

Reference document

07.08



Shareholder's message

A NEW DIMENSION, A BROADER POSITIONING

Dear shareholders,



Pascal Imbert
Chairman of the
management board

Financial year 2007/08 represented the first stage of the business plan that we unveiled a year ago which is designed to turn Solucom into one of the top five information systems consulting firms in France by 2010.

This first stage was a complete success.

Firstly, it was a financial success given that revenues grew by 38% per year, including 21% range of forecasts for the full year, Solucom posted results ahead of its objectives.

Above all, in addition to its strong financial results, the Group, which traditionally has always been focused on technology consulting, is continuing to transform itself into a consulting firm covering all areas of information systems.

The integration of Vistali, which was acquired early in the financial year, was a major success and Vistali made a major contribution to the Group's 2007/08 results. Solucom is now number one consulting firm in SOA (Service Oriented Architecture), which boosts the flexibility of our clients' information systems, thereby meeting the organic growth; coupled with an operating margin on ordinary activities of 13% - at the top of the needs of their businesses more rapidly.

IT governance consulting, a key issue facing IT departments in the coming years, fulfilled its early promise and is now a thriving business in our range of services. IT governance is certainly one of our major areas of growth over the next few years.



Michel Dancoisne
Chairman of the
supervisory board

Despite the uncertain economic outlook, we are approaching financial year 2008/09, the second stage in our strategic plan, in a spirit of growth and market share gains. 2008/09 opened with the acquisition of Cosmosbay~Vectis in April 2008, a takeover entirely consistent with our strategy. Cosmosbay~Vectis, backed by know-how in operational business and management consulting, is a key addition to Solucom's range of skills. Another essential feature is that Cosmosbay~Vectis gives us access to business operations, i.e. new customers within our clients, which are likely to play an increasingly important role in IT projects in the future.

Beyond our combination with Cosmosbay~Vectis, 2008/09 will also be notable for buoyant organic growth. In a probably more challenging market environment in the coming months, we plan to pursue recruitment, while boosting our marketing and sales activities.

In just a few years, Solucom has now stepped up a league in terms of size and market position. We have now attained the scale to win the largest and the most strategic projects on the market, which is more than ever our primary goal given that this will ensure Solucom remains a leading player in its business for the long term future.

Our 2010 goal is now just around the corner and this is our way of thanking you for your trust and confidence in us!

Group profile

Solucom is a management and IT consultancy.

The Group advises major companies on their IT strategies, and accompanies them in defining and steering their IT installations. Upstream, Solucom Group also advises telecoms companies and operators in matters of marketing, sales and business transformation.

A positioning that we describe simply as IT serving our clients.

From its first beginnings Solucom Group has built on four fundamental principles that give it a leading market position and allow free expression to the skills and know-how of its staff:

- A "pure player" consultancy model
- An obsession with added value
- A clientele composed exclusively of very big companies
- Perfect independence with regard to other players in the industry

These fundamentals constitute the cement that holds the Group's staff together, who share a common business vision and goal: to be one of the top 5 IT consultancies by 2010.

€73.0

€ millions revenue

13%

Operating margin on ordinary activities

666

Employees

Stock market data

Share price at 13.06.08
€17.20

Number of shares
4,950,662

Market capitalisation
€85 million

Enterprise value⁽¹⁾
€80 million

EPS year ended 31.03.08
€1.28

Share information
Market: Euronext Paris
LCO

ISIN Code: FR0004036036

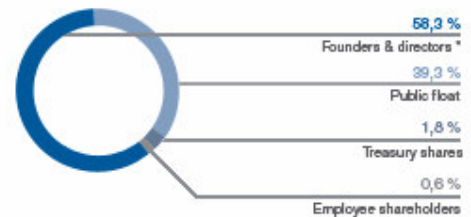
ICB: 9533 IT services

Reuters: SLUC.LN2

Bloomberg: LCO:FP

(1) Market capitalisation at 13.06.08 + net financial debt at 31.03.07

Shareholder breakdown at 7 May 2008



Unexercised share warrants and stock options: 0.7%

(2) Directors of Solucom S.A.

FINANCIAL REPORTING TIMETABLE

2008

29 July⁽³⁾ : Q1 2008/09 revenues
26 September : Annual General Meeting
21 October⁽³⁾ : H1 2008/09 revenues
25 November⁽³⁾ : H1 2007.08 earnings

2009

27 January⁽³⁾ : Q3 2008/09 revenues
5 May⁽³⁾ : 2008/09 revenues
2 June⁽³⁾ : 2008/09 earnings

(3) After stock market closing

Simplified income statement

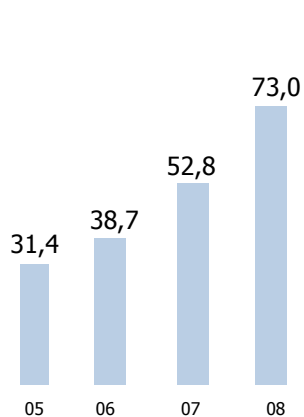
(€m)	2007/2008	2006/2007	Variation
Revenues	73,0	52,8	+38%
Operating profit on ordinary activities	9,5	6,9	+38%
Operating margin on ordinary activities	13,0%	13%	-
Operating profit	9,2	6,9	+34%
Net profit, Group share	6,2	4,6	+33%
Net margin	8,5%	8,8%	-
Earnings per share	1,28	0,97	+33%

Cash flow statement (€m)	31/03/08	31/03/07
Free Cash Flow	6,9	5,4
Change in working capital	(1,6)	0,8
Net cash flow from operating activities	5,4	6,2
Net cash flow from investing activities	(6,1)	(5,9)
Net cash flow from financing activities	9,9	(0,7)
Change in cash & equivalents	9,1	(0,3)

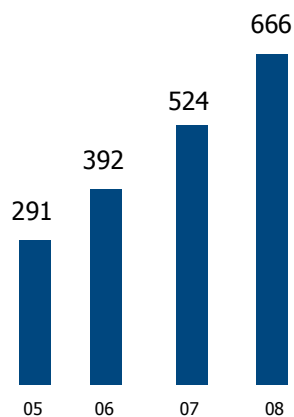
Balance sheet at 31/03/08

21.1 Non-current assets	25.8 Shareholders equity
27.3 Current assets	9.7 Non-current liabilities
16.2 Cash and equivalents	29.1 Current liabilities

Revenues (m€)



Employees



History

1990

Michel Dancoisne and Pascal Imbert establish Solucom, the company specialises in networks and telecoms consulting.

1994

Internet and deregulation boost Solucom's business.

2000

Floats on the *Marché Libre*.

2001

Relists on the *Nouveau Marché* and fund raising.
Takeover of Idesys and Arcome.

2005

Takeover of Dreamsoft.

2006

Takeover of KLC and New'Arch.

2007

Solucom completes its 2004-2007 business plan.
Takeover of Vistali in April 2007.

2008

Takeover of Cosmosbay~Vectis in April 2008

Contents

1. Presentation of the group and its activities

2. Management report

3. Financial information

4. Corporate governance

5. Legal book

- Annex
- Annual information document
- Documents accessible to the public
- Parties Responsible
- Reference Table

Presentation of the group and its activities

1

IT serving our clients

A range of skills unrivalled on the market

Our clients

Market and competition

Skills and know-how at the heart of our strategy

Our employees

Organisation of the Group

Branches, capital expenditure policy and fixed assets

IT serving our clients

The Group advises major companies on their IT strategies, and accompanies them in defining and steering their IT installations. Upstream, Solucom Group also advises telecoms companies and operators in matters of marketing, sales and business transformation.

A positioning that we describe simply as IT serving our clients.

We have one conviction: that IT has become an indispensable tool in the development of a company's competitive edge, in its transformation and its conquest of new markets.

Inexorably, IT has come to occupy a central place in all economic activities, in all domains. It underlies every process, from back office to front office. Effective information management has become an imperative, the appropriate IT is now essential.

The mission we have set for ourselves is to assist our clients, among them France's largest companies, to turn their information systems into a competitive advantage furthering their strategies. To succeed in our task, we have chosen the leading experts in each discipline required in the choice and management of information systems: governance, structure, technologies.

Experts who have vision, who can enlighten our clients in their strategic planning; experts rich in experience, who can guide their choice of solutions and suppliers; experts equipped with tried and tested models and methodologies, able to design efficient architectures, organisations and processes; experts who are pragmatic, hands-on prescribers, who can pilot roll-outs and accompany the transformations necessary among operating staff.

This wealth of expertise is ready to be mobilised and brought to bear on every facet of our clients' IT projects; while our approach is global, we are strongly attuned to the professional needs of our different clients, through our roles as consultants to divisional and technical management, our participation in market studies, and our support for business changes.

From its first beginnings Solucom Group has built on four fundamental principles that allow free expression to the skills and know-how of its staff:

- A "pure player" consultancy model
- An obsession with added value
- A clientele composed exclusively of very big companies
- Perfect independence with regard to other players in the industry

These fundamentals constitute the cement that holds the Group's staff together, who are motivated by the same values of openness, exchange and sharing and who share a common business vision and goal: to be one of the top 5 IT consultancies by 2010.

A range of skills unrivalled on the market

In nearly twenty years of existence, Solucom Group has built up a range of skills and experience that gives its range of services a depth and capacity unrivalled on the market. This service offering is organised into four principal domains:

IT Governance <i>Organising and installing IT control and direction</i> <ul style="list-style-type: none">• Alignment & economic performance of the IT system• Sourcing• Service management	Business Architecture & SOA <i>Boosts IT performance and aligns it with activity</i> <ul style="list-style-type: none">• SOA• SOI & technical IT architecture• Datacentres• Urbanisation• Work stations & ancillary services
Telecoms & Innovation <i>Adding value through new technologies</i> <ul style="list-style-type: none">• Marketing telecoms• Innovation & new technologies• VoIP	Security <i>Managing risks and keeping IT compliant with regulations</i> <ul style="list-style-type: none">• Risk management• PCA – Continuity of Activity• IAM – Identity management

Solucom Group's four business fields as at 31 March 2008

In April 2008, Solucom Group's offering was boosted by new specialisations contributed by the merger with Cosmosbay~Vectis:

- Development and transformation consultancy
- IT consultancy, *specialising in operating divisions*
- Technology & projects consultancy, *specialising in the Web and mobility*

Every day our consultants provide concrete answers to the needs of business in these domains. Their services can be summarised under three headings:

- Throw light on choices, so that the best and most promising strategies can be planned
- Design architectures, organisations, and processes
- Pilot projects and transformations, from the selection of suppliers to management of change, including the maintenance of programs

IT Governance: organising and establishing the control and direction of IT

Solucom Group ensures that its clients are provided with best practice solutions and implementations so that information systems serve the company's strategy and financial objectives. Three principal approaches are offered:

- **Alignment and financial performance of the IT system** and department based on the benefits-cost-risk ratio;
- **Sourcing**, i.e. internal and external allocation of resources necessary for the proper functioning and development of the IT system;
- **Service management**, to formalise and extend the functioning of the IT department and professionalize relations with the operating business divisions.

Business architecture & SOA: improving IT performance and meeting the needs of the operating divisions

Solucom Group designs and supports the implementation and roll-out of the full range of components of an IT system, in order to guarantee a coherent global response to business needs. The services we provide under this heading are as follows:

- **Urbanisation:** development of an IT goal that fits the business strategy;
- **SOA** (service oriented architecture): organisation of the IT into functional services to ensure the system's flexibility and rapid alignment with business processes;
- **SOI** (service oriented infrastructure): constitution of an IT foundation in the form of operational technical services whose interlinking supports and accelerates the implementation of applications;
- **Datacentres:** optimisation of hosting strategy and IT architecture to enable continuous updating of technical services in the production centre;
- **Work stations and ancillary services:** organisation of desktop services for users giving access to applications and ancillary tools.

Telecoms & Innovation: adding value through new technologies

Solucom Group assists key accounts to make the most of new information and telecoms technologies.

- Advising IT managers on optimising their telecoms infrastructures. Our goal is to determine the most relevant use of new solutions such as **VoIP (Voice over Internet Protocol)**.
- Advising the company's heads of operating divisions in their search for **innovation** by providing the link between their needs and the opportunities offered by **new technologies**.
- In the Telecoms & Media sector, we advise the **Marketing directors of Telecoms and Internet operators** to help them identify, construct and develop their new offers and products.

Security: managing risks and keeping the IT system in compliance with regulations

Solucom Group supports its clients in the definition and implementation of their risk control strategy.

- Implementation of an effective IT **risk management system**.
- Guaranteed **continuity** of critical business and IT processes, under all circumstances at a cost proportionate to the risk (business continuity plan)
- Definition of the organisation, processes and solutions for identity and access management (IAM), to secure and optimise access to the IT while remaining in compliance with regulations.

Since April 2008 the know-how and knowledge capital of Cosmosbay~Vectis has enlarged the Group's range of skills:

- **Consultancy in development and transformation:** improving the competitive position of companies in relation to their environments;
- **Consultancy in information systems *specialising in operating divisions*:** IT driving performance of the company
- **Consultancy in technologies & projects, *specialising in the Web and mobility*:** marketing through interactive channels.

Our Clients

Key accounts

Solucom Group is oriented exclusively towards very large companies, defining its target as France's 200 biggest companies and public administrations.

Over 2/3 of the companies in the CAC 40 index are clients of the Group.

Companies within which Information Systems have definitely assumed strategic importance.

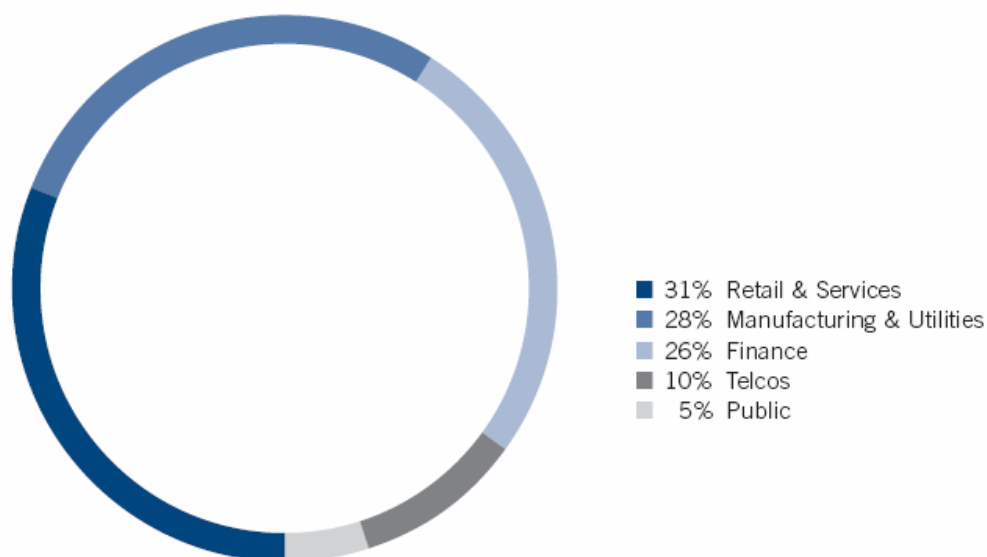
The distribution of the Group's revenues by sector shows its balanced implantation within the target field of key accounts.

The Group's business policy combines building client loyalty with searching for new business. Each year the Group earns over 85% of its revenue with clients from the previous year (95% in 2007/08) and enriches its client portfolio with around a dozen new accounts. As of 31 March 2008, the Group was present in over half its target of the leading 200 companies in France.

The Group's twenty biggest clients

1. SNCF	7%
2. SOCIETE GENERALE	6%
3. LA POSTE	6%
4. GAZ DE FRANCE	5%
5. FRANCE TELECOM/ORANGE	5%
6. TOTAL	4%
7. EDF	4%
8. AIR FRANCE – KLM	4%
9. CREDIT AGRICOLE	3%
10. BANQUE DE FRANCE	3%
11. SUEZ	3%
12. RTE	2%
13. BNP PARIBAS	2%
14. LVMH	2%
15. BANQUES POPULAIRES	2%
16. SFR	2%
17. GROUPAMA	2%
18. L'OREAL	2%
19. AXA	2%
20. CARREFOUR	2%

Per Industry Revenue Breakdown



Market and competition

Solucom operates in the field of information systems consultancy, a segment of the market for IT services.

Market context

Since 2004 the demand for IT services has shown very positive development, and IT consultancy, like the rest of the sector, has proved a strong growth market.

According to Syntec Informatique, growth of the market was 5.5% in 2007, of which 7% in the consultancy segment in which Solucom is active.

The beginning of 2008 continues the trend of previous years. The market remains buoyant. IT departments remain focused on the needs of operating divisions, and do not appear to suffer from significant budgetary constraints or restrictions.

The effects of the downturn in the financial and economic environment appear to be very localised, at least for the first half of the year, but there may prove to be a slowdown in IT investments from the second half of 2008. The correlation between economic growth and investment in IT has always been positive in the past, but Solucom Group nevertheless believes that the market will continue to grow even if growth slows after H2 this year. An abrupt halt such as was seen in 1993 appears to be highly unlikely.

Competitive landscape

Solucom is one of the 10 leading players in Information Systems and IT consulting. There are several categories of players in this market:

Global players, who, in addition to IT consulting, are present in all fields of IT services:

IBM, Capgemini, Accenture

SSPs, some of whom have succeeded in developing consultancy arms:

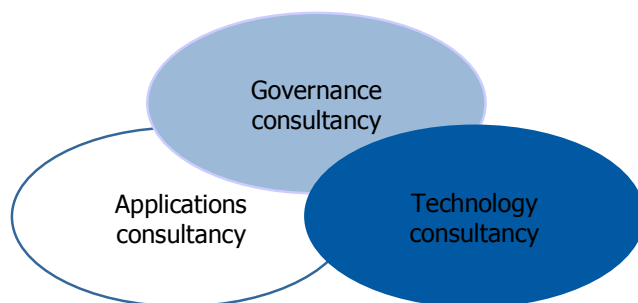
Logica, Devoteam, Sopra

Pure players in consultancy:

Bearing Point, Ineum Consulting, Octo Technology, Solucom

As of 31 March 2008, Solucom was positioned in two of the three principal IT consultancy domains (technologies and governance).

With the arrival of Cosmosbay~Vectis, the Group has a correlative position in applications consultancy, and is now well placed to meet the specific needs of its clients in every facet of their IT projects.



Solucom Group's position in the IT consulting market

Relations with other players in the market

As a consultancy company, Solucom maintains close relations with the other players in the market. These relationships are expressed through purely technological partnerships that ensure the complete independence of the Group. This independence is a determining factor, given the role of lead contractor played by the Group on behalf of its clients.

As of 31 December 2006, Pierre Audoin Consultants (PAC) classified the top 10 players in the market as follows:

Ranking	2006 Ranking	2005 Ranking
1	IBM	Accenture
2	Capgemini	IBM
3	Unilog-LogicaCMG	Capgemini
4	Accenture	Unilog
5	CSC	CSC
6	ATOS ORIGIN	ATOS ORIGIN
7	Solucom	Sopra Group
8	Sopra Group	Bearing Point
9	Bearing Point	Solucom
10	Alten	Alten

The top 10 IT consulting firms (source PAC)

Our Employees

One objective: attract the best...

Solucom Group cultivates a spirit of excellence and in consequence is highly selective in recruiting. The Group recruits its consultants from the best engineering and commercial colleges and has a long tradition of recruiting young graduates.

More than half the consultants who joined the Group in 2007/08 came from Centrale, ENST Bretagne, Insa Lyon, INT, Polytechnique, Supélec, or Télécom Paris.

The recruitment policy requires heavy and continuous investment and regular innovation to attract the best talent, working through an intensive programme of relationships with more than twenty target colleges, as well as original features such as Solucommunity.

