFIS, which develops and markets a Business Intelligence database. IFIS has no equity links with Valtech although it is entitled to:

- Sub-let, for several years, three offices on the Paris-based Valtech premises on the basis of an annual rent of EUR 36,000,
- since 2006 a finder's agreement, on a reciprocal basis, remunerated by the payment of a commission equal to 5% of the amounts invoiced to the final customer and in the vent of an aggregate invoicing made only by Valtech to the final customer, the withholding by Valtech of 5% remuneration on the amounts due to IFIS. Such agreement gave rise to payment by Valtech to IFIS of EUR (VAT excluded) 128,350.61. Considering its nature, this agreement was considered as a "normal" agreement entered into on arm's-length terms.

\* \* \*

Except for their direct and/or indirect shareholding in the share capital of Valtech SA as set out in § XII.5.1 hereof, and subject to the agreements referred to above, the corporate officers do not hold any interest in any subsidiary or service provider, or customer of Valtech SA of its Group.

**XIII.6.2 – Corporate officers’ interest in the issuer’s share capital, in that of a company that holds its control, in that of the subsidiary or in a customer or supplier of the issuer**

*See § XIII.6.1.*

**XIII.6.3 – Information on the transactions made with the members of the management or supervision bodies**

*See the statutory auditors’ special report.*

**XIII.6.4 Loans and guarantees taken out or made in favour of the management or supervision bodies**

*N/A*

**XIII.6.5 Assets directly or indirectly owned by the corporate officers or members of their families**

*N/A*

**XIII.6.6 Share subscription or purchase plan, warrants and entrepreneurs warrants (BCE)**

*XIII.6.6.1 Options to subscribe for (OS) or purchase (OA) shares and entrepreneurs warrants (BCE) granted to the corporate officers during the fiscal year 2007 and still in force*

*N/A*

*XIII.6.6.2 Options to subscribe for (OS) or purchase (OA) shares and entrepreneurs warrants (BCE) exercised by the corporate officers during the fiscal year 2007*

*See the statutory auditors’ special report, in relation to article L 225-184 du code de commerce*

**XIII.6.7 Transactions carried out by the corporate officers, top executives, or persons to which they are closely related, in connection with their Valtech securities**

*N/A*

**XIV. INCLUSION, INTO THIS REPORT, OF THE PARTICULARS REQUIRED BY ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE WHICH MAY IMPACT A PUBLIC OFFER**

1° The structure of the Company’s share capital

**See Paragraphs XII.1 and XII.5 of this report**

2° Restrictions on the exercise of the voting rights and share transfer under the Company’s articles of incorporation or contract clauses brought to the Company’s attention under Article L. 233-11

**See Paragraph XII.5 of this report**

3° Direct or indirect interest in the Company's share capital of which it has become aware under Articles L. 233-7 and L. 233-12

**See Paragraph XII.5 of this report**

4° List of the holders of any securities containing special controlling rights and description thereof

N/A

5° Control procedures provided as part of an employee shareholding plan when controlling rights are not exercised by the latter

N/A

6° Shareholders' agreements of which the Company is aware and which may result in restrictions on the transfer of shares and on the exercise of voting rights

**See Paragraph XII.5 of this report**

7° Rules applicable to the appointment and replacement of members of the Board of Directors as well as to the changes in the Company's articles of incorporation

**The Company's articles of incorporation do not depart from the principles commonly admitted in connection with a French *Société Anonyme*.**

8° The Board of Directors or the Directorate's powers, in particular the issue or purchase of shares;

**See Paragraphs XII.2, XII.7 and XII.8 of this report**

9° Agreements entered into by the Company that would be amended or terminated in the event of the Company's change of control, unless said disclosure would adversely affect its interests, with the exception of statutory requirements of disclosure.

**There are some customer contracts entered into by the Company that contain provisions for amendment and/or termination in the event of a change of control. However, such agreements contain either provisions preventing their disclosure (non-publicity or confidentiality terms) or are considered to be of significant commercial sensitivity to the group that disclosure would adversely affect the business operations of the Company. As such, these agreements are not disclosed here.**

10° Agreements which provide for compensation for members of the Board of Directors or Directorate or the employees, where they resign or are terminated without genuine and serious cause or where their employment is terminated as a result of a public offering.

**See Paragraph XIII.6 of this report**

\* \* \*

We remain available should you require any further explanation.

The resolutions that are being submitted to you reiterate the main points of this report; we would appreciate if you could kindly approve the same in the Company's interest.

**Board of Directors**