Solucommunity, a major competition aimed at student associations

Launched in 2005, this competition, which is open to student associations of the Group's target colleges, enhances relationships with these colleges and builds stronger links with the students. Its third edition was extremely successful:

- 30 colleges participated,
- 195 projects were put forward by student associations
- Over 6000 students took part in the on-line voting

These efforts have enabled Solucom to develop a depth of experience in recruiting and have contributed to building a recognised brand name as an employer.

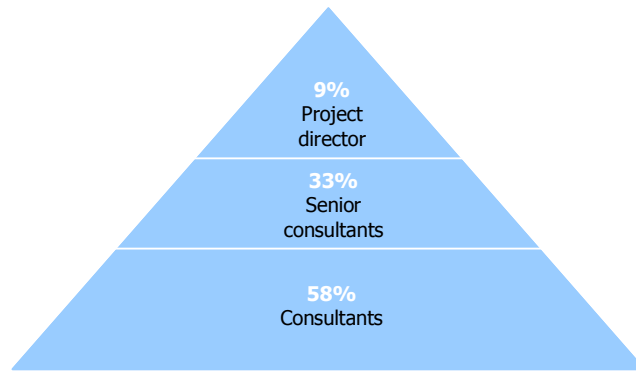
... and keep them

The Group's teams are developed with the aim of excellence and a culture of quality. This culture and spirit constitute an essential foundation for building loyalty and long-term relations. The consultants are associated in human-sized teams of fifteen to twenty staff, encouraging close management and the development of individual career paths. This balance of know-how and experience within each team is a valuable asset in the integration and development of the young graduates who join Solucom Group each year.

To accompany the careers of its consultants, the Group invests permanently in their training and in knowledge management. Training activities may take the form of external courses, or seminars held in the Group's internal training facility.

Exclusively reserved for the Group's employees, this training facility provides courses on a wide variety of subjects, including professional techniques, methodology, personal development, and other skills relating to the Group's specialisations.

Lastly, the Group has established an employee savings scheme, enabling its members to share in the long-term development of the Group



**Breakdown of the Group's consultants
as of 31 March 2008**

Strong values: openness, exchange, sharing

Since it was founded, Solucom cultivates the values of openness, exchange and sharing.

Openness, because a consultant's professional activity, working on widely different projects with very varied clients, demands the ability to adapt, intellectual curiosity, and an open mind at all times.

Exchange and sharing, because informal exchanges between seniors and juniors, sharing knowledge and the transmission of know-how are the keystones in the added value provided through our advisory services.

To encourage these exchanges and this sharing, Solucom Group has developed a policy of active knowledge management (see below, "Skills and know-how at the heart of our strategy"). The Group multiplies initiatives to foster informal exchanges (forums or seminars, soirées or dinners, Friday breakfasts etc.).

Skills and know-how - at the heart of our strategy

Solucom Group has brought together top quality staff and companies in its field. These staff all have a shared goal: to reach, in their own fields, the best level of competence and know-how. And they are motivated by the same conviction: that by uniting and developing all its skills and abilities Solucom Group will succeed in its business project, and become the benchmark independent consultancy on the market.

The Group therefore devotes a large part of its consultants' time each year to training, technology and market observation, capitalising on feedback and development of methodologies and doctrines. In 2007/08, this effort accounted for some 6% of consultants' time.

Teams of consultants structured by domains of competence

Solucom Group's consultants belong to different practices, each of them responsible for one or more service offerings in one of the Group's four domains of activity. Staff are thus organised by areas of expertise rather than by client contacts or types of service.



Group practices by domains of competence (31/03/08)

A benchmark player

Solucom Group is an active contributor to the principal study groups in its fields of activity: AFAI/ISACA (*Association Française de l'Audit et du Conseil Informatique* / Information Systems Audit and Control Association), AeSCM (Association eSCM), CLUSIF (*Club de la Sécurité de l'Information Français*), EBG (Electronic Business Group), and ITSMF (Information Technology Service Management Forum).

The Group's consultants speak regularly at conferences and seminars. The Group has also developed its own branded events such as its "Strategy" seminars, "KLC Workshop" and "Points for Orchestration".

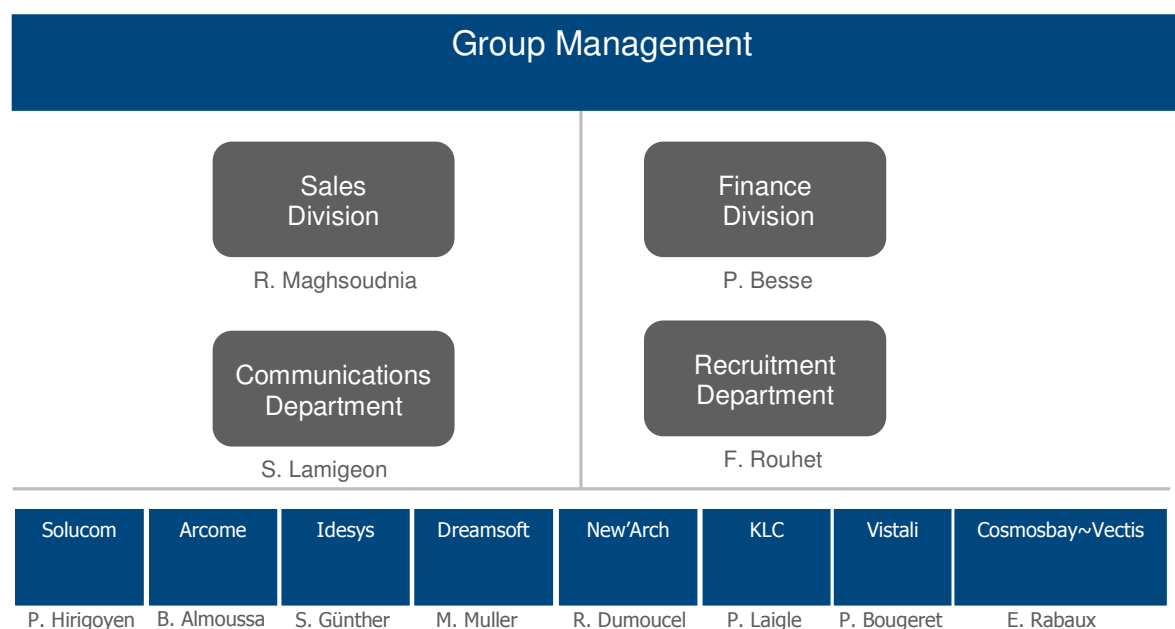
In 2007/08, the Group published several white papers and other studies.

- KLC assessment "IT and professional activities", September 2007
- White Paper "ISO 27000, the new Security nirvana?", October 2007
- KLC assessment "Sourcing Studies", December 2007
- KLC assessment "End-User Services", January 2008
- SOA study: "Professional challenges and expansion", February 2008

The Group's publications can be seen on the site www.solucom.fr. The Group also publishes newsletters, such as *Lettre Sécurité* (Security Letter) and *Optiques* (Viewpoint)

Organisation of the group

The Group's organisation chart is shown below.



With effect from 1 April 2008

A decentralised organisation

Solucom Group has chosen a decentralised organisation operating through networks, but guided by a single established strategy with close coordination of operations.

The teams of consultants are organised in practices of twenty to over a hundred employees employed by the various companies that constitute the Group. Each practice has responsibility for one or more offers in one of the four domains in which the Group is active.

The senior managers of each company supervise their operational teams and their decentralised support groups for human resources and sales administration. The sales teams are coordinated by a Group sales director responsible for establishing and supervising the Group's commercial strategy. Experience shows that the other support functions - finance division, communications department, and recruitment - find it more efficient to work for the Group as a whole, and they are shared among the entities they serve.

Board of Directors

The Group Executive Committee is comprised of the Group Chairman, the managing directors of each company, the Group sales director and the finance director.

This committee oversees Group strategy, the development and monitoring of action plans and annual budgets, and the coordination of operations and the development of synergies between practices.



Pascal Imbert
Chairman of
the Management Board
and CEO



Patrick Hirigoyen
COO of Solucom
and member
of the Management Board



Siegfried Günther
CEO of Idesys



Bassam Almoussa
CEO of Arcome



Marc Muller
CEO of Dreamsoft



René Dumoucel
CEO of New'Arch



Pierre Laigle
CEO of KLC



Pierre Bougeret
CEO of Vistali



Eric Rabaux
CEO of
Cosmosbay~Vectis



Reza Maghsoudnia
Group Sales Director



Pascale Besse
Finance Director

Members of the Group Executive Committee

Group Support Services

In addition to the Group's sales division, three support services, reporting to the Board of Directors, are responsible for providing support and guidance for all the companies in the Group.

The financial division provides the functions of finance, management control, accounting and the information system.

The recruitment department oversees all recruiting actions on behalf of each individual company in the Group.

The communications department is responsible for all actions of communication and the development of public awareness of the Group.

Legal structure (31/03/08)

The Group's activities are divided among the six subsidiaries (Idesys, Arcome, Dreamsoft, New'Arch, KLC, and Vistali) owned 100% by Solucom S.A., which is not only the Group holding company but also has its own economic activity. Solucom also holds the entire equity of Spanish-based Arcome Consulting that has been dormant since 31 March 2002.

(€000)	Revenues	Operating profit	Net profit
Idesys	14,844	1,742	1,029
Arcome	7,509	504	249
Dreamsoft	13,119	1,687	1,000
New'Arch	6,744	816	419
KLC	3,276	383	270
Vistali	7,492	701	361

Key data for the Group's subsidiaries during 2007/08

For a presentation of the business activities of the Group and its subsidiaries, please refer to "Skills and Know-how - at the heart of our strategy" (p16), "Organisation of the Group / A decentralised organisation" (p17) and chapter 3 "Financial Information / table of subsidiaries and holdings".

Within the Group, each subsidiary holds its own operational assets. Given the Group's activity, which provides purely intellectual services, these assets are very limited. The principal resources of the companies are their employees. The Group's subsidiaries do not hold any strategic investments.

There are numerous areas of collaboration between Group companies and synergies are developed between practices within the Group. These areas of collaboration concern joint performance of services to clients.

Business projects shared among several Group companies give rise to internal sub-contracting. The corresponding intercompany recharges in the year ended 31 March 2008 are shown below. They do not include Comosbay~Vectis, consolidated as from 1st April 2008.

Client companies	Supplier companies						
(€000)	Solucom	Arcome	Dreamsoft	Idesys	New'Arch	KLC	Vistali
Solucom	-	737	2689	4225	1297	362	67
Arcome	120	-	258	173	0	0	0
Dreamsoft	1508	29	-	688	65	82	12
Idesys	2126	422	1318	-	72	218	0
New'Arch	587	14	0	64	-	4	0
KLC	71	0	0	0	15	-	0
Vistali	0	41	28	0	11	0	-

Other synergies exist: shared premises, shared technical facilities, centralised accounts, and shared support service teams.

Management Board and supervisory Board:

Management Board is composed of:

Pascal Imbert,

Chairman

Patrick Hirigoyen

Member of management Board

At 01.04.08, Supervisory Board was composed of four members:



Michel Dancoisne
Chairman



Jean-Claude Malraison
Co-chairman



Hervé Nora
Member



Jacques Pansard
Member

Biographies of supervisory board members can be found in the Supervisory Board report, part 4 – Corporate governance p 119.

It will be proposed to the General Assembly on 26 of September 2008 the appointment in the supervisory Board of two new personalities:



Pierre Laigle

Pierre Laigle was born on 10/5/44 and graduated from the École Centrale de Paris. He started work as a technical manager for IT service companies (CFRO and Cigeca). In 1972 he joined SG2, an IT engineering subsidiary of Société Générale, where he created the "processing service business", which he ran for 10 years (SG2 Exploitation). He notably started the first emergency centre in the banking world (Sitex). He also supervised various specialist subsidiaries of SG2 (premises engineering, maintenance of networks and microcomputers, System Help), as well as subsidiaries abroad (in Iran, Greece and the Netherlands). In 1984 he set up and ran the Facilities Management business at GFI (BP group). In 1990, together with Henri Kloetzer, he founded KLC, a consulting company for IT sourcing and governance, of which he was Managing Director. Pierre Laigle is a specialist in the various aspects of sourcing and has written the *Dictionnaire de l'Infogérance (Dictionary of Facilities Management)*, published by Hermès Sciences. KLC joined the Solucom Group in November 2006.



Jean-François Perret

Jean-François Perret was born on 05/06/42 and is a graduate of both the Ecole Nationale Supérieure d'Electronique, Electrotechnique, Informatique, Hydraulique et Télécommunication de Toulouse (ENSEEIH) and IAE in Paris. He joined Société Anonyme de Télécommunication (SAT) in 1967 as a design engineer. In 1969 he became a sales engineer at Elecma (the Electronics Division of Snecma). In 1970 he became a special assistance at the Prime Minister's Information Technology Task Force and took part in surveys about the emerging software industry and at the strategic level the creation of a European IT industry (Unidata). In 1974 he became head of the Economic and Financial Department of the Electronic and Computing Industries Directorate (DIELI) at the Ministry of Industry. In 1977 he joined Pierre Audoin Consultants (PAC), where he would spend the rest of his career, first as Deputy Managing Director, then as Managing Director and Chairman of the Board. In this capacity he contributed to making PAC a recognized leader in consulting and strategic and marketing surveys in the software and IT services markets. He also played a key role in the international growth of PAC. Jean-François Perret is currently Deputy Chairman of the Supervisory Board of Pierre Audoin Consultants, a director of CVMP Consulting and Chairman of the Association of ENSEEIHT Engineers

Branches, capital expenditure policy and fixed assets

Group companies and their staff are located in a single site at Tour Franklin, 100/101 terrasse Boieldieu, 92042 Paris La Défense Cedex.

The Group has regional branches in Nantes, Lyon and Marseille.

Cosmosbay~Vectis, which joined the Group on 1 April 2008, has premises in three locations:

Paris

10, rue du Faubourg Poissonnière, 75010 Paris

Lyon

Le Parc de Villeurbanne, 107 Bd Stalingrad, 69628 Villeurbanne Cedex

PACA

Actiburo 1, Bâtiment A, Chemin de Saint-Lambert, 13400 Aubergine

The premises occupied by the Group are rented from owners who are independent of the company and its subsidiaries.

The Group's activity requires no capital expenditure other than IT equipment, software licenses, and office fixtures and fittings required for daily operations.

These assets are recorded either as capital expenditure or are financed through hire-purchase.

Capital expenditure	31/03/06	31/03/07	31/03/08
Fixed assets and intangible assets	550 ⁽¹⁾	1,258 ⁽²⁾	1,759 ⁽³⁾

⁽¹⁾ of which €308,000 financed through hire-purchase

⁽²⁾ of which €184,000 financed through hire-purchase

⁽³⁾ of which €584,000 financed through hire-purchase

Management Reports

2

Management board report to the ordinary general meeting dated 26 September 2008

Supervisory Board report to the Annual General Meeting dated 26 September 2008

Risks

Information on trends

Management board report to the ordinary general meeting dated 26 september 2008

Ladies and gentlemen,

We have convened this Ordinary General Meeting in accordance with legal requirements and the Company's Articles of Association.

Formal notices for this meeting as well as all relevant documentation required by current regulations have been sent to you or have been available for you to consult in accordance with legal time periods.

Preface

The purpose of this report is to present the results of Solucom SA and that of its subsidiaries.

This report will also represent the management report as specified under Article 222-3 of the general regulations of the AMF (French financial markets regulator) and is required to be included in the Annual Financial Report mentioned under Article L 451-1-2 of the French Monetary and Financial Code.

1. Group business review

The financial statements for the year ended 31 March 2008 include Solucom, Idesys, Arcome SAS, Arcome Consulting, Dreamsoft, New'Arch, KLC and Vistali over a 12 month period.

The Group financial statements for the year ended 31 March 2007 attached hereto include Solucom, Idesys, Arcome SAS, Arcome Consulting and Dreamsoft over a 12 month period, and New'Arch and KLC since 1 July 2006 and 1 November 2006 respectively. Note that Arcome Consulting (Spain) has been dormant since 31 March 2002.

1.1 Analysis of Solucom Group results

Group consolidated revenues came to €72,970,000 up 38% from €52,847,000 in 2006/07.

Operating profit on ordinary activities amounted to €9,455,000 (after employee profit share), up 38% over the prior year's figure of €6,860,000. The operating margin on ordinary activities, being the operating profit on ordinary activities as a proportion of revenues, is 13.0%, identical to the prior year.

The principal exceptional income is a €290,000 indemnity received from a Group client following breach of a contractual clause of non-solicitation.

Exceptional expenses include the repayment of the indemnity received, rounded up to €300,000, to the Solucom Company Foundation, which is in the course of being created, and an expense for the early cancellation of a lease in respect of the premises formerly occupied by Vistali.

After exceptional items, **operating** profit came in at €9,223,000, up 34% over operating profit for the prior year of €6,878,000.

Given that the Group had positive cash, **net borrowing costs** amounted to income of €75,000, down from net borrowing income of €120,000 for the prior year.

Profit before tax amounted to €9,233,000, up 32% over the prior year's profit before tax of €6,992,000.

Corporation tax came in at €3,066,000, representing 33% of profit before tax.

Net profit for the year amounted to €6,168,000 (8.5% net margin), up 33% over the prior year's net profit for the year of €4,632,000 (8.8% net margin).

Since Idesys, Arcome Consulting, Dreamsoft New'Arch, KLC and Vistali are wholly-owned subsidiaries of Solucom, there are no minority interests. Consequently, **net profit Group share** also amounts to €6,168,000, up 33% over the prior year's net profit Group share of €4,632,000.

Consolidated net assets stood at €25,797,000 at 31 March 2008, up 27% from €20,243,000 as at 31 March 2007.

Net cash and cash equivalents, after deducting bank overdrafts and accrued interest from gross cash, amounted to €16,098,000 at 31 March 2008, compared to €6,998,000 at 31 March 2007.

Borrowings (excluding bank overdrafts and accrued interest) stood at €10,657,000, which breaks down as €10,020,000 of bank loans and sundry borrowings, and €637,000 of finance lease liabilities; at the end of 2007/08, Solucom took out a €10,000,000 bank loan. As at 31 March 2007, borrowings amounted to €342,000.

Group net cash and cash equivalents (**negative net debt**, excluding treasury shares) remained high at €5,442,000 as of 31 March 2008 compared to €6,656,000 at 31 March 2007 even though the Vistali acquisition was fully paid for in cash.

The main cash flows underlying the change in cash and cash equivalents over the year are **free cash flow** of €6,942,000, up 29% over 2006/07; €674,000 of dividends paid; €6,142,000 of capital expenditure including the recent acquisition of Vistali, and a €1,562,000 increase in working capital.

Note that the Group does not discount its receivables or use factoring.

1.2 Company accounts of Solucom SA

Revenues for the Company amounted to €37,285,000 up 20% from €30,953,000 in 2006/07.

Operating profit before employee profit share amounted to €4,609,000 up 47% from 3,146,000 in 2006/07. Consequently the operating margin came in at 12.4% compared to a margin of 10.2% for the prior year.

Net financial items totalled a gain of €3,048,000, up from a gain of €1,266,000 for the prior year. Net financial items include dividends from subsidiaries of €3,100,000.

Exceptional items totalled a loss of €1,000, compared to a gain of €64,000 for the prior year.

The corporation tax charge amounted to €1,601,000 compared to €1,155,000 for the prior year.

Employee profit share totalled €530,000, up from €426,000 for the prior year.

In view of the above income and expenses, **net profit** amounted to €5,525,000, up from €2,895,000 for the prior year.

Shareholders' equity of the Company stood at €26,169,000 at 31 March 2008 up from €21,054,000 at 31 March 2007.

Net cash and cash equivalents, after deducting bank overdrafts and accrued interest from gross cash, amounted to €11,215,000 at 31 March 2008, compared to €2,184,000 at 31 March 2007.

Net cash and cash equivalents (excluding treasury shares but including bank payables of €10,000,000 contracted at the year-end) at 31 March 2008 stood at €1,202,000 down from €2,184,000 at 31 March 2007.

1.3 Solucom SA and Group business Review

The information stated below covers Solucom SA and its subsidiaries.

As of 1 April 2007, Solucom launched a 3 year development plan running from 2007 to 2010. The goal of this plan is to become one of the top 5 IT consulting firms by 2010.

To achieve this goal, Solucom has set itself 3 objectives for 2010:

Reinforce its position as leader in technology consultancy

Consolidate its market position in IT governance and major projects

Pursue growth to reach 1,000 employees by 2010

2007/08 represented the first stage of this new 3-year plan.

During the most recent financial year, 2006/07, Group revenues amounted to €73.0m, up 38% in relation to the prior year. This growth was well ahead of the objective announced at the beginning of the year of 30% total growth, which was raised during the year to 35%.

The increase was boosted by a rise in organic growth over the year amounting to + 21% on a like for like basis (excluding New'Arch, KLC and Vistali), compared to +18% in 2006/07. In addition, 17% of overall growth came from new acquisitions: Vistali (acquired on 2 April 2007), and New'Arch and KLC acquired in 2006/07.

Operating profit on ordinary activities for the year rose to €9.5 million, up 38% compared to the previous year. The operating margin, at 13.0%, is also at the top end of the 11%-13% margin range announced at the beginning of the year.

Net profit Group share amounted to €6.2 million, up 33%, representing a strong net margin of 8.5%.

This performance is both a reflection of a sustained activity rate of 84%, which represents the normal level for the Group, and a continuing strong sale price/salary ratio. Indeed, while salaries of experienced employees rose sharply, this was offset by increases in sales prices and improvements in average experience employees bolstered by the recruitment policy for young engineers.

Sales prices rose to €726 up 5% from €693 last year. This increase was driven by a sharp like-for-like rise of some 4% together with a positive contribution from the recent acquisitions.

In terms of treasury, cash flow for the year was sufficient to fund virtually all the group's sales growth, current investments, the acquisition of Vistali paid in cash, and payment of dividends. At 31 March 2008, Solucom had a comfortable level of cash and cash equivalents amounting to €5.4 million.

During 2007/08, Solucom consolidated its leadership status on the French SOA (Service Oriented Architectures) consultancy market thanks to the combination of teams from Dreamsoft and Vistali, which joined the Group in April 2007. As a result, the Group was able to take full advantage of this buoyant market with revenues from SOA consultancy doubling over the year. Indeed, a survey that Solucom performed in January 2008 shows that SOA consultancy is a strategic issue for IT departments and that 70% of companies forecast to undertake structural SOA investments in the next two years.

At the same time, the Group continued to consolidate its position in IT governance, posting rapid growth in revenues on this promising market. IT governance consulting now accounts for 15% of Group revenues, which is double that of the prior year. The Group managed to apply its IT governance know-how on behalf of clients having taken on IT governance assignments with over sixty key accounts during the year.

In terms of sales, the year saw a sharp rise in business with the Group's large clients such as Air France-KLM, Crédit Agricole, EDF, Gaz de France, La Poste, LVMH and Société Générale. The Group's client portfolio is both strong and diverse. The largest client, SNCF (French public railway operator) accounts for 7% of revenues and the tenth largest 3%.

Average annual revenue earned from each of Solucom's top 200 clients now stands at €580,000, up around 30% over €450,000 in the prior year. This growth is explained by the expansion of the group's offer and its capacity to confirm its position with clients as a consultancy bringing high added value.

Human resources remain more than ever the key success factor for Solucom.

During the year the Group continued its intense recruiting drive. As in previous years, investments in this field were equivalent to over 2% of revenue.

The active partnership policy with some thirty targeted business and engineering colleges has been stepped up. A third edition of the Solucommunity competition has been organised, still with the same success. New actions such as the Solucom'meeting evenings have been introduced, bringing targeted candidates into direct contact with Group management. These investments have borne fruit, with 222 recruitments during the year, up 35% from the previous year.

Staff turnover, measured by dividing the number of resignations by the end of year staff total, reached 13%, against 11% the previous year, reflecting very strong demand in the job market. In spite of this high figure, employee numbers surged during the year, up 27%, and by 18% excluding the newly joined Vistali staff as of 1 April 2007.

Backed by its healthy financial structure and its excellent results, Solucom has decided to create a Company Foundation. Its object will be to support actions on behalf of under-privileged children in France or abroad. The articles of association of the Solucom Company Foundation have been registered and the formation of the Foundation should be completed during 2008/09. On 31 March 2008 Solucom allocated €300,000 to the Foundation to constitute its initial endowment, of which €290,000 came from an indemnity received by the Company during the year.

1.4 Recent developments and future prospects

The commercial success and the excellent financial results of 2007/08 have enabled the Group to sign off the first stage of its plan for 2007-2010.

The start of 2008/09 is marked by a strategic takeover, the acquisition of Cosmosbay~Vectis. Founded in 1988, Cosmosbay~Vectis has over 200 employees and has won a top-ranking position in management and IT consultancy. Vistali posted 2007 revenues of €21.7 million, with an operating margin of 7%.

This business combination bolsters Solucom's strategic positioning in all areas of IT consultancy. Cosmosbay~Vectis brings the Group a key contribution: its IT consultancy activities. The merger reinforces Solucom in IT governance and technology consultancy, in particular in the field of business websites and e-business. Finally, Cosmosbay~Vectis enables Solucom to establish itself in a new domain, management consultancy.

Cosmosbay~Vectis thus completes the group's strategic positioning and accelerates its growth, giving it access to new clients, who are senior managers in business divisions. The acquisition of 94% of Cosmosbay~Vectis share capital, is financed entirely from the Group's own funds and bank loans. The company will be consolidated as from 1 April 2008.

In a still buoyant business environment in spite of the financial crisis and global economic problems, Solucom intends to pursue its strategy of profitable growth during 2008/09.

In this context, the three priorities for the year will be as follows.

- Successfully incorporate Cosmosbay~Vectis and rapidly exploit the business and operational synergies with the rest of the group
- Pursue growth, keeping up the effort to win market share in IT governance and investments in recruiting, while preparing the Group to meet an economic environment that will no doubt be more demanding in terms of sales by the end of the year
- Exploit our new dimension to upgrade our status and image in the eyes of our clients, and thus gain access to the biggest projects on the market

For 2008/09 Solucom is setting itself ambitious objectives with target revenues of €105 million, representing overall growth of nearly 45%, and a target operating profit on ordinary activities between 10% and 12%.

2. Legal events of the financial year:

A. take over of Vistali

Solucom purchased the entire share capital of Vistali, under a purchase agreement dated 2 April 2007.

Vistali provides consultancy services in information systems, specialising in the field of SOA (Service Oriented Architecture).

At the same time, Vistali was transformed into a SAS (French simplified limited company) with effect from 2 April 2007.

B – Increase in Solucom SA's share capital

Several increases in share capital were conducted, as follows:

B.1 – Increase in capital due to exercise of stock options

On 19 July 2007, the Board recorded a capital increase of €1,397.58 at par, under the provisions of Article L 225-178 of the French Commercial Code, in respect of the total stock options exercised by employees and/or directors of Arcome SAS and Idesys over the period 1 April 2007 to 19 July 2007 amounting to 14,668 options.

In consequence, the Management Board changed Article 6 of the articles of association as follows:

"Article 6: SHARE CAPITAL:

Share capital shall be set at €467,318.56 constituted by 4,904,148 shares of the same class."

B.2 – Capital increase by capitalisation of reserves and by increase in the nominal value of each share

On 19 July 2007, the Board made partial use of the powers conferred on it by the Ordinary and Extraordinary General Meeting of Shareholders of 30 September 2005 (fourteenth resolution) and decided, in order to improve liquidity of the nominal value of the 4,904,148 existing shares comprising the share capital of Solucom at the date of its decision, to carry out a capital increase by capitalisation of reserves with immediate effect as of 19 July 2007, resulting in the sum of €23,096.24 being divided into 4,904,148 shares, thus bringing the nominal value of each share to €0.10.

In consequence, the Management Board changed Article 6 of the articles of association as follows:

"Article 6: SHARE CAPITAL:

Share capital shall be set at €467,318.56 constituted by 4,904,148 shares of the same class."

B.3 – Capital increase by exercise of stock options

On 26 May 2008, the Board recorded a capital increase of €4,651.40 at par, under the provisions of Article L 225-178 of the French Commercial Code, in respect of the total stock options exercised by employees and/or directors of Arcome SAS and Idesys over the period 20 July 2007 to 31 March 2008 amounting to 46,514 options.

In consequence, the Management Board changed Article 6 of the articles of association as follows:

"Article 6 – SHARE CAPITAL:

Share capital shall be set at €495,066.20. It consists of 4,950,662 shares of the same class."

For more information on points B.1 and B.3 above and further details we refer you to the special report of the Management Board pursuant to Article L225-184 of the French Commercial Code.

C - bonus shares

On 14 September 2007, the Management Board used the authorisation conferred on it by the Ordinary and Extraordinary General Meeting of Shareholders of 30 September 2005 in its 19th resolution, to implement two new plans for the bonus issue of shares:

C.1 Senior executive plan

Bonus issue to one managing executive of the Solucom Group of up to 6,895 Solucom shares (representing in total, at the date of allocation, around 0.14% of Solucom's share capital), subject to the following conditions and criteria: working within the Group during the three year acquisition period, personal investment in Solucom shares and performance evaluation.

C.2 Employee savings scheme for Group employees

Note that, regarding the employee savings scheme, the following conditions were laid down during the prior year:

a Group profit share agreement will be established to replace existing individual company agreements, creation of a Solucom FCPE (Company Mutual Fund) invested in Solucom shares,

opening of a PEG (Group Savings Plan) intended to receive contributions (and potentially voluntary payments) to invest in:

- either in the Solucom FCPE,
- or diversified FCPEs,

with possible arbitrage between the aforesaid FCPEs.

creation of a yearly bonus share plan for employees who choose to invest in the Solucom FCPE, on condition of being employed by the Solucom Group during the whole of the allocation period (two years).

The Management Board introduced a second bonus share allocation plan on 14 September 2007 following the first that was dated 15 March 2007, and established the number of bonus shares and the fractions of allotment rights under the second plan, which covers Solucom, Idesys, Arcome SAS and Dreamsoft.

We note that at the date of allocation the maximum theoretical number of Solucom bonus shares within the aforesaid scheme is 1,791 shares, representing 0.04% of Solucom's share capital as at 14 September 2007.

For further details we refer you to the Management Board's special report, pursuant to the provisions of Article L225-197-4 of the French Commercial Code.

C - Conversion of KLC to a SAS (Simplified Share Company)

Given that Solucom holds the entire share capital of KLC, it appeared appropriate to transform its legal status to that of an SAS thereby providing more operational and organisational flexibility within KLC, and remaining consistent with the transformation into SAS companies of Idesys, Arcome SAS and Dreamsoft during the prior year as well as the recently acquired Vistali as stated under paragraph II.A above.

This transaction was completed on 31 January 2008.

3- Important Post-Balance Sheet Events for Solucom SA and the Group:

D - Takeover of Cosmosbay~Vectis

Under a purchase agreement dated 2 April 2008, Solucom took immediate and direct control of a 94% equity stake in Cosmosbay~Vectis.

Cosmosbay~Vectis operates in management and IT consulting based on three business lines as follows: management consulting, IT consulting and technology and website consulting.

Furthermore, under the Purchase Agreement and related additional appendices, Solucom is entitled, in the future, to acquire potential Cosmosbay~Vectis shares arising from exercise of Cosmosbay~Vectis stock options which represent up to around 9% of the share capital as at the date of the Purchase Agreement.

4 - Solucom SA and Group research and development activities:

Solucom SA and companies within the Group have no fundamental research activities. However, Solucom was acknowledged as an innovative business by the organisation 'OSEO Innovation', which confirms that the Company is at the leading edge of innovation in its activities and that the Group continues to apply its innovation on behalf of its clients.

5 -Solucom Subsidiaries and Equity Investments:

5-1 Business review of subsidiaries and equity investments

For reference, subsidiary activities and equity investments for the year ended 31 March 2008 may be found in a table included in the notes to the financial statements.

Idesys posted revenues for the year ended 31 March 2008 of €14,844,000. This represents a sharp rise (52%) over prior year revenues of €9,785,000. Operating profit for the year amounted to €1,742,000, representing an operating margin of 11.7%, which compares with an operating profit of €952,000 and an operating margin of 9.7% for the prior year.

Arcome SAS posted revenues for the year ended 31 March 2008 of €7,509,000, up 5% over 2006/07 revenues of €7,140,000. Operating profit for the year amounted to €504,000, representing an operating margin of 6.7%, which compares with an operating profit of €691,000 and an operating margin of 9.7% for the prior year.

Dreamsoft posted revenues for the year ended 31 March 2008 of €13 119,000, up 31% over 2006/07 revenues of €10,037,000. Operating profit for the year amounted to €1,687,000, representing an operating margin of 12.9%, which compares with an operating profit of €1,638,000 and an operating margin of 16.3% for the prior year.

New'Arch posted revenues for the year ended 31 March 2008 of €6,744,000 compared to 2006/07 revenues of €3,413,000 over 8 months. Operating profit for the year amounted to €816,000 compared to 2006/07 operating profit of €506,000 over 8 months and an operating margin of 12.1%.

KLC posted revenues for the year ended 31 March 2008 of €3,276,000 compared to 2006/07 revenues of €3,413,000 over 5 months. Operating profit for the year amounted to €383,000 compared to 2006/07 operating profit of €343,000 over 5 months and an operating margin of 11.7%.

Vistali posted revenues for the year ended 31 March 2008 of €7 492,000 over a 12 month period. Revenues for the prior year were €2,989,000 over 6 months. Operating profit for the year amounted to €701,000 compared to 2006/07 operating profit of €184,000 for the 6 months of the prior year and an operating margin of 9.4%.

Note that, in view of close synergies between the Group's various activities, the revenues of each company generally include a significant proportion of business sub-contracted by other Group companies. As a result, there may be major differences between a company's revenues and operating profits and its effective contribution to the Group's results.

5-2 Acquisition of equity investments, takeovers

Please refer to paragraphs II and III above.

5-3 Reciprocal equity investments

None.

5-4 Disposal of equity investments

None.

6- Approval of the company and consolidated financial statements- Solucom SA earnings appropriation

6-1 Company financial statements

We submit for your approval the Company financial statements of Solucom SA (balance sheet, income statement and notes to the financial statements) as presented to you, showing a net profit for the year ended 31 March 2008 of €5,524,933.02 that we recommend to be appropriated, in the stated order, as follows:

€2,914.52 to the "Legal reserve" to increase it to 10% of the share capital,

€923,672.27 or €0.19 per share, to be paid as dividends to the shareholders, in respect of the 4,861,433 shares entitled to dividends based on shareholders as at 7 May 2008.

Transfer of the balance of €4,598,346.23 to the line "Other reserves"

The dividend will be paid in cash as from 13 October 2008.

In accordance with Article 158-3-2 of the CGI (French General Tax Code), natural persons who are resident in France are entitled to a 40% allowance for income tax purposes on the gross dividend provided they have not opted for the fixed allowance of 18% (excluding social security contributions) specified under Article 117 quater of the CGI (French General Tax Code).

If, at the moment of the dividend payment, the number of treasury shares without dividend rights held by Solucom has changed, the sum corresponding to the dividends not paid or to be paid by reason of this variation, shall be posted to the "Retained Earnings" account.

As required by law, we hereby set out the value of net dividends per share and their related tax credit distributed in respect of the past three financial years, as follows:

Year ended	Number of shares receiving a dividend	Dividend paid	Tax allowance
31 March 2007	4,811,822	€0.14	40%
31 March 2006	1,188,298	€0.40 € ①	40%
31 March 2005	1,179,632	€0.34 € ①	50%

① prior to the four-for-one bonus issue of shares dated 25 October 2006.

Furthermore, in accordance with Article 223 quater of the CGI (French General Tax Code), we hereby inform you that there were no non-deductible expenses listed under Article 39.4 of the CGI.

Attached to this report is the table of the Company's financial results of the last five financial years.

6- 2 Group consolidated financial statements

We submit for your approval the Group consolidated financial statements as presented with our comments, showing net profit Group share of €6,167,516.

7 - Directors fees

We recommend that the total amount of directors' fees paid to members of the Supervisory Board with effect from 1 October 2008 and for future financial years until a new decision taken in General Meeting, be set at €17,000 per financial year.

8 - Agreements specified under Articles L.225-86 et seq. of the French Commercial Code

In accordance with Articles L.225-86 et seq. of the French Commercial Code, we request that you:

- 1/ Approve the new agreements entered into during the year ended 31 March 2008, duly approved by the Supervisory Board during the year.
- 2/ Make formal note of the agreements previously approved in respect of prior years, which resulted in transactions during the year ended 31 March 2008.

The statutory auditors have been duly notified of all these agreements, in compliance with Article R 225-57 of the French Commercial Code, as stated in the special auditors report.

9 - Material ongoing agreements

The list and purpose of the material ongoing agreements specified under Article L. 225-87 of the French Commercial Code have been communicated to the members of the Supervisory Board and the auditors; on request, you may also receive a copy.

10- Share capital

10.1 Notice of crossing shareholder thresholds

During the year ended 31 March 2008, Solucom and the AMF were informed that Lazard Frères Gestion SAS acting on behalf of mutual funds had increased its holding above a 5% equity interest with 259,600 shares, representing 5.25% of the share capital (and 259,600 voting rights, i.e. 3.19% of total voting rights).

10.2 Breakdown of share capital and voting rights

In accordance with Article L.223-13 of the French Commercial Code and taking account of information received pursuant to articles L.233-7 and L.233-12 of the French Commercial Code, we hereby list below the identity of shareholders holding more than 5%, 10%, 20%, 25%, 33.33%, 50%, 66.66%, 90% and 95% of the share capital or voting rights as at 31 March 2008:

Mr Pascal Imbert holds more than 25% of the share capital and more than 33% of the voting rights,

Mr Michel Dancoisne holds more than 25% of the share capital and more than 33% of the voting rights,

Mr. Pascal IMBERT and Mr. Michel DANCOISNE, acting in concert, hold more than 50% of the share capital and more than 66% of the voting rights,

Lazard Frères Gestion SAS (acting on behalf of mutual funds) holds more than 5% of the share capital

To Solucom's knowledge and belief, no other shareholder holds more than 5% of the share capital.

10.3 Increases or decreases in share capital

With the exception of the share capital increase specified in paragraph II point B above, there has been no other transaction during the year affecting the share capital of Solucom.

10.4 Movement in Solucom share price

The Solucom share price stood at €16.29 at the beginning of the financial year on 2 April 2007, and at €15.49 as at the balance sheet date on 31 March 2008, down 4.9%.

The prices stated are closing prices on the market dates in question.

10.5 Treasury shares - share buy-back programme

Pursuant to authorisations specified below under paragraph XV entitled "Share buy-back programme", Solucom purchased its own shares on the stock exchange in accordance with conditions required by law and with the share buy-back programme it has established and fully included in the Reference Document submitted on 2 July 2007 to the AMF under number D.07.0670, and in accordance with the provisions of Article 241-2 of the AMF's General Regulations.

You have been notified of the details of the share buy-back programme as of 31 March 2008 in the notes to Solucom SA's financial statements; they are also given below under paragraph XV "Share buy-back programme".

Apart from steps taken in conjunction with the share buy-back programme, no other actions were taken related to treasury shares.

10.6 Status of employee shareholdings

In accordance with the provisions of Article L 225-102 of the French Commercial Code, as at 31 March 2008, we hereby declare that current or former employees of Solucom and/or its related companies, as defined by Article L 225-180 of the French Commercial Code, hold 28,954 Company shares (0.6% of the share capital) in conjunction with a PEG (Group savings plan).

11- Employee shareholdings

11.1 Staff earnings-based incentives ("Intéressement")

Within the Group, Vistali is bound by a 3-year incentives contract ('intéressement') signed on 1 December 2006.

11.2 Stock Options

No stock options were granted during the year ended 31 March 2008.

However, stock options from existing plans were exercised during the year.

For further details, please refer to paragraph II points B.1 and B.3 above and to the special report of the Management Board, pursuant to Article L225-184 of the French Commercial Code.

11.3 Solucom bonus share issues

Regarding bonus share issues, please refer to paragraph II.C and to the special report of the Management Board, pursuant to Article L225-197-4 of the French Commercial Code.

12- Information relating to directors

12.1 Corporate governing bodies

Solucom is a Société Anonyme (limited company) with a Management Board and Supervisory Board.

The members of these boards are as follows:

Management Board

Mr Pascal Imbert:	Chairman of the Management Board
Mr Patrick Hirigoyen:	Member of the Management Board

Supervisory Board

Mr Michel Dancoisne:	Chairman of the Supervisory Board
Mr Jean-Claude Malraison:	Vice-Chairman of the Supervisory Board
Mr Hervé Nora:	Member of the Supervisory Board
Mr Jacques Pansard:	Member of the Supervisory Board

12.2 List of appointments and functions of the directors during the year ended 31 March 2008 and during the last 5 years

Name	Date of first appointment	Expiry of term of office	Principal function in the Company	Principal function outside the Company	Other appointments and functions in any company	Other offices held during the last 5 financial years
Pascal Imbert	30/09/2002	30/09/2008	Chairman of the Management Board		KLC - Permanent Solucom representative on the Board of Directors until 31 January 2008 ❶	
Patrick Hirigoyen	30/09/2002	30/09/2008	Member of the Management Board		Solucom - Deputy Managing Director in charge of operations KLC – Director until 31 January 2008 ❶	
Michel Dancoisne	30/09/2002	30/09/2008	Chairman of the Supervisory Board		Solucom - Manager position III with expertise in financial policy, development and acquisitions	
Jean-Claude Malraison	30/09/2002	30/09/2008	Vice-Chairman of the Supervisory Board	Critical Eye - Chairman of the Board of Directors	Kervillen SARL - Managing Director	Plantronics EMEA - CEO Plantronics Ltd - CEO Plantronics PV - Director
Hervé Nora	30/09/2002	30/09/2008	Member of the Supervisory Board	Telfix SA - Chairman of the Board of Directors		
Jacques Pansard	30/09/2002	30/09/2008	Member of the Supervisory Board	Independent consultant		Amediax - Director

❶ Date of transformation into a SAS company

The directors individually confirm that in the past five years:

- They have not been condemned for fraud

- They have not been associated with any bankruptcy, sequestration or liquidation in which the directors were involved acting in the capacity of members of corporate governing or supervisory bodies
- They have not been indicted and/or subject to an official public sanction levied against the directors by the competent legal or regulatory authorities

The directors declare they are not aware of:

- Any potential conflicts of interest between their duties towards the Company and their private interests and/or other duties
- Any family links existing between any of the directors

12.3 - Solucom Company directors: remuneration and all benefits in kind

The table given below lists remuneration and benefits in kind paid to the directors of Solucom by all Group companies. This table includes both remuneration in respect of the year and remuneration actually paid during the year, given that a portion of the remuneration in respect of the year is paid during the first few months of the following year.

We would also like to point out that Solucom is not under the control of any company, with the result that the Solucom directors do not receive any remuneration from such companies.

The Company has no policy for severance payments or arrival payments for the directors. Nor is there any supplementary pension scheme specific to the directors and no directors receive benefits in kind.

One director of the Company, in his capacity of Company employee, during the year was granted a bonus share plan under the employee savings plan (see II.C, the schedule below and the special report of the Management Report under paragraph XI.3 above).

No other director of the Company was granted any shares during the financial year, stock options or other securities giving rights to Solucom shares, immediately or in the future.

<i>In euros</i>		Annual gross remuneration 2007/08				Annual gross remuneration 2006/07				<i>Notes</i>
		Fixed	Variable	Directors fees	Total	Fixed	Variable	Directors fees	Total	
Management Board	Pascal IMBERT	Due	138,000	45,558	183,558	135,000	34,038		169,038	(1)
		<i>Paid</i>		<i>38,288</i>	<i>176,288</i>	<i>135,000</i>	<i>28,160</i>		<i>163,160</i>	
Management Board	Patrick HIRIGOYEN	Due	118,020	45,000	104,010	113,400	30,000		152,400	(2)
		<i>Paid</i>	<i>48,200</i>		<i>48,200</i>	<i>47,200</i>			<i>47,200</i>	
Supervisory Board	Michel DANCOISNE	Due	47,200		48,200	47,200			47,200	
		<i>Paid</i>		<i>4,750</i>	<i>4,750</i>	<i>47,200</i>			<i>4,500</i>	
Supervisory Board	Jean-Claude MALRAISON	Due		4,750	4,750			4,500	4,000	
		<i>Paid</i>		<i>4,750</i>	<i>4,750</i>			<i>4,500</i>	<i>4,500</i>	
Supervisory Board	Hervé NORA	Due		4,750	4,750			4,500	4,500	
		<i>Paid</i>		<i>4,750</i>	<i>4,750</i>			<i>4,500</i>	<i>4,500</i>	
Supervisory Board	Jacques PANSARD	Due		4,750	4,750			4,500	4,500	
		<i>Paid</i>		<i>4,750</i>	<i>4,750</i>			<i>4,500</i>	<i>4,500</i>	

(1) Variable remuneration is based on the difference between actual Group earnings and the budget set at the beginning of the financial year. This applies to the following lines: Group operating profit on ordinary activities and net profit Group share. The earnings figures applied for this calculation are Group operating profit on ordinary activities and net profit Group share. The value of the variable remuneration based on the budget being achieved amounted to €37,500 gross in 2007/08 and €29,000 gross in 2006/07. The variable portion can vary between 50% and 200% of this amount.

(2) Variable remuneration is based on the difference between actual Group earnings and the budget set at the beginning of the financial year. This applies to the following lines: Group operating profit on ordinary activities and Solucom SA operating profit. The earnings figures applied for this calculation are Solucom SA operating profit and Group operating profit on ordinary activities. The value of the variable remuneration based on the budget being achieved amounted to €40,000 gross in 2007/08 and €38,000 gross in 2006/07. The variable portion can vary between 50% and 200% of this amount.

12.4 Restrictions on directors pursuant to Articles L 225-185 and L 225-197 II section 4 of the French Commercial Code

On 18 June 2007, in accordance with Articles L 225-185 section 4 and L 225-197 II section 4 of the French Commercial Code, the Supervisory Board decided to determine a 25% minimum limit of the shares that directors of Solucom and all subsidiaries shall be required to retain in registered form until expiry of their term of office, in relation to the shares received in their capacity as directors under each plan introduced by Solucom insofar as they are eligible for such rights in accordance with legal conditions.

This provision only concerns the plans implemented on behalf of directors following the effective introduction of the law dated 11 December 2006.

12.5 - Directors' and their families' transactions in Company shares

Pursuant to the provisions of Article L.621-18-2 of the French Monetary and Financial Code and Article 223-26 of the AMF's General Regulations, we have set forth below the directors' and senior executives' transactions in the Company's shares and those of persons closely related to them during the financial year.

Mr. Patrick Hirigoyen, Deputy Managing Director of Solucom

18 December 2007	Sale	200 shares	€18.20
19 December 2007	Sale	200 shares	€18.00
27 December 2007	Sale	200 shares	€18.00
28 December 2007	Sale	200 shares	€18.80
31 December 2007	Sale	200 shares	€18.50

Mr. Marc Muller. Chairman of Dreamsoft

6 July 2007	Purchase	80 shares	€19.00
7 August 2007	Purchase	400 shares	€18.00
7 March 2008	Purchase	450 shares	€15.01

Mr. René Dumoucel. Chairman of New'Arch

9 January 2008	Purchase	675 shares	€16.30
11 January 2008	Purchase	3,200 shares	€15.91
14 January 2008	Purchase	600 shares	€15.18
15 January 2008	Purchase	235 shares	€15.05

Mr. Siegfried Günther. Chairman of Idesys

17 January 2008	Purchase	320 shares	€15.75
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Mr. Pierre Bougeret. Chairman of Vistali

17 April 2007	Purchase	1,000 shares	€16.96
26 April 2007	Purchase	100 shares	€16.30
2 May 2007	Purchase	100 shares	€16.50

15 May 2007	Purchase	100 shares	€16.65
15 May 2007	Purchase	200 shares	€16.70
22 May 2007	Purchase	200 shares	€16.80
23 May 2007	Purchase	130 shares	€16.80
30 May 2007	Purchase	200 shares	€16.70
1 June 2007	Purchase	400 shares	€16.60
19 June 2007	Purchase	270 shares	€19.00

Mr. Jacques Buisson. Chairman of Arcome SAS

10 December 2007	Sale	2,400 shares	€18.99
17 December 2007	Exercise of stock options	5,868 shares	€2.06 (exercise price)
31 December 2007	Sale	5,244 shares	€19.07
31 December 2007	Sale	239 shares	€18.90
15 January 2008	Exercise of stock options	5,868 shares	€2.06 (exercise price)

Ms. Pascale Besse. Finance Director

26 July 2007	Purchase	115 shares	€19.50
2 August 2007	Purchase	100 shares	€18.65
17 August 2007	Purchase	100 shares	€17.70

12.6 Supervisory Board and Management Board directors' terms of office:

Management Board:

Mr Pascal Imbert:

Mr Pascal Imbert was appointed Chairman of the Management Board by the Supervisory Board on 30 September 2002 for a period of six years. His term of office will expire on 30 September 2008.

Mr Patrick Hirigoyen:

Mr Patrick Hirigoyen was appointed Member of the Management Board by the Supervisory Board on 30 September 2002 for a period of six years. His term of office will expire on 30 September 2008.

We hereby state that the Supervisory Board is planning to hold a meeting following this Ordinary General Meeting on 26 September 2008 to decide on the renewal of the Management Board directors' terms of office.

Supervisory Board:

Mr. Michel Dancoisne:

Mr. Michel Dancoisne was appointed Member of the Supervisory Board and Chairman of the Supervisory Board in General Meeting and by the Supervisory Board on 30 September 2002 for a period of six years. His term of office will expire following the Ordinary General Meeting, which will approve the financial statements for the year ended 31 March 2008.

Mr. Jean-Claude Malraison:

Mr Jean-Claude Malraison was appointed Member of the Supervisory Board and Vice-Chairman of the Supervisory Board in General Meeting and by the Supervisory Board on 30 September 2002 for a period of six years. His term of office will expire following the Ordinary General Meeting, which will approve the financial statements for the year ended 31 March 2008.

Mr. Hervé Nora:

Mr Hervé Nora was appointed Member of the Supervisory Board in General Meeting dated 30 September 2002 for a period of six years. His term of office will expire following the Ordinary General Meeting, which will approve the financial statements for the year ended 31 March 2008.

Mr. Jacques Pansard:

Mr Jacques Pansard was appointed Member of the Supervisory Board in General Meeting dated 30 September 2002 for a period of six years. His term of office will expire following the Ordinary General Meeting, which will approve the financial statements for the year ended 31 March 2008.

We request that you note that all the terms of office of members of the Supervisory Board expire at the Ordinary General Meeting dated 26 September 2008.

We invite you to:

1) renew for six years until the Annual Ordinary General Meeting called to approve the financial statements for the year ending 31 March 2014, the terms of office of:

- Mr Michel Dancoisne:
- Mr Jean-Claude Malraison:
- Mr Jacques Pansard:

2) appoint as new members of the Supervisory Board for six years until the Annual Ordinary General Meeting called to approve the financial statements for the year ending 31 March 2014:

- Mr. Jean-François Perret,
- Mr. Pierre Laigle

it being understood that Mr. Jean-François Perret and Mr. Pierre Laigle have indicated in advance that they accept their respective appointments and that they do not perform any duties and/or they are not subject to any restrictions liable to prohibit them from becoming a director and exercising the duties of a director.

We hereby state that the Supervisory Board meeting due to be held following this Ordinary General Meeting of 26 September 2008 will elect the Chairman of the Supervisory Board.

12.7 - Statutory Auditors' terms of office

SLG EXPERTISE:

The term of office of the firm SLG EXPERTISE, principal auditors, will expire following the Ordinary General Meeting, which will approve the financial statements for the year ended 31 March 2008.

CONSTANTIN ASSOCIES:

The term of office of the firm CONSTANTIN ASSOCIES, principal auditors, will expire following the Ordinary General Meeting which will approve the financial statements for the year ended 31 March 2013.

Ms. Isabelle Gareau:

The term of office of Ms. Isabelle Gareau, secondary auditor, will expire following the Ordinary General Meeting, which will approve the financial statements for the year ended 31 March 2008.

Mr. Michel Bonhomme

The term of office of Mr Michel Bonhomme, secondary auditor, will expire following the Ordinary General Meeting, which will approve the financial statements for the year ended 31 March 2013.

Consequently, in accordance with Article L. 225-228 of the French Commercial Code, the Supervisory Board invites you to renew the following terms of office, for a period of six financial years until the Ordinary General Meeting, which will approve the financial statements for the year ended 31 March 2014:

Renewal of the term of office of SLG EXPERTISE as principal statutory auditor,

Appointment of Ms. Valérie Dagannaud as new secondary statutory auditor

13. Employee and environmental information

13.1 Employment

At 31 March 2008, Solucom Group employed a total of 666 staff, broken down as follows:

	Total headcount	Of which fixed term contracts	Of which part time
Solucom Subsidiaries	267 399	1 1	3 9
Total Group	666	2	4

In accordance with the collective workers agreement, students on a sabbatical year, unlike trainees, are included as employees.

Note that two employees under fixed term contracts are young people under apprenticeship contracts.

Employees joining and leaving the Group during the year are analysed as follows.

	Starters	Leavers	Reasons for leaving
Solucom Subsidiaries	94 134	61 71	M = 5; D = 30; L=5; F=21 M = 1; D = 57; L = 1; F = 11; R = 1
Total Group	228	132	M = 6; D = 87; L = 6; F = 32; R = 1

Reasons for leaving:

Resigned (D)

Redundancy (L)

End of contract (fixed-term - trial period) (F)

Internal transfers (M)

Retired (R)

The redundancies mentioned in this table are all for individual reasons.

During the financial year, 2 temporary staff were employed in the Group for an average period of four months each.

13.2 Organisation of working time

All Group companies have implemented the French national reduction in the working week via a branch agreement signed with the Syntec federation.

Details applying to individual staff categories in respect of Idesys, Dreamsoft and Solucom are as follows.

Engineers and managers

method 2 (215 to 218 days per year and 38.5 hours per week)

method 3 (214 to 218 days per year)

ETAM: method 1 (35 hrs per week - 1,617 hrs per year)

The reduction in working hours is applied to part time workers in proportion to their individual number of hours worked.

In view of the above working time organisation and the fact that the Group's business is not of a seasonal nature, overtime occurs only exceptionally.

Solucom Group only has a limited amount of staff absence.

As an example, the absence rate for chargeable staff in the year ended 31 March 2008 was 1.2% of time excluding holidays. This absence largely relates to illness. Absence due to maternity, paternity and unpaid leave (including full-time parental leave) is excluded from the calculation of the absence rate.

13.3 Remuneration

Total gross salaries over the last two financial years were as follows.

	Total salaries 2007-2008	Total salaries 2006-2007	Change
Solucom	11,831,977	10,349,479	14%
Subsidiaries	20,075,499	12,722,064	58%
Total Group	31,907,476	23,071,543	38%

Social security charges for 2007/08 amounted to €14,179,000 of which €5,189,000 for Solucom and €8,990,000 for the subsidiaries.

During the year, Solucom, Idesys, Arcome SAS, Dreamsoft and New'Arch staff received a profit share calculated based on general law principles, amounting to a total of €1,214,000. Note that there is currently no profit sharing agreement for Vistali or KLC.

Solucom Group adheres to a strict policy of equality between men and women both in terms of remuneration and promotion.

13.4 Employee relations

Solucom has staff representatives and a workers council.

Arcome SAS has staff representatives and a workers council comprising only representatives of the staff.

Dreamsoft has staff representatives and a workers council comprising only representatives of the staff.

Idesys has staff representatives and a workers council comprising only representatives of the staff.

Vistali, New'Arch and KLC have staff representatives.

There is no trade union representation within the Group.

An amendment to a Group profit sharing agreement was signed between Arcome, Dreamsoft, Idesys, New'Arch and Solucom on 21 December 2007 (backdated to 1 April 2007) in order to permit New'Arch to belong to said agreement.

13.5 Health and Safety

Solucom, Arcome, Dreamsoft and Idesys each have a work Health and Safety Committee.

The Group recorded 4 work travel accidents during the year of which 1 involving sick leave.

13.6 Training

During the financial year, Group staff received 1,151 training days under external professional training and 1,915 internal training days provided by the Solucom Institute (excluding self training days). The cost of external professional training amounted to €480,000 (excluding the cost of Group staff time spent in training).

In total, 550 employees, or 82% of total headcount, received at least one training course during 2007/08, regardless of whether the course was internal or external.

The number of available DIF (French employee entitlement to training) hours at 31 March 2008 is 20,011 hours.

The Group maintains close relations with around twenty engineering and business colleges, from where it recruits a large number of students. The various conditions of these partnerships include the payment of *taxe d'apprentissage* (French training tax), participation in educational activities (in particular lessons given by senior consultants of the Group), employing apprentices, participation in students associations and 'Solucommunity', the student competition.

13.7 Social work

Social work is managed by the works councils of the Group companies.

The activities organised in conjunction with social work largely relate to sporting and cultural events.

13.8 Handicapped employees

At 31 March 2008 there were no handicapped employees of the Group. However, Solucom regularly sub-contracts certain work to aid and employment support organisations employing handicapped people.

The Group's contribution in 2007/08 to employment of handicapped people amounted to €116,000.

13.9 Outsourcing

Given that Solucom provides high value-added and specialised services, it does not use external personnel in conjunction with outsourcing contracts.

13.10 Environmental information

The Group's business only relates to intellectual services which have a negligible impact on the environment. In particular this applies to use of the Group's fixed assets.

However, Solucom has decided to take the following measures to minimise its impact on the environment even though it is already minimal: printing paper and consumables recycling, use of recycled paper for certain documents published by the Company and application of video-conferencing to reduce travel.

14- Risks faced by the Group

The Group's financial and operational risks are explained below.

14.1 Financial risks

Liquidity risk

Net cash flow from operating activities enables the Company every year to fund organic growth, including changes in working capital and operational capital expenditure, excluding acquisitions.

At 31 March 2008, the Group held gross cash and cash equivalents of €16,170,000. Cash is invested only in money market investments.

In addition, a few days before the year end, the Group took out a loan of €10,000,000, repayable over 5 years, with no covenants.

Finally, the Group holds four lines of credit with maximum facilities amounting to €2,783,000 at 31 March 2008. None of these lines are subject to covenants except for one representing a facility of €900,000 at 31 March 2008. The corresponding covenants have never been breached.

The Group's cash and banking facilities at 31 March 2008 enable it to meet all Group liabilities arising from acquisitions, including the acquisition of Cosmosbay~Vectis at the beginning of April 2008.

Interest rate risk

Interest rate risk is managed by the Group finance department in liaison with the Group's main banks. The Group's policy is generally to hedge against any rise in its future repayments by using derivative financial instruments contracted with top-ranking banks.

The Company is currently reviewing a potential hedge of this type in relation to the €10,000,000 loan taken out just before the balance sheet date.

Exchange rate risk

Since virtually all Solucom's clients are located in France or elsewhere in the euro zone, the Group is not exposed to any exchange rate risk.

Client bad debt risk

Since virtually all Solucom's clients are major corporate accounts, in practice there is little risk of default or client bad debts. The downside of this security is that credit terms with clients can be relatively long and the average credit term stands at around 90 days.

However, there is a risk of default or client bad debts when the client is a small or medium-sized business or a foreign company outside the European Union (under 10% of Group revenues). In such cases it is the responsibility of the Group company concerned to take all steps necessary to provide reasonable assurance of payment for services rendered.

Equity risk

The Group's sole equity risk relates to Solucom's treasury shares held in conjunction with its share buy-back programme (see paragraph XV in respect of the objectives of the share buy-back programme).

Treasury shares are held in conjunction with 3 objectives:

- Mergers and acquisitions
- Allocation to employees in conjunction with the Group savings plan (as described under paragraph II.C.2)
- Liquidity contract managed by an outside investment services provider on behalf of the Company

At 31 March 2008, the Group held a total of 88,962 Solucom shares representing a market value of €1,378,000.

Please note, in the Group consolidated financial statements, treasury shares are accounted for as a deduction from shareholders' equity and any change in value has no impact on Group earnings.

14.2 Operational risks

The operational risks stated in the paragraphs below, in the Company's opinion are those, which represent the greatest risk in terms of potential impact or probability.

Legal risk

Solucom Group's activities are not subject to any specific regulations.

Functional managers such as human resource managers (regarding employment law), and the Finance department (regarding commercial law), represent an additional support for operations when they are faced with specific cases that are not covered under internal policies. These functional managers also rely on specialist external consultants.

As part of its client services, Solucom often has to make contractual commitments requiring specific monitoring. For example, this may include confidentiality agreements or exclusivity agreements etc.

These commitments are entered into under the responsibility of the senior management of each Group company, including, where applicable, the possibility to delegate to certain managers. The senior managers involved are charged with ensuring that all such commitments are transparent and visible, and that procedures are in place to ensure compliance therewith.

Business civil liability risk

Since the Group's services are based on consulting and advisory services, the risk of professional liability is significantly reduced compared to a business principally focused on engineering or integration.

The Group nevertheless took out business professional liability insurance offering the following coverage:

- Operating professional liability
 - ▶ Material damage €7.6m per claim
 - ▶ Consecutive or direct material / intangible damage €2.0m per claim
- Business professional liability
 - ▶ Consecutive or direct material / intangible damage €2.5m per claim and per year

In view of the low probability of a claim, there is a deductible of €75,000 in conjunction with the business professional liability policy.

Risk on fixed-price projects

Fixed-price projects represent some 30% to 40% of Group revenues (35% in 2007/08).

Since the Group's activities are largely consulting based, risks are limited given that there is no feasibility risk normally arising from engineering or integration activities.

Solucom follows a strict project management approach backed by the Group's management systems.

Each fixed-price project is divided into separate lots. There is always a project manager for every lot. The project manager is responsible for managing the services performed and supervising the people working on the lot.

Every month, he analyses expenses booked by each person to the lot and prepares an updated forecast of the outstanding work that results in a stage of completion, revenues recorded for the month and any days of expenses overrun budgeted on the lot.

This analysis, which is automatically reported to management on the first few days of the month, identifies any variances as soon as possible in order to trigger the necessary corrective action.

Over the last few years, the average level of overruns has never exceeded 2% of the total number of days of the productive staff's on-site presence excluding holidays (0.0% in 2007/08).

Human resources risk

Solucom's success is a direct result of its ability to recruit and retain high potential employees.

Solucom's approach to recruitment is based on hiring young graduates from the top colleges in the Group's business.

In the coming years recruitment will certainly be a key challenge for Solucom, given the shortage of engineers in the field of new technologies.

In order to master this key success factor, over the last three years Solucom has significantly stepped up its recruitment efforts.

Apart from recruitment, controlling staff turnover also represents a challenge while the rate of resignation has been increasing among all services activities.

Controlling staff turnover is the joint responsibility of the Company's management and human resource managers at each company. Turnover has increased over the last two years and came in at 13% in 2007/08 up from 11% in 2006/07.

Information systems risk

Generally, Solucom Group is not very dependent on information systems. However, information systems represent an increasingly important asset, in particular because it enables the Group to consolidate and organise the knowledge management database distributed to all Group staff, communicate with clients, and manage the business.

Steps have been taken to ensure that each of the key areas of the system can be recovered within the prescribed deadlines in the event of any incident, except in the case of a major disaster.

In order to cope with such disasters, a daily back-up is made and, once a week, a complete back-up is sent to a location outside the premises.

Lastly, the system is protected against external penetration by state-of-the-art IT security technology.

Risks from acquisitions

The Group's selective approach to acquisitions can lead to the integration of new companies.

For each acquisition, Solucom systematically seeks to ensure that the management of the acquired company follows the joint operational strategy. These discussions in advance foster seamless integration under optimal conditions.

However, Solucom cannot guarantee that the integration process will be carried out under optimal conditions in the future.

15. Share buy-back programme

15.1 Status of prior programmes – Article L225-211 section 2 of the French commercial code

Pursuant to a resolution taken at the Extraordinary and Ordinary General MEETING dated 28 September 2007, the Management Board was authorised to implement a share buy-back programme in accordance with Articles L225-209 of the French Commercial Code and Articles 241-1 to 241-6 of the AMF's general regulations; this programme followed a previous programme authorised by the Ordinary General Meeting dated 29 September 2006.

This represents the ninth share buy-back programme and was implemented immediately by the Management Board on 28 September 2007, the details of which are specified in the Reference Document submitted to the AMF on 2 July 2007 under number D 07-0670, and was announced in a press release on Solucom's website dated 28 September 2007.

We hereby declare that the details at 31 March 2008 pertaining to the two previous programmes, which continued without interruption during the year ended 31 March 2008, and implemented by the Management Board, are as follows:

67,294 treasury shares were purchased during the year for a total value of €1,166,768, at an average price of €17.34 per share.

31,765 treasury shares were sold during the year for a total value of €560 393 at an average price of €17.64.

There were no trading expenses.

There were 88,962 treasury shares included in the balance sheet as of 31 March 2008 at a book value of €1,230,576, or an average value per share of €13.63. The nominal value of each share is €0.10.

Treasury shares represent 1.80% of share capital.

Note that, in a press release dated 5 January 2007, we informed you that we signed a new liquidity contract in accordance with the AFEI Charter with Portzamparc SA, with effect from 8 January 2007, for a period of one year renewable by tacit agreement. An increase in the funds allocated to this contract took effect as from 16 April 2007. A press release announcing this increase was issued on 16 April 2007.

There has been no change since then.

15.2 Special report – article L225-209 section 2 of the French Commercial Code

Pursuant to the provisions of Article L225-209 section 2 of the French Commercial Code, the Management Board hereby submits a special report on the purchases of shares undertaken in conjunction with the aforementioned share buy-back programmes including details in respect of these programmes, per authorised objective and the number and price of the shares purchased, the volume of shares used per objective and any allotments thereof.

15.3 New authorisation

The Management Board recommends that you approve a new programme with the following key terms and conditions.

A summary of this new programme is as follows:

a) Objectives

Ensure the liquidity of the secondary market or that of Solucom shares by the involvement of an independent investment services provider pursuant to a liquidity contract in accordance with the Ethics Charter recognised by the *Autorité des Marchés Financiers* (French financial markets regulator);

Hold shares with a view to issuing them subsequently as consideration for mergers or acquisitions;

Allot shares to employees and/or directors of the Company and/or its Group companies in accordance with legislation, notably in order to create financial incentives for employees or directors in the Company's earnings, to implement any company or inter-company savings plan for employees, to introduce or cover any stock option plan or to issue bonus shares;

Allot shares on the exercise of securities with entitlement to subscribe to the Company's share capital.

b) Maximum limit

10% of the share capital after deducting existing treasury shares and reduced to 5% in respect of shares acquired to hold and issue in consideration for future mergers and acquisitions.

c) Financial terms for buying shares

Maximum purchase price per share: €40, in line with the average market price over the last few months.

d) Cancellation of shares

Not applicable, unless authorised thereto at a future extraordinary general meeting.

e) Duration of authorisation

With effect from the Ordinary General Meeting dated 26 September 2008, until the next General Meeting convened to approve the financial statements for the year ended 31 March 2009, and, within 18 months, it being specified that the Extraordinary and Ordinary General Meeting of 26 September 2008 will supersede the preceding authority, without interruption, until any new authority.

Naturally, the Management Board, with approval of the Supervisory Board, must prepare a new report of the share buy-back programme that is given in the Reference Document 2007/08.

16. Items that may have an impact during periods of public tender offers

Pursuant to Article L.225-100-3, we hereby specify the following points:

- The capital structure and the direct or indirect investments, of which Solucom SA is aware, and all information related thereto are described in this report and in the Reference Document submitted to the AMF on 2 July 2007 under number D 07-0670,
- To Solucom's knowledge, there are no agreements or any other commitments signed between shareholders,
- There are no securities granting special powers of control,
- There are no clauses in the articles of association restricting the exercise of voting rights or transfers of shares,
- Voting rights attached to Solucom shares, with regard to the Group employee savings plan described under paragraph II.C.2, are exercised by the "Solucom Actions" company mutual fund ('FCPE'),
- Rules for the appointment and dismissal of members of the Management Board are based on general law,
- With regard to the Management Board's powers, the current approvals are described in this report under paragraph XV (share buy-back programme) and in the table of approvals regarding capital increases attached to this report and detailed under paragraph XIX below,
- Changes to Solucom's articles of association are made in accordance with current legislation and regulations,
- There are no agreements involving redundancy compensation in the event of the departure of members of the Management Board.

17. Comments of the workers council

We hereby state that Ms. Claire Carré, the representative of the Workers Council, has not expressed any comments.

18. Report of the Chairman in accordance with the provisions of article L.225-68 of the French commercial code

Attached to the Ordinary General Meeting section of this report is the report of the Chairman of the Supervisory Board on the preparation and organisation of the Board's work, and on internal control procedures.

This report, which is presented to you herewith but which is not submitted for your approval, describes and explains the operations of the Supervisory Board and existing internal controls at the Group level.

This report has been given to the statutory auditors, who will present their comments on the part of the report of the Chairman of the Supervisory Board relating to internal control procedures over the processing of accounting and financial information, in a report attached to their report on the financial statements.

19. Table of approvals regarding capital increases

Pursuant to the provisions of Article L.225-100 section 7 of the French Commercial Code, please find attached to this report a table summarising the currently valid powers related to capital increases as granted by the Extraordinary and Ordinary General Meeting dated 28 September 2007.

20. Statutory auditors reports

We will read the following reports:

The auditors report on the Company financial statements,

The auditors report on the consolidated financial statements,

The auditors report on regulated agreements,

The auditors report on the report of the Chairman of the Supervisory Board under Article L.225-68 of the French Commercial Code.

Having heard the reading of the reports of the statutory auditors and of the Supervisory Board, the Management Board invites you to adopt the resolutions that it submits to your vote.

The Management Board

26 May 2008

Appendix to the report of the Management Board

Table of currently valid powers with regard to capital increases: Ordinary and Extraordinary Annual General Meeting of 28 September 2007

Resolution number	Purpose	Duration of the authorisation	Maximum limit	Use
10 th	Issue of shares and Issue of any equity securities and debt securities with prior subscription rights (except preference shares) with over-allotment facility up to 15% of the initial issue within the maximum limit. Articles L.225-129 et seq. and L.225-135-1 of the French Commercial Code	26 months	Equity securities: €400,000 Debt securities: €30,000,000	Not applicable
11 th	Issue of shares and any equity securities and debt securities without prior subscription rights, (except preference shares) including for purposes of providing consideration for securities allocated under a public tender offer, with an over-allotment facility of up to 15% of the initial issue limit. Articles L.225-129 et seq., L.228-91, L.228-92, L.225-135-1 and L.225-148 of the French Commercial Code	26 months	Equity securities: €400,000 Debt securities: €30,000,000	Not applicable
12 th	Capitalisation of reserves, retained earnings or share or merger premiums or other Articles L.225-177 et seq. and L.225-135-1 of the French Commercial Code	26 months	€400,000	Not applicable
13 th	Consideration for non-cash asset transfers received by the issue of any equity securities, ordinary shares and/or equity securities giving access to share capital. Articles L.225-129 et seq. and L.225-147 of the French Commercial Code	26 months	10% of share capital within the limit specified under the 11th resolution.	Not applicable

14 th	Overall limit of the authorisations and issues of the 10 th to 13 th resolutions.	26 months	Equity securities: €400,000 Debt securities: €30,000,000	
15 th	PEE (personal equity plan) Article L.225-129 -6 of the French Commercial Code	26 months	5% of the share capital and within the limit specified under the 14 th resolution.	Not applicable
16 th	Stock option plan (subscription) Articles L.225-177 et seq. of the French Commercial Code	38 months	4% of the share capital as at the date of the preceding issue of stock options, excluding any stock options still valid under the previous authorisations and subject to the overall limit specified under the 14 th resolution	Not applicable
17 th	Stock option plan (purchase) Articles L.225-177 et seq. of the French Commercial Code	38 months	4% of the share capital as at the date of the preceding issue of stock options, excluding any stock options still valid under the previous authorisations overall limit specified under the 14 th resolution	Not applicable
18 th	Bonus issue of new or existing shares to employees or certain categories thereof and to directors of the Company and/or its subsidiaries. Articles L.225-177 et seq. of the French Commercial Code	38 months	6% of the share capital and subject to the overall limit specified under the 14 th resolution.	Not applicable
19 th	Maximum overall limit for use by the Management Board of authorisations specified under the 15 th , 16 th , 17 th and 18 th resolutions	-	6% of the share capital.	Not applicable

Supervisory board report to the ordinary general meeting dated 26 september 2008

Ladies and gentlemen,

In accordance with our statutory responsibilities and engagement, we are honoured to submit to you our report on the supervision of the Management Board during the year ended 31 March 2008 in conjunction with the Annual Ordinary General Meeting dated 26 September 2008.

In accordance with legislation, our role is to comment on the management report of the Company's and the Group's activity as prepared by the Management Board, on the Company and consolidated financial statements for the year ended 31 March 2008 and on the other points stated on the agenda included in your meeting notice.

1. Observations on the Company and consolidated financial statements for the year ended 31 March 2008

You have just heard the presentation of the reports of the Management Board, that of the statutory auditors, and that of the Chairman of the Supervisory Board relating to the work of the Supervisory Board and to internal control.

The Management Board gave us the accounting documents covering the Company and consolidated financial statements for the year ended 31 March 2008, on which you will be invited to approve, within the statutory time periods.

The Supervisory Board has no observation concerning the Company and consolidated financial statements for the year ended 31 March 2008, as prepared by the Management Board. Accordingly, it hereby approves them.

The Supervisory Board recommends that you approve the Company financial statements, approve the earnings appropriation, and decide on the distribution of dividends, as presented by the Management Board.

- The Supervisory Board also recommends that you approve the consolidated financial statements including the net profit Group share appearing therein.
- Lastly, the Supervisory Board recommends that you approve the resolutions relating to the renewal of the terms of office of certain members of the Supervisory Board and the appointment of new members of the Supervisory Board, determine the directors' fees to be granted to the Supervisory Board and renew the share buy-back programme.

2. Renewal of the term of office of one of the principal statutory auditors and appointment of a secondary statutory auditor

In accordance with Article L.225-228 of the French Commercial Code, the Supervisory Board recommends that you:

- Renew the term of office of one of the principal statutory auditors, namely the firm SLG Expertise,
- Appoint Ms. Valérie Dagannaud as secondary statutory auditor,

for a term of six financial years until the Annual Ordinary General Meeting called to approve the financial statements for the year ending 31 March 2014.

As a matter of course, all required steps vis-à-vis the AMF (French stock market regulator) will be taken by Solucom and by the principle and secondary auditors within the statutory deadlines so as to obtain full assurance concerning this appointment and this renewal.

Lastly, and for your information, we hereby declare that a new partner from the firm SLG Expertise will sign the audit report in conjunction with rotation requirements specified under Article 822-14 of the French Commercial Code.

The Supervisory Board

2 June 2008

RISKS

The paragraphs which follow present in detail the risks to which the Group is exposed. In accordance with current regulations, the financial risks presented hereafter and the main operational risks are also summarised in the Management Board report to the General Meeting.

1. Market Risks

Liquidity risk

Cash and treasury management

Free cash flow (€6.9 million in the year ended 31 March 2008) enables the Group to meet all its funding requirements for capital expenditure excluding acquisitions (in particular changes in working capital and ongoing capital expenditure).

Furthermore, cash held and available amounting to €22.4m at 31 March 2008 enables the Group to meet all its liabilities arising from acquisitions.

Cash held and available at 31 March 2008 breaks down as follows:

- €16.1 million of cash and cash equivalents (cash, net of overdrafts, accrued interest and marketable securities),
- €2.8 million of additional available funds (authorised overdraft facilities, none of which are currently used). None of these lines of credit are subject to covenants with the exception of one facility amounting to €900,000 at 31 March 2008, and the corresponding covenants have never been breached.
- €4.2 million of cash facilities.

Cash and cash equivalents are exclusively placed in liquid investments. At 31 March 2008, Solucom Group does not discount or factor invoices.

Borrowings at 31 March 2008 break down as follows:

- €10.0 million of bank loans and sundry debt, the Group having taken out a few days prior to the year end a €10.0 million loan repayable over 5 years and with no covenants
- €0.7 million of finance lease liabilities.

Breakdown of Group debt

Number	Loan details	Interest rate	Value at 31/03/08	Maturity date	Loan hedge
1	5 year loan of €4.0 million, repayable in 10 half-year instalments	Variable (based on EURIBOR 6 months)	€4.0 million.	28/03/13	-
2	7 year loan of €6.0 million, repayable in 10 half-year instalments with effect from the first availability date of the funds, with a two year holiday as from the effective date of the contract	Variable (based on EURIBOR 6 months)	€6.0 million.	27/03/13	-

Breakdown of available funds (new unused credit facilities)

Number	Loan details	Interest rate	Value at 31/03/08	Maturity date	Loan hedge
1	6-year facility of €0.8m - repayable in quarterly instalments	Variable (based on EURIBOR)	€0.4 million.	25/01/11	-
2	5-year facility of €1.5m - repayable in half-year instalments	Variable (based on EURIBOR)	€0.9 million.	01/11/10	-
3	5-year facility of €1.5m - repayable in half-year instalments	Variable (based on EURIBOR)	€0.9 million.	01/11/10	-
4	6-year facility of €0.7m - repayable in annual instalments	Variable (based on EURIBOR)	€0.6 million.	08/08/12	-

Loan covenants

The contractual terms of the two loans taken out at the year end amounting to €10.0 million do not have any covenants.

Furthermore, on 28 October 2005, Solucom also took out two loans for a total of €3.0m in conjunction with the financing of the Dreamsoft acquisition. These loans were granted for a term of 5 years by two banks, each for €1.5m (facilities no. 2 and 3). Loan no. 3 includes certain covenants, which, if broken, could lead to its early repayment.

These covenants consist of the obligation to satisfy at least one criterion out of two, based on the ratio of gross debt divided by free cash flow, which must remain at less than 3, and shareholders' equity, which must remain at less than 1.

At 31 March 2008, all the criteria were satisfied.

Interest rate risk

Interest rate risk is managed by the Group finance department in liaison with the Group's main banks. The Group's policy is generally to hedge against any rise in its future repayments by using derivative financial instruments contracted with top-ranking banks.

The Company is currently reviewing a potential hedge of this type in relation to the €10,000,000 loan taken out just before the balance sheet date.

The following schedule shows the maturity of the Group's monetary assets and liabilities.

At 31 March 2008 (€000)	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Borrowings	10,657	2,318	8,339	0
Cash and cash equivalents, net of bank overdrafts	16,098	16,098	0	0
Net balance before derivatives	(5,441)	(13,780)	8,339	0
Derivatives	0	0	0	0
Net balance after derivatives	(5,441)	(13,780)	8,339	0

The Group's exposure to a movement of 1% in short-term interest rates can be estimated at a P&L impact of €138,000. This figure is based on the net balance due in less than one year covering all monetary assets and liabilities.

Group debt and cash and equivalents are supervised by Solucom's Management Accounting department and are reported on a monthly basis as a part of the management summary report. For treasury purposes, Management Accounting use specialised treasury software that is directly linked to on-line banking systems of the Company's banks.

Exchange rate risk

Since virtually all Solucom's clients are located in France or elsewhere in the euro zone, the Group is not exposed to any exchange rate risk.

Equity risk

The Group's sole equity risk arises in respect of its treasury shares held as part of its share buy-back programme.

Treasury shares are held in conjunction with 3 objectives:

- Mergers and acquisitions
- Allocation to employees in conjunction with the Group savings plan
- Liquidity contract managed by an outside investment services provider on behalf of the Company

At 31 March 2008, the Group held a total of 88,962 Solucom shares representing a market value of €1,378,000. Please note, in the Group consolidated financial statements, treasury shares are accounted for as a deduction from shareholders' equity and any change in value has no impact on Group earnings.

Apart from the share buy-back programme, the Group's cash investment policy is based only on risk-free investments.

The average purchase price of all treasury shares is €14.07 per share compared to their market value at 31 March 2008 of €15.49.

2. Legal risks

Solucom Group's activities are not subject to any specific regulations.

Functional managers such as human resource managers (regarding employment law), and the finance department (regarding commercial law), represent an additional support for operations when they are faced with specific cases that are not covered under internal policies. These functional managers also rely on specialist external consultants.

As part of its client services, Solucom often has to make contractual commitments requiring specific monitoring. For example, this may include confidentiality agreements or exclusivity agreements etc...

These commitments are entered into under the responsibility of the senior management of each Group company, including, where applicable, the possibility to delegate to certain managers. These senior managers are responsible for monitoring all such commitments, and for introducing procedures to ensure compliance.

3. Industrial and environmental risks

The Group's business only relates to professional services which has a negligible impact on the environment.

Use made of the Group's fixed assets has no impact on the environment.

4. Technological risks

Information systems risk

Generally, Solucom Group is not very dependent on information systems. However, information systems represent an increasingly important asset, in particular because it enables the Group to consolidate and organise the knowledge management database distributed to all Group staff, communicate with clients, and manage the business.

Steps have been taken to ensure that each of the key areas of the system can be recovered within the prescribed deadlines in the event of any incident, except in the case of a major disaster.

In order to cope with such disasters, a daily back-up is made and, once a week, a complete back-up is sent to a location outside the premises.

Lastly, the system is protected against external penetration by state-of-the-art IT security technology.

5. Insurance and risk management

General risk management policy

Solucom is engaged purely in the provision of intellectual services, consulting and technical expertise services for large accounts. Solucom's insurance policy is adapted to this type of business as follows:

- Business interruption from an extremely limited risk.
- A high volume of travel by consultants in the course of their duties.
- Risk of Solucom's liability arising from the performance of its services.

Solucom has taken out the following insurance cover:

- Insurance of the premises and equipment.
- Transport and staff insurance.
- Civil and professional liability

There is no major risk that is not covered by external or internal insurance.

Business interruption risk

In view of the nature of Solucom's service offering, the risk of business interruption due to an incident or claim, except in exceptional circumstances affecting the entire business, is limited.

Public liability

Since the Group's services are based on consulting and advisory services, the risk of liability is significantly reduced compared to a business principally focused on engineering or integration.

The Group nevertheless has taken out business civil liability insurance offering the following coverage:

Operating civil liability

- Material damage: €7.6m per claim,
- Consecutive or direct material / intangible damage €2.0m per claim

Business civil liability

- Consecutive or direct material / intangible damage €2.0m per claim and per year.
- There is a deductible of €75,000 in conjunction with the business civil liability policy.

Risk of breach of intellectual property rights

Not applicable due to Solucom's service business.

Premiums and coverage

Premiums by category of risk paid by Solucom Group during 2007/08 are as follows.

Insurance category	(€000)
Public liability	81
Multi-risk insurance, premises and equipment	32
Transport insurance	37

The value of the cover provided by insurance policies signed by Solucom Group is as follows:

Operating and business professional liability

Refer to paragraph 'Public liability risk'.

Premises and equipment multi-risks

Contents of the premises / IT equipment: €2.3 million.

6. Other risks

Client bad debt risk

Since virtually all Solucom's clients are major corporate accounts, in practice there is little risk of default or client bad debts. On the other hand, although eventual payment is secure, terms of payment of some clients can be relatively long. The average payment term stands at around 90 days.

However, there is a risk of default or client bad debts when the client is a small or medium-sized business or a foreign company outside the European Union, which only accounts for a small proportion of Group revenues. In such cases it is the responsibility of the management of the

company concerned to take all steps necessary to provide reasonable assurance of payment for services rendered.

Risks relating to the Group's business

The only impact of seasonality arises from the concentration of holiday taken during certain months of the year, specifically July, August and May. The months when holiday is concentrated therefore come in the first half of the Company's financial year (April - September).

This phenomenon does not represent a risk since it is relatively predictable and the impact is similar from one year to the next.

Risk on fixed price projects

Fixed-price projects represent some 30% to 40% of Group revenues (35% in 2007/08).

Since the Group's activities are largely consulting based, risks are limited given that there is no feasibility risk traditionally arising from engineering or integration activities.

Solucom follows a strict project management approach backed by the Group's management systems.

Each fixed-price project is divided into separate lots. There is always a project manager for every lot. The project manager is responsible for managing the services performed and supervising the people working on the lot.

Every month, he analyses expenses booked by each person to the lot and prepares an updated forecast of the outstanding work that results in a stage of completion, revenues recorded for the month and any days of expenses overrun budgeted on the lot.

This analysis, which is automatically reported to management on the first few days of the month, identifies any variances as soon as possible in order to trigger the necessary corrective action.

Over the last few years, the average level of overruns has never exceeded 2% of the total number of days of the productive staff's on-site presence excluding holidays (0.0% in 2007/08).

Risk of sub-contracting

Solucom only rarely provides services as a sub-contractor. The vast majority of Group projects are conducted directly for Solucom's large account clients; this locks in clients for the future.

It should also be noted that Solucom does not employ external staff on a sub-contracting basis.

From time to time, Solucom teams up with external firms which offer supplementary services to its own, in order to provide a more complete solution for its clients. Whenever Solucom is the lead contractor vis-à-vis the end client, a sub-contracting contract is always signed with the partner firm. This contract specifies the sub-contractor's commitments and invoicing terms and conditions based on those agreed with the end client.

Risk from competition

Based on its market positioning (high value-added services, leading-edge technology) Solucom has developed real barriers to entry:

- Acquiring skills simultaneously in Consulting and Technical Expertise is extremely difficult, particularly in relation to the time required to organise operational staff (balance in terms of experience and technical expertise).

- Implementation of systems to capture know-how adapted to the business requires considerable investment and is a long-term undertaking (5 years of work within Solucom).
- In this business, it takes a long time to establish credibility with major clients, which is particularly the case with Solucom's clients who are staffed by highly specialised technical personnel.
- In order to establish a good reputation with the leading universities where most of Solucom's staff were educated, firms must build close links with these institutions (including teaching within these universities).

Human resources risk

Solucom's success is a direct result of its ability to recruit and retain high potential employees.

Solucom's approach to recruitment is based on hiring young engineers from the top colleges in the Group's business. In the coming years recruitment will certainly be a key challenge for Solucom, given the shortage of engineers in the field of new technologies. In order to master this key success factor, Solucom has significantly stepped up its recruitment efforts over the last three years.

Apart from recruitment, controlling staff turnover also represents a challenge while the rate of resignation has been increasing among all services activities. For the last two years staff turnover has been increasing and in 2007/08 amounted to 13% up from 11% in 2006/07.

Controlling staff turnover is the joint responsibility of the Company's management and human resource managers at each company.

Risks from acquisitions

The Group's selective M&A strategy may result in the takeover of new companies. For each acquisition, Solucom systematically verifies that the management policy of the target company follows the Group operational strategy. This pre-transaction review results in optimising the subsequent operational integration process.

However, Solucom cannot guarantee that operational integration will always be optimised in the future.

Monitoring goodwill

No loss of value has been identified in respect of Vistali, KLC, New'Arch, Dreamsoft or Idesys, either in terms of the strategic interest of each company in relation to the Group's business (i.e. client portfolio and expertise), or in terms of future outlook.

Impairment tests are also carried out on goodwill in accordance with IFRS accounting policies. These impairment tests did not lead to any impairment charges on goodwill in the financial statements for the year ended 31 March 2008.

Dependence on software or third part product licences

Solucom and companies within the Group have no material activity in research and development and no material dependence on patents or licences.

Information on trends

Please refer to the "Report of the Management Board" for details of the Company's recent developments and future outlook.

3

Consolidated Financial Statements 31.03.08

Company financial statements at 31.03.08

Auditors' fees

Consolidated Financial Statement 31.03.08

Consolidated Income Statement

€000

	Note	31/03/2008 IFRS	31/03/2007 IFRS
REVENUES	16	72,970	52,847
Other operating income			
Purchases consumed	17	2,050	1,506
Personnel costs (including profit share)	18 & 19	49,591	35,719
External costs		9,706	6,397
Taxes other than corporation tax		1,814	1,458
Net depreciation and provision charges		605	937
Other income and expenses on ordinary activities		-253	-30
OPERATING PROFIT ON ORDINARY ACTIVITIES		9,455	6,860
Other income and expenses from operations		-231	17
OPERATING PROFIT		9,223	6,878
Financial income	20	124	140
Gross borrowing costs	20	49	20
NET BORROWING COSTS	20	-75	-120
Other financial income and expenses	20	-65	-6
PROFIT BEFORE TAX		9,233	6,991
Corporation tax	21	3,066	2,359
NET PROFIT FOR THE YEAR		6,168	4,632
Minority interests			
Net Profit (GROUP SHARE)		6,168	4,632
Basic earnings (Group share) per share (€) (1) (3)	22	1.28	0.96
Diluted earnings (Group share) per share (€) (2) (3)	22	1.26	0.95

(1) Weighted average number of shares during the year excluding treasury shares

(2) Number of shares used for calculation of diluted earnings plus BSPCE (French share warrants on company start-ups) and unexercised stock options

(3) In accordance with IAS 33, earnings per share for the years ended 31 March 2008 and 31 March 2007 are based on the number of shares as at 31 March 2008.

Consolidated Balance Sheet

€000

	Notes	31/03/2008 IFRS	31/03/2007 IFRS
		21,123	16,042
Non-current assets			
Goodwill	1	16,997	12,988
Intangible fixed assets	2	162	160
Tangible fixed assets	3 & 4	2,378	1,900
Long-term investments	5	454	266
Other non-current assets	7	1,132	729
		43,439	26,936
Current assets			
Trade receivables	8	23,922	17,664
Other receivables	8	3,347	2,196
Cash and cash equivalents	8 & 9 & 14	16,170	7,076
TOTAL ASSETS		64,562	42,979
Shareholders' equity (Group share)		25,797	20,242
Share capital	10	495	466
Issue, merger and contribution premiums	10	11,187	10,928
Reserves and consolidated retained earnings		14,115	8,848
Minority interests		0	0
Total Shareholders' Equity		25,797	20,242
Non-Current Liabilities		9,659	1,576
Long-term provisions	11 & 12	524	550
Borrowings (due in more than 1 year)	12 & 13 & 14	8,339	140
Other non-current liabilities	12	796	886
CURRENT LIABILITIES		29,106	21,159
Short-term provisions	11 & 15	241	262
Borrowings (due in less than 1 year)	13	2,390	281
Trade payables	15	3,726	2,430
Tax and social security liabilities	15	19,397	15,368
Other current liabilities	15	3,352	2,819
TOTAL LIABILITIES		64,562	42,979

Consolidated Cash Flow Statement

€000

	Note	31/03/2008 IFRS	31/03/2007 IFRS
Total consolidated net profit		6,168	4,632
<i>Elimination of non-cash items:</i>			
Depreciation and provision charges		948	767
Expense / (income) from stock options and similar items		10	61
Post-tax capital losses / (gains) on sales of assets		-184	-72
Other non-cash income and expenditure			
Free cash flow after borrowing costs and tax		6,942	5,389
Exchange differences on free cash flow			
Change in working capital		-1,562	848
Net cash flow from operating activities		5,380	6,237
Purchase of intangible and tangible fixed assets		-1,054	-1,172
Sale of fixed assets		10	18
Change in long-term investments		-726	-34
Change in consolidation scope		-4,371	-4,734
Other cash flow from investing activities			
Net cash flow from investing activities		-6,142	-5,922
Capital increase - Proceeds from exercise of stock options		264	276
Purchase and sale of treasury shares			
Dividends paid to shareholders of the parent company		-674	-475
Dividends paid to minority shareholders of subsidiaries			-100
Other cash flows from financing activities		10,302	-357
Net cash flows from financing activities		9,892	-657
Net change in cash and cash equivalents	14	9,130	-341

Unused lines of credit amounted to €2,783,000.

Tax paid amounted to €3,338,000 in 2008 and €2,454,000 in 2007.

Interest paid amounted to €37,000 in 2008 and €72,000 in 2007. 'Other cash flows from financing activities' include two new loans contracted at the end of March 2008 totalling €10,000,000 (note 13).

Changes in Shareholders' Equity

€000

	Share capital	Share premium	Consolidated reserves	Net profit for the year	Currency differences	Total shareholders' equity
Consolidated shareholders' equity at 31/03/2006	459	10,660	1,426	3,204		15,749
Earnings appropriation			3,204	-3,204		-
Change in parent company share capital	7	269				276
Parent company dividends			- 475			- 475
Consolidated net profit for the year				4,632		4,632
Stock options						
Treasury shares			-9			-9
Change in currency differences						
Actuarial differences per IAS 19			70			70
Consolidated shareholders' equity at 31/03/2007	466	10,929	4,216	4,632	-	20,242
Earnings appropriation			4,632	-4,632		-
Change in parent company share capital	29	258	-23			264
Parent company dividends			-674			-674
Consolidated net profit for the year				6,168		6,168
Stock options						-
Treasury shares			-610			-610
Change in currency differences						
Adjustment to PAGA provision			419			419
Actuarial differences per IAS 19			-13			-13
Consolidated shareholders' equity at 31/03/2008	495	11,187	7,947	6,168		25,797

The interim dividend paid during the year amounted to €0.14 per share, amounting to a total of €674,000.

The final recommended dividend is €0.19 per share, amounting to a total of €924,000.

There are no items within shareholders' equity that could generate a tax liability.

Total accumulated deferred tax assets in shareholders' equity amounted to €42,000 and arise from actuarial differences in accordance with IAS 19.

Notes to the Consolidated Financial Statements

Solucom is a *société anonyme* (public limited company) under French law subject to regulations governing commercial companies in France, and in particular the provisions of the French Commercial Code. The Company's registered office is at 100/101 terrasse Boieldieu - 92042 Paris La Défense Cedex. The Company is listed on Euronext Paris, compartment C

The consolidated financial statements were approved by the Management Board on 26 May 2008. They will not become final until approval at the Shareholders' General Meeting to be held on 26 September 2008.

1. Key events for the year

On 2 April 2007, Solucom acquired the entire share capital of Vistali, which is therefore consolidated for the first time over the full year ended 31 March 2008. The terms of this acquisition and its impact on the consolidated financial statements are stated below under a specific note (see note III.2).

2. Accounting policies and methods

All amounts given in the notes are stated in thousand euros.

2.1 Consolidation policies

As from 1 April 2005, the consolidated financial statements of Solucom have been established under IFRS international accounting standards as adopted in the European Union and European regulation 1606/2002 of 19 July 2002. These standards consist of IFRS, IAS and their interpretations, which were adopted by the European Union as of 31 March 2008.

The accounting policies applied for these financial statements are identical to those applied by the group for its consolidated financial statements for the year ended 31 March 2007, with the exception of application of IFRIC 11 and IFRS 7.

In particular, the Group has applied all IFRS and IFRIC interpretations as adopted by the European Union for financial periods beginning with effect from 1 January 2007 (available on the European Commission website http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission); this did not cause a material change in the accounting or presentation policies.

Pursuant to IFRIC 11 – “Group and Treasury Share Transactions” applicable to periods beginning with effect from 1 March 2007 and adopted by the European Union on 2 June 2007, the Group has posted the full amount of the provision for bonus shares to shareholders’ equity.

With effect from 1 January 2007, the Group has applied IFRS 7 and the IAS 1 amendment to IFRS 7. Given that these standards do not change the Group’s accounting policies for financial instruments, their application has no impact on the Group’s financial statements. Disclosures per category of financial instruments and those required on risk management and share capital are given in the notes on financial instruments and share capital attached hereto.

IFRIC 7 “Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies”

The Group has not applied this interpretation for the year ended 31 March 2008.

IFRIC 8 “Scope of IFRS 2 - Share-based payments”

This interpretation of IFRS 2 must be applied for all periods beginning with effect from 1 May 2006. This interpretation was adopted by the European Union on 8 September 2006. However, the Group has not applied this interpretation for the year ended 31 March 2008.

IFRIC 9 “Review of embedded derivatives”

This interpretation of IAS 39 - "Financial Instruments: accounting and valuation" was made mandatory for periods beginning with effect from 1 June 2006. This interpretation was adopted by the European Union on 8 September 2006. However, the Group has not applied this interpretation for the year ended 31 March 2008.

IFRIC 10 "Interim financial information and impairment"

This interpretation outlaws any write-back of an impairment provision on goodwill, an equity instrument or a long-term investment in the year-end financial statements that had been expensed in a prior interim reporting period. However, the Group has not applied this interpretation for the year ended 31 March 2008.

Those standards and interpretations adopted by the IASB and the IFRIC but not yet approved by the European Union have not been applied.

In accordance with the option offered, standards that Solucom has not applied because they are not yet obligatory are as follows:

Revision of IFRS 3 "Business Combinations"

This revised standard must be applied for all periods beginning with effect from 1 July 2009. It makes changes to accounting policies for business combinations and to the consolidation scope for subsidiaries following a transfer of control. This interpretation has not yet been adopted by the European Union.

IFRS 8 "Operating Segments"

This standard will not become mandatory until 1 January 2009 but early application is permissible. This interpretation was adopted by the European Union on 22 November 2007.

Amendment to IAS 23 "Borrowing Costs"

The amendment to this standard must be applied for all periods beginning with effect from 1 January 2009 but early application is permissible. This interpretation has not yet been adopted by the European Union. However, application thereof will have no impact on the Group financial statements.

Amendment to IAS 1 "Presentation of the financial statements"

This amendment, which applies as from 1 January 2009, seeks to harmonise disclosures in the consolidated financial statements. This interpretation has not yet been adopted by the European Union.

Interpretation IFRIC 12 "Service Concession Arrangements"

This standard will not become mandatory until 1 January 2008 but early application is permissible. This interpretation has not yet been adopted by the European Union. However, application thereof will have no impact on the Group financial statements.

IFRIC 13 "Customer Loyalty Programmes"

This standard will not become mandatory until 1 July 2008 but early application is permissible. This interpretation has not yet been adopted by the European Union. However, application thereof will have no impact on the Group financial statements.

IFRIC 14 "The Limit on a Defined Benefit Asset Minimum Funding Requirements"

This standard will become mandatory for periods beginning with effect from 1 January 2008 but early application is permissible. This interpretation has not yet been adopted by the European Union. However, application thereof will have no impact on the Group financial statements.

Revision IAS 27 "Consolidated and Separate Financial Statements"

This standard will become mandatory for periods beginning with effect from 1 July 2009 but early application is permissible. This interpretation has not yet been adopted by the European Union.

Amendments IFRS 2 "Vesting Conditions and Cancellations"

This standard will become mandatory for periods beginning with effect from 1 January 2009 but early application is permissible. This interpretation has not yet been adopted by the European Union.

Amendments IAS 32 "Puttable Instruments and Obligations Arising on Liquidation"

This standard will become mandatory for periods beginning with effect from 1 January 2009 but early application is permissible. This interpretation has not yet been adopted by the European Union.

BSPCE (French share warrants on company start-ups) and stock option schemes granted after 7 November 2002 have not been adjusted given that the rights were vested as of 1 April 2004. Since this date, no new BSPCE or stock option plan has been launched.

2.2 Consolidation principles

Solucom is the Group's parent company for purposes of the consolidated financial statements.

The financial statements of companies under the exclusive control of Solucom are consolidated under the full consolidation method.

Solucom does not exercise any significant influence or joint control over any company. Solucom does not directly or indirectly control any special purpose entity.

The financial statements of consolidated companies are adjusted where necessary in order to ensure standard accounting and valuation policies.

The financial statements of consolidated companies are all established as at 31 March 2008.

Note that the Group consolidated financial statements for the year ended 31 March 2007 included New'Arch with effect from 1 August 2006 for an 8 month period in respect of the income statement, and KLC with effect from 1 November 2006 for a 5 month period in respect of the income statement.

2.3 Foreign currency conversion

As no company with foreign currency financial statements has been consolidated since the end of the year to 31 March 2005, this principle is no longer applicable.

2.4 Goodwill

The internal organisation of the Group shows that each company included in the consolidation corresponds to a Cash flow Generating Unit (CGU).

Every year end or sooner in the event of indications of loss in value, an impairment test is carried out on each of the equity investments that include goodwill. These tests are based on the discounted cash flow method. Cash flows are determined on the basis of forecasts established over a period of 5 years. Infinite growth of 3% is assumed after the sixth year, this rate appearing reasonable in the light of past performance in the IT services sector. Cash flows arising from these forecasts are then discounted at 10-year risk-free rates plus a market risk premium, the observed beta coefficient for comparable quoted companies including Solucom and finally a specific risk premium for the subsidiary being tested.

In addition, an analysis of the sensitivity of the value to changes in the key assumptions used (in particular rates of growth of future cash flows and discount rates) provides a check on the impact of reasonably foreseeable changes in these assumptions.

As at 31 March 2008, there was no indication of loss in value on any of the Group's investments including goodwill.

2.5 Use of estimates

Preparing financial statements under IFRS requires the use of estimates and assumptions underlying the valuation of certain accounts in the financial statements, in particular under the following chapters:

- Estimated useful life for fixed asset depreciation
- Valuation of provisions and pension liabilities
- Valuations used for impairment tests
- Valuation of financial instruments at fair value
- Estimate of accrued income and expenses

The Group regularly revises its assessments in the light of historic data and the financial and economic context in which it is operating. Consequently, this could impact the data disclosed in the Group's future financial statements.

2.6 Intangible and tangible fixed assets

All fixed assets belong to Solucom Group, with the exception of assets financed through leasing.

Software and tangible fixed assets are stated at cost less accumulated amortisation, depreciation and impairment. Interest costs are not capitalised and are booked as expenses for the year accordingly.

Every identified component of a fixed asset is accounted for and depreciated separately.

Depreciation and amortisation are applied on a straight line basis with no deduction for residual value, based on the estimated useful lives of the assets, which are reviewed in respect of material assets. The initial estimated useful life is prolonged or shortened if conditions of use change.

Material tangible fixed assets that are held under a leasing contract are capitalised and depreciated according to the asset's estimated useful life.

Depreciation periods generally employed are as follows:

- Software: 3 years
- Fixtures and fittings: 6 or 9 years
- Cars: 4 years
- IT equipment: 3 years
- Office furniture: 9 years

2.7 Impairment and recoverable value of non-current assets

Intangible and tangible fixed assets are subject to impairment tests under certain circumstances.

Fixed assets with an indefinite useful life (e.g. goodwill - see note II.4,) are tested at least once a year, and each time there is an indication of loss in value.

For other fixed assets, tests are carried out only when there is an indication of loss in value. The Group writes down the value of intangible and tangible fixed assets (including goodwill) of a cash flow generating unit whenever the net book value of assets exceeds the recoverable value.

Each company within the consolidation constitutes a cash flow generating unit, being the smallest entities having independent and definable cash flows.

2.8 Leasing contracts

When the Group finances the acquisition of a material tangible fixed asset through leasing, its value is recorded under fixed assets and depreciated in the manner and for the terms described above. The corresponding debt is entered under liabilities.

2.9 Deposits and sureties

Deposits and sureties falling due in over 1 year that do not carry interest are discounted to present value in accordance with IAS 39 "Financial instruments".

The effect of the discounting at the outset together with the progressive write-back each year is posted to financial items.

The discounting rate is 4.044% per year.

2.10 Non-current investments

Non-current investments comprise loans and receivables due in more than 1 year valued at cost less impairment. Purchases and sales of investments are accounted for at the date of settlement.

2.11 Receivables

Receivables are valued at face value. A bad debt provision is set aside if the realisable value is lower than book value.

2.12 Cash and cash equivalents

Cash and cash equivalents stated in the balance sheet comprise cash, demand deposits and cash equivalents.

Cash equivalents consist of marketable securities meeting the criteria specified under IAS 7: short-term investments that are easily converted into a known amount of cash and are exposed to negligible risk of loss.

They are initially recorded at cost, and subsequently restated at fair value corresponding to market price at the balance sheet date (in the case of listed investments). Changes in fair value are taken to financial items within net borrowing costs. Net capital gains or losses on sale are also recorded under financial items within net borrowing costs.

2.13 Treasury shares

Solucom holds treasury shares as part of its share buy-back programme that was authorised at the shareholders general meeting.

The accounting policy for treasury shares under IAS 32-39 specifies that all treasury shares must be deducted from consolidated shareholders' equity, regardless of the reason for buying or holding them and their accounting treatment in the individual companies concerned. Furthermore, any gains on sale of treasury shares and any impairment provisions on them must also be posted to shareholders' equity.

2.14 Employee benefits

Pursuant to IAS 19 "Employee benefits", liabilities and expenses arising from defined benefit schemes are valued by independent actuaries based on the projected unit of credit method. The Group only has a liability in respect of one-off compensation paid on retirement.

The assumptions underlying the calculation are as follows:

- Application of the collective agreement for research office staff
- High staff turnover
- Mortality table THTF 2000-2002
- Salary inflation: 2.00%
- Discount rate: 6.12 %
- Retirement age: 65 years
- Leavers on the initiative of the employer

The increase in the liability caused by the change in the retirement indemnity calculation tables (pursuant to amendment no. 28 dated 28 April 2004 to the collective workers agreement) was spread over the forecast average remaining period of employment as at 31 March 2008 of 4.62 years for Solucom, 5.47 years for Idesys and 4.97 years for Arcome. The charge reflected in the income statement for the year is €25,000 and the outstanding balance to be charged over future years is €56,000.

A €19,000 actuarial loss was booked in the year ended 31 March 2008 on account of demographic developments, a change in staff turnover, a change in the discounting rate and a charge for employer's contribution on one-off retirement indemnity of 50%.

Pursuant to the option available under the amendment to IAS 19 - "Employee benefits" applicable to periods beginning with effect from 1 January 2006, Solucom recorded all backdated cumulative actuarial differences within shareholders' equity as at 31 March 2008. The impact on shareholders' equity as at 31 March 2007 amounted to €70,000 after deferred tax and a reduction of -€13,000 after deferred tax as at 31 March 2008.

The recorded expense of €110,000 breaks down as follows:

- Cost of services rendered: €66,000
- Interest expense for the year: €19,000
- Cost of past services: €25,000
- Benefits paid: none

Certain other defined contribution employee benefits are provided. Contributions for such schemes are expensed when incurred.

The Group has no other long-term staff commitments or one-off retirement compensation.

2.15 Loans and borrowings

Loans and borrowings include liabilities arising from the capitalisation of finance leases, loans from financial institutions and bank overdrafts. Amounts due in less than 1 year are disclosed under current borrowings. Borrowings are stated at the outstanding principal amount owing based on the effective interest rate method.

2.16 Contingent assets and liabilities

None.

2.17 Recognition of revenues

IAS 18 "Revenue Recognition" and IAS 11 "Construction contracts" (in respect of revenue recognition for fixed price projects) are applied for all Group revenues. They do not have a material impact on the existing method for accounting for revenues.

Services charged on time spent

Revenues from services charged on time spent are booked as and when the services are rendered. The amounts booked are valued based on the contractual sales price and the billable time spent. Accrued or deferred income is recorded when there is a timing difference between the invoices issued and the stage of completion of the project.

Fixed price services

Revenues are recorded in line with the stage of completion of the projects based on costs incurred and future costs of the project. A provision for loss on completion is set aside on individual contracts when a loss is forecast. Accrued or deferred income is recorded when there is a timing difference between the invoices issued and the stage of completion of the project.

Fixed subscription revenues

These revenues are booked on an accruals basis over the period of the contract. Accrued or deferred income is recorded when there is a timing difference between the invoices issued and the time of the subscription

2.18 Deferred tax

Deferred tax is calculated for each company separately in respect of timing differences between the book value of the assets and liabilities and their tax value.

Pursuant to IAS 12, deferred tax assets are reviewed for each company separately and are only recorded to the extent that future income is estimated to be sufficient to cover the assets and if they are expected to reverse within ten years.

Adjustments arising from lease contracts give rise to deferred tax.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply in the year when the assets will be realised or the liabilities will be settled.

Deferred tax in respect of items booked directly to shareholders' equity is also posted to shareholders' equity.

2.19 Research and development costs

No development costs were capitalised or charged to the income statement during the year.

2.20 Segment reporting

Since Solucom Group only markets one type of service (IT consulting services), and all such services are subject to the same risks and generate similar operational margins, no distinct business segments have been defined. Furthermore, substantially all revenues are generated in France.

3. Scope of consolidation

3.1 Breakdown of the group

Solucom acquired the entire equity of Vistali on 2 April 2007. This was the only change in the scope of consolidation in the year.

The consolidated financial statements include the accounts of the following companies:

Company	% interest	Nationality	Number of months consolidated
Solucom	Parent company	France	12
Idesys	100%	France	12
Arcome	100%	France	12
Arcome Consulting	100%	Spain	12
Dreamsoft	100%	France	12
New'Arch	100%	France	12
KLC	100%	France	12
Vistali	100%	France	12

All the above companies were consolidated using the full consolidation method. Arcome Consulting has been dormant since 31 March 2002.

3.2 Acquisition of Vistali

On 2 April 2007 Solucom acquired the entire equity of Vistali for consideration payable in cash.

Backed by clients including in particular Air France-KLM, Gaz de France and SFR, for the period ended 30 September 2006, Vistali posted revenues of €5,400,000 and an operating margin of close to 7%. By combining staff from the Group's SOA Dreamsoft division with those of Vistali, Solucom is now the unrivalled no. 1 on the French SOA consulting market.

As stated above, since Vistali was purchased at the beginning of April 2007, its income statement is consolidated by Solucom in respect of the full financial year 2007/08.

Goodwill on acquisition amounting to €4,009,000 was posted as of the acquisition date, including a potential addition to the purchase price of €1,200,000 payable in cash, which will probably fall due for payment. The recording of this goodwill is justified by Vistali's prospects for growth and earnings.

The effect of this acquisition on Solucom's consolidated earnings for the year ended 31 March 2008 amounts to €344,000.

The effect of consolidating Vistali for the first time on Solucom's consolidated financial statements is fully detailed under notes 1 to 15. The value of Vistali's cash and cash equivalents as of the date of first consolidation was €1,209,000.

4. Notes on certain balance sheet and income statement accounts

NOTE 1 - CAPITALISED GOODWILL

(€000)	Book value at 31/03/2007	Change in consol.	Impairment for the year	Gross at 31/03/2008
Idesys	5,111			5,111
Dreamsoft	2,469			2,469
New'Arch	3,311			3,311
KLC Vistali	2,097	4,009		2,097
Total	12,988	4,009	-	16,997

NOTE 2 - INTANGIBLE FIXED ASSETS

Gross	31/03/2007	Change in consol.	Increases	Reductions	31/03/2008
Software	421	50	101	13	559
Total	421	50	101	13	559
Amortisation	31/03/2007	Change in consol.	Increases	Reductions	31/03/2008
Software	261	41	107	13	397
Total	261	41	107	13	397
Total net	160	8	-6	0	162

No intangible fixed assets are subject to restrictions to title.

NOTE 3 - TANGIBLE FIXED ASSETS

No tangible fixed assets are subject to restrictions to title with the exception of assets held under leases.

The change in the account "fixed asset payables" amounted to an increase of €163,000 in the year ended 31 March 2008 compared to a €16,000 reduction in the year ended 31 March 2007.

	31/03/2007	Change in consol.	Increases	Reductions	31/03/2008
Gross					
Other tangible fixed assets	2,073	23	120	131	2,085
Other leased fixed assets	1,000		584	11	1,573
Fixed assets in progress	103		954	645	412
Total	3,176	23	1,658	787	4,070

	31/03/2007	Change in consol.	Increases	Reductions	31/03/2008
Depreciation/ amortisation					
Other tangible fixed assets	636	8	251	112	783
Other leased fixed assets	640		275	6	909
Total	1,276	8	526	118	1,692
Total net	1,900	15	1,132	669	2,378

NOTE 4 - LEASES

Book value by asset category:

Asset category	31/03/2008	31/03/2007
IT and office equipment	664	360
Total	664	360

Impact on the income statement:

Income statement	31/03/2008	31/03/2007
Depreciation charge per income statement	275	221
Impairment charges recorded		
Financial expense	19	14
Gains in value posted to income		
Lease instalments for the year adjusted	292	231
Total	-2	-4

Lease instalments:

Lease instalments	31/03/2008	31/03/2007
Initial value of assets	1,573	1,000
Instalments paid:		
- in prior years	652	301
- during the year	292	231
Total	944	532
Outstanding instalments payable:		
- due in less than 1 year	325	207
- due in more than 1 year and less than 5 years	369	146
- due in more than 5 years		
Total instalments	694	353
<i>Of which future interest expense</i>	<i>37</i>	<i>13</i>
Residual value at the end of the contract	18	14

NOTE 5 - LONG-TERM INVESTMENTS

(€000)	31/03/2007	Change in consol.	Increases	Reductions	31/03/2008
Deposits and sureties	320	93	293	240	466
Total	320	93	293	240	466

No deposits and sureties have been written down in the past three financial years.

Maturity:

Deposits and sureties	31/03/2008	31/03/2007
Due in less than 1 year (1)	12	54
Due in more than 1 year and less than 5 years	-	-
Due in more than 5 years	454	266
Total	466	320

(1) Reclassified under "Other receivables"

Impact on the income statement:

Impact of discounting deposits	31/03/2008	31/03/2007
Initial value	621	411
Accumulated discounting brought forward	97	85
Discounting expense	69	9
Discounting income	11	3
Net book value (1)	466	320

(1) (1) The amount due in less than 1 year has been reclassified under "Other receivables"

A 1% increase in the discount rate for the deposits would result in a €28,000 charge to earnings for the year ended 31 March 2009 compared to a €30,000 increase to earnings in the event of a 1% reduction in the discount rate.

NOTE 6 - OPERATING LEASES**Maturity of lease payments as at 31 March 2008:**

(€000)	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Lease payments for the year	9,589	2,345	6,360	884
Total	9,589	2,345	6,360	884

Maturity of lease payments as at 31 March 2007:

(€000)	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Lease payments for the year	4,982	1,343	3,219	420
Total	4,982	1,343	3,219	420

For real estate leases, the maturity period stated above corresponds to the earliest possibility to cancel the various leases.

NOTE 7 - NON-CURRENT ASSETS

	31/03/2007	Change in consol.	Variation	31/03/2008
Gross				
Deferred tax assets	729	22	381	1,132
Total	729	22	381	1,132

NOTE 8 - CURRENT ASSETS

	31/03/2007	Change in consol.	Variation	31/03/2008
Gross				
Trade receivables	17,685	1,641	4,599	23,925
Sub-total "Trade receivables"	17,685	1,641	4,599	23,925
Advances and payments on account	42		89	131
Social security receivables	35		19	54
Tax receivables	1,384	39	448	1,871
Deposits and sureties	54		-42	12
Other debtors	84		93	177
Prepaid expenses	605	126	376	1 107
Sub-total "Other receivables"	2,204	165	983	3,352
Money market SICAV (mutual fund) - cash equivalent	1,578	1,091	2,410	5,079
Cash	5,498	146	5,447	11,091
Sub-total "Cash and cash equivalents"	7,076	1,237	7,857	16,170
Total	26,965	3,043	13,439	43,447

Impairment	31/03/2007	Change in consol.	Variation	31/03/2008
Trade receivables	21	8	-26	3
Sub-total "Trade receivables"	21	8	-26	3
Other debtors	8	-	-3	5
Sub-total "Other receivables"	8	-	-3	5
Total	29	8	-29	8

Net	31/03/2007	Change in consol.	Variation	31/03/2008
Sub-total "Trade receivables"	17,664	1,633	4,625	23,922
Sub-total "Other receivables"	2,196	165	986	3,347
Sub-total "Cash and cash equivalents"	7,076	1,237	7,857	16,170
Total net	26,936	3,035	13,468	43,439

The Group reviews each trade receivable separately and if necessary, records a specific bad debt provision taking account of the client's situation and any past due payments. There is no general bad debt provision in the accounts.

NOTE 9 - MARKETABLE SECURITIES

Type of marketable securities	31/03/2008		
	Cost	Gain/loss	Consolidated book value
Money market SICAV - cash equivalent	5,076	3	5,079
Total	5,076	3	5,079
Type of marketable securities	31/03/2007		
	Cost	Gain/loss	Consolidated book value
Money market SICAV - cash equivalent	1,558	20	1,578
Total	1,558	20	1,578

NOTE 10 - SHARE CAPITAL

As at 31 March 2008, the share capital of Solucom SA, the parent company, is made up of 4,950,662 fully paid-up shares, each with a nominal value of €0.10.

During the year, following the exercise of stock options, Solucom increased share capital by €29,000 comprising the issue of 61,182 new shares and the rounding of the nominal value of each share. This resulted in share premium of €258,000. The weighted average issue price of the new shares was €4.32 per share.

As at 31 March 2008, there were 33,858 outstanding stock options granted to employees of Idesys and Arcome SAS granting the right to subscribe to 33,858 new shares representing share capital of €70,000.

The weighted average term of the stock options is 9 months.

The Company held 88,962 treasury shares at 31 March 2008.

Furthermore, following approval from the extraordinary and ordinary general meeting dated 30 September 2005, Solucom's Management Board, at its meetings of 15 March 2006, 15 September 2006 and 14 September 2007, decided to issue existing or future bonus shares to senior executives of the Group. Under the relevant schemes, bonus shares will be issued following a period subject to the senior executives being present and investing personally in Solucom shares; the number of shares issued will also depend on performance criteria based on meeting a pre-defined level of consolidated Group operating profit on ordinary activities. Furthermore, following approval from the extraordinary and ordinary general meeting dated 30 September 2005, Solucom's Management Board, at its meetings of 15 March 2007 and 14 September 2007, decided to issue existing or future bonus shares to Solucom Group employees or certain staff categories, in conjunction with the employee savings plan introduced by the Group..

The cost of the employee benefits arising on each of the plans has been accrued under expenses as a specific provision and under shareholders equity for the year ended 31 March 2008.

Income and expenses posted directly to shareholders' equity were as follows:

Income and expenses	31/03/2008	31/03/2007
Net profit for the year	6,167	4,632
Actuarial gains and losses on provisions for 'IFC'	-19	105
Deferred tax posted to shareholders' equity	6	-35
Income and expenses posted to shareholders' equity	-13	70
Total income and expenses	6,154	4,702

NOTE 11 - PROVISIONS

Provisions mainly relate to one-time compensation paid on retirement calculated by an independent actuary, and industrial tribunal litigation, which is valued based on the amount claimed and the status of the legal proceedings.

(€000)	31/03/07	Change in consol.	Change in deferred tax	Increases	Reductions		31/03/08
					Paid	Written-back	
Short-term provisions							
Provisions for risks	262	20		118	58	101	241
Provisions for penalties							
Provisions for charges							
Total	262	20		118	58	101	241
Non-current liabilities							
Provisions for IFC	376	18		130			524
Provisions for risks	174					174	-
Total	550	18		130		174	524
Total	812	38		248	58	275	765

Pursuant to IFRIC 11, the €174,000 provision for bonus shares has been reclassified and taken to shareholders' equity.

Impact of provisions on earnings for the year ended 31 March 2008:

(€000)	Change in deferred tax	Increases	Reductions	
			Paid	Written-back
Operating profit on ordinary activities		-248	58	275
Operating profit				
Deferred tax				
Total		-248	58	275

NOTE 12 - NON-CURRENT LIABILITIES

	31/03/2007	Change in consol.	Variation	31/03/2008
Gross				
Long-term provisions	550	18	-44	524
Borrowings (Leases due in + 1 yr)	140		199	339
Borrowings (Loans due in + 1 yr)	-		8,000	8,000
Other liabilities	769		-85	684
Tax payables	41	2	-9	34
Deferred tax liabilities	76	3	-1	78
Total	1,576	23	8,060	9,659

NOTE 13 - BORROWINGS

(€000)	31/03/2007	Change in consol.	Variation	31/03/2008
Due in more than 1 year	140		8,199	8,339
Borrowings (Leases due in + 1 yr)	140		199	339
Loans from financial institutions (due in + 1 yr)	-		8,000	8,000
Due in less than 1 year	281	46	2,063	2,390
Loans from financial institutions	-		2,000	2,000
Miscellaneous loans and borrowings	3	17	-	20
Borrowings (Leases)	200		98	298
Current account bank overdrafts	78	29	-48	59
Accrued interest	-		13	13
Total	421	46	10,262	10,729

By interest rate category:

(€000)	At 31 March 2008		At 31 March 2007	
	Fixed rate	Variable rate	Fixed rate	Variable rate
Non-current liabilities	339	8,000	140	
Current liabilities	390	2,000	280	
Total	729	10,000	420	

Given the low level of the Group's debt and the fixed rate applied, a 1% increase in EURIBOR 6 months would result in a €96,000 reduction in earnings for the year ended 31 March 2009 compared to a €96,000 increase to earnings in the event of a 1% reduction in EURIBOR 6 months.

Maturity at 31 March 2007:

(€000)	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Non-current liabilities	8,339		8,339	
Current liabilities	2,390	2,390		
Total	10,729	2,390	8,339	

Maturity at 31 March 2007:

(€000)	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Non-current liabilities	140		140	
Current liabilities	280	280		
Total	420	280	140	

Sureties granted as security for these loans are described below under Note 24.

There was no default on any of the loans during the year.

All loans are denominated in euros and the contractual terms and conditions are as follows:

Solucom SA loan contracted with Société Générale:

- Value at the outset: €6,000
- Beginning date: 27 March 2008
- Term: 5 years
- Repayment instalments: every half year
- Interest rate: variable (EURIBOR 6 months)

Solucom SA loan contracted with BNP Paribas:

- Value at the outset: €4,000
- Beginning date: 28 March 2008
- Term: 5 years
- Repayment instalments: every half year
- Interest rate: variable (EURIBOR 6 months)
- Other: commitment to hedge the interest rate risk on 50% of the loan, over a three year period, against the impact of an increase of more than 150bp in the EURIBOR six months index as of 26 March 2008.

NOTE 14 - NET DEBT**At 31 March 2008:**

At 31/03/08	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Loans from financial institutions	10,000	2,000	8,000	
Finance lease liabilities	637	298	339	
Loans and borrowings	33	33		
Loans and borrowings	10,670	2,331	8,339	
Current account bank overdrafts	59	59		
Cash equivalents stated at cost	5,076	5,076		
Cash	11,091	11,091		
Cash net of bank overdrafts (1)	16,108	16,108	-	
Fair value adjustment on cash equivalents	3	3		
Net consolidated cash and cash equivalents	16,111	16,111	-	
Net debt	-5,441	-13,780	8,339	

- See Cash Flow Statement

At 31 March 2007:

At 31/03/07	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Loans from financial institutions				
Finance lease liabilities	340	200	140	
Loans and borrowings	2	2		
Loans and borrowings	342	202	140	
Current account bank overdrafts	78	78		
Cash equivalents stated at cost	1,559	1,559		
Cash	5,498	5,498		
Cash net of bank overdrafts (1)	6,979	6,979		
Fair value adjustment on cash equivalents	20	20		
Net consolidated cash and cash equivalents	6,999	6,999		
Net debt	-6,657	-6,797	140	

(1) See Cash Flow Statement

NOTE 15 - CURRENT LIABILITIES

All liabilities are denominated in euros.

(€000)	31/03/2007	Change in consol.	Variation	31/03/2008
Short-term provisions	262	20	-41	241
Borrowings (due in less than 1 year)	281	46	2,063	2,390
Trade payables	2,430	305	991	3,726
Advances and payments on account	186		183	369
Social security liabilities	9,178	729	1,881	11,788
Tax payables	5,252	366	1,045	6,663
Fixed asset payables	14		162	176
Tax payables (corporation tax)	938	3	5	946
Other liabilities	1,206		526	1,732
Deferred income	1,413	106	-444	1,075
Total	21,160	1,575	6,371	29,106

NOTE 16 - REVENUES

Substantially all (over 90%) of Group consolidated revenues are earned in France.

NOTE 17 - PURCHASES CONSUMED

(€000)	31/03/2008	31/03/2007
Sub-contracting costs	2,019	1,337
Other purchases consumed	31	169
Total	2,050	1,506

NOTE 18 - PERSONNEL COSTS

(€000)	31/03/2008	31/03/2007
Wages and salaries	34,245	24,725
Social security charges	15,346	10,994
Total	49,591	35,719

Average number of full-time equivalents	31/03/2008	31/03/2007
Engineers and managers	593	451
Employees	20	14
Total	613	465

In accordance with the collective workers agreement, as from financial year 2007/2008, students on a sabbatical year, unlike trainees, are included as employees.

NOTE 19 - DIRECTORS REMUNERATION

(€000 or number)	31/03/2008	31/03/2007
Remuneration for members of the management board	349	363
Remuneration for members of the supervisory board	63	61
Other remuneration	-	-
Post retirement benefits	-	-
Other long-term benefits	-	-
One-time retirement compensation	-	-
Share-based remuneration	-	-
Number of stock options held by directors	-	-

NOTE 20 – NET FINANCIAL ITEMS

(€000)	31/03/2008	31/03/2007
Net gains on sale of cash equivalents	144	135
Loan interest	-49	-20
Fair value adjustments on cash equivalents	-20	5
Net borrowing costs	-75	-120
Fair value adjustments on other long-term investments	-65	-6
NET FINANCIAL ITEMS	10	114

NOTE 21 - CORPORATION TAX

Net corporation tax charge:

(€000)	31/03/2008	31/03/2007
Current tax charge	3,340	2,476
Deferred tax	-274	-117
Total	3,066	2,359

All potential deferred tax has been recognised. No Solucom Group company has tax losses carried forward as at 31 March 2008.

At 31 March 2008, the value of deferred tax maturing in more than one year amounts to €233,000.

Sources of deferred tax:

(€000)	Consolidated balance sheet		Income statement	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
Timing differences on provisions	714	548	-153	-270
Discounting on deposits	53	31	-22	-2
Consolidation entries and other	365	150	-215	118
Total deferred tax assets	1,132	729	-390	-154
Consolidation entries and other	77	69	123	35
Fair value adjustments on marketable securities	1	7	-7	2
Total deferred tax liabilities	78	76	116	37
Deferred tax charge			-274	-117

Tax reconciliation:

The difference between the theoretical corporation tax charge and the actual net corporation tax charge is analysed as follows:

€000	31/03/2008	31/03/2007
Consolidated net profit	6,168	4,632
Tax charge (income)	3,066	2,359
Profit before tax	9,233	6,991
Statutory tax rate	33.33%	33.33%
Theoretical tax charge	3,077	2,330
Reconciliation:		
Permanent differences	176	49
Income taxed at a different rate	52	13
Tax credits	-240	-33
Actual tax charge	3,065	2,359

NOTE 22 - DILUTED EARNINGS PER SHARE

Earnings per share	31/03/2008	31/03/2007
Net profit for the year (Group share)	6,168	4,632
Return on revenues	8.5%	8.8%
Weighted average number of shares in issue (1)	4,831,883	4,831,883
Basic earnings per share, Group share	1.28	0.96
Number of shares in issue at 31 March (1)	4,861,700	4,861,700
Number of potential shares - Stock options	37,775	37,775
Total number of potential and issued shares	4,899,475	4,899,475
Diluted earnings per share, Group share	1.26	0.95

(1) Excluding treasury shares

Dilutive financial instruments are specified under Note 10 - Share capital.

In accordance with IAS 33, earnings per share for the years ended 31 March 2007 and 31 March 2008 were recalculated based on the number of shares as at 31 March 2008.

NOTE 23 - FINANCIAL INSTRUMENTS

The Company did not use financial instruments during the year and did not hold any financial instruments at the balance sheet date, with the exception of investments in risk-free money market SICAV (French unit trusts) and in treasury shares.

NOTE 24 - OFF-BALANCE SHEET COMMITMENTS

By category:

Off-balance sheet commitments	31/03/2008	31/03/2007
Pledges, mortgages and actual sureties	8,983	2,983
- of which pledged shares in subsidiaries	8,983	2,983
Endorsements and guarantees given	0	0
- of which guarantees given as security for loans	0	0
Other commitments given	9,589	4,982
- of which operating leases	9,589	4,982
Endorsements and guarantees received	2,296	1,396
- of which endorsements and bank guarantees received for liabilities	1,996	1,396

Maturity:

The pledge of shares in subsidiaries relates to shares of Dreamsoft, New'Arch and Vistali.

For the periods of commitments given for operating leases refer to Note 6 - Operating leases.

The endorsements and bank guarantees received of €2,296,000 were designed to secure:

- a €1,996,000 liability guarantee included in the purchase agreement for the shares of Dreamsoft, New'Arch and KLC
- €300,000 multi-year commitments to the Solucom Company Foundation.

NOTE 25 - RELATED PARTIES

Solucom Group companies did not conduct any material transactions with companies that could be considered "Related parties" as defined by IAS 24.9.

NOTE 26 - POST BALANCE SHEET EVENTS

A total dividend of €924,000 (€0.19 per share) will be recommended to the general meeting convened to approve Solucom's financial statements for the year ended 31 March 2008.

No stock options have been exercised as at the publication date of the financial statements and after the balance sheet date.

On 2 April 2008, Solucom acquired a 94% equity stake in Cosmosbay-Vectis, an independent IT and management consulting firm. Founded in 1988, Cosmosbay-Vectis has over 200 employees and posted 2007 revenues of €21.7 million with an operating margin of 7%. The company provides its consulting services in three business lines, which are very complementary with Solucom's expertise and activities: management consulting, IT consulting, and technology and website consulting. Cosmosbay-Vectis's clients include key accounts from the banking, industry and services sectors as well as some large public authorities.

The takeover was performed based on Solucom's past approach to acquisitions. Cosmosbay-Vectis will continue to be headed by its current management team who will lead its development within the Group.

The purchase price was paid entirely in cash. Solucom will consolidate the company as from 1 April 2008 for the full financial year 2008/09. Goodwill will be recorded in the Group consolidated financial statements for the 6 months ended 30 September 2008, including a potential addition to the purchase price up to 20% of the total price.

NOTE 27 - LIST OF CONSOLIDATED COMPANIES

Company	Registered office	SIRET no.	Legal form	Country
Solucom	Tour Franklin 100-101 Terrasse Boieldieu 92042 Paris La Défense Cedex	377550249 00041	SA	France
Idesys	Tour Franklin 100-101 Terrasse Boieldieu 92042 Paris La Défense Cedex	381150879 00058	SAS	France
Arcome SAS	Tour Franklin 100-101 Terrasse Boieldieu 92042 Paris La Défense Cedex	349429514 00038	SAS	France
Arcome Consulting	Calle Orense, n°8 28020 Madrid	B 82741984	SL	Spain
Dreamsoft	86, boulevard Voltaire 93100 Montreuil sous bois	423049162 00062	SAS	France
New'Arch	Tour Franklin 100-101 Terrasse Boieldieu 92042 Paris La Défense Cedex	48015758500021	SAS	France
KLC	Tour Franklin 100-101 Terrasse Boieldieu 92042 Paris La Défense Cedex	37866964200035	SAS	France
Vistali	VISTALI 31 place ronde Espace 21 92042 Paris La Défense Cedex	439112301 00031	SAS	France

Company financial statement at 31.03.08

Solucom SA Income Statement

€000

	31/03/08	31/03/07
Own work transferred to inventories	0	0
Write-backs to provisions, impairment and expense transfers	25	92
Other operating income	3,434	2,018
Total operating income	40,744	33,062
Purchases consumed	9,838	7,600
Personnel costs	17,762	15,543
Other operating expenses	7,227	5,576
Taxes other than corporation tax	759	773
Depreciation, impairment and provision charges	550	425
Total operating expenses	36,135	29,916
Operating profit	4,609	3,146
Financial income	3,243	1,317
Financial expense	195	50
Net financial items	3,048	1,266
Net profit on ordinary activities	7,657	4,412
Exceptional items	-1	64
Net profit before tax and employee profit share	7,656	4,476
Employee profit share	530	426
Corporation tax	1,601	1,155
Net profit for the year	5,525	2,895

Solucom SA Balance Sheet

Assets

€000

	31/03/08			31/03/07 NET
	GROSS	AMORT./ DEPRECIATION	NET	
Fixed assets	26,861	924	25,938	19,530
Intangible fixed assets	460	303	157	152
Tangible fixed assets	2,070	599	1,471	1,317
Long-term investments	24,331	21	24,310	18,061
Current assets	31,002	5	30,997	15,923
Inventories and WIP	0	0	0	0
Trade receivables	13,068	0	13,068	10,708
Other receivables and prepaid expenses	2,784	5,	2,779	2,936
Marketable securities	5,076	0	5,076	232
Cash	10,074	0	10,074	2,047
Deferred expenditure	0		0	0
Total assets	57,863	929	56,935	35,453

Liabilities and shareholders' equity

	31/03/08	31/03/07
Shareholders' equity	26,169	21,054
Share capital	495	466
Issue, merger and contribution premiums	11,187	10,929
Reserves	8,963	6,764
Retained earnings	5,525	2,895
Provisions	421	180
Liabilities	30,344	14,220
Loans and borrowings owing to financial institutions	13,948	95
Trade payables	5,018	4,741
Other liabilities, accruals and deferred income	11,378	9,384
Total liabilities and shareholders' equity	56,935	35,453

Cash Flow Statement

€000

	31/03/08	31/03/07
Net profit for the year	5,525	2,895
Elimination of non-cash and non-operating items:		
- Depreciation and provision charges	571	414
- Write-back to depreciation and provisions	-6	-35
- Capital gains net of tax	542	229
Net cash flow from operating activities	6,632	3,504
- <i>Change in financial expenses</i>	<i>13</i>	<i>-2</i>
- <i>Net change in operating items</i>	<i>-1,267</i>	<i>226</i>
- Change in inventories		
- Change in operating receivables	-2,570	-2,412
- Change in operating payables	2,127	2,625
- Prepaid expenses and deferred income	-824	14
- <i>Net change in non-operating items</i>	<i>1,169</i>	<i>-185</i>
- Change in non-operating receivables	961	-1,404
- Change in non-operating liabilities	208	1,218
Change in working capital	-84	39
Net cash flow from operating activities	6,547	3,543
Cash flow from investing activities		
Purchase of intangible fixed assets	-4	-70
Purchase of tangible fixed assets	-832	-1,085
Purchases of long-term investments	-1,422	-592
Sales of long-term investments	551	537
Net cash flow from purchases and sales of subsidiaries	-5,400	-4,545
Net cash flow from investing activities	-7,107	-5,755
Net cash flow from financing activities		
Capital increases or contributions	264	276
Dividends paid to shareholders	-674	-475
Loans received	10,000	
Loan repayments	0	-305
Net cash flows from financing activities	9,590	-504
Change in cash and equivalents	9,031	-2,716
Cash and cash equivalents brought forward	2,184	4,900
Cash and cash equivalents carried forward	11,215	2,184

Notes to the Balance Sheet and income statement

Accounting policies and principles

(Decree number 83-1020 of 29 November 1983 - Articles 7,21,24 beginning, 24-1, 24-2 and 24-3)

The financial statements cover the 12 month period from 1 April 2007 to 31 March 2008.

The financial statements for the financial year 2007/2008 have been prepared pursuant to French generally accepted accounting principles.

The notes and schedules below form an integral part of the annual financial statements, which were approved by the Management Board on 26 May 2008.

1. Highlights of the year

Acquisition of Vistali:

At the beginning of April 2007, Solucom SA purchased the entire share capital of Vistali which operates in the SOA (Service Oriented Architecture) market. The acquisition was fully paid in cash and includes a potential price addition that has been accrued in the Company accounts of Solucom SA.

2. Material post balance sheet events

Distribution of dividends:

A total dividend of €944,000 (€0.19 per share) will be recommended to the general meeting convened to approve Solucom's financial statements for the year ended 31 March 2008.

Acquisition of Cosmosbay-Vectis:

Early April 2008, Solucom acquired a 94% equity stake in Cosmosbay-Vectis, an IT and management consulting firm.

3. Accounting policies

The Company has applied generally accepted accounting principles pursuant to the principle of prudence and the following underlying assumptions:

- Going concern,
- Consistency between financial years of accounting principles,
- Accruals concept,
- And in accordance with generally accepted principles for preparation and presentation of annual financial statements.

The accounts have been prepared under the historical cost principle.

4. Tangible and intangible fixed assets

Intangible fixed assets are stated at cost including purchase price for the assets and related items excluding purchasing expenses.

Tangible fixed assets are stated at cost including purchase price for the assets and related items excluding purchasing expenses, or at production cost.

Interest on loans specifically taken out for the production of fixed assets is not included in the capitalised cost of said fixed assets.

Depreciation is based on the following estimated useful lives:

Software: 3 years

Building improvements: 9 years

IT equipment: 3 years

Office furniture: 9 years

The Company has decided to depreciate the telephone system installed in May 2006 over a period of 6 years.

Depreciation is based on the straight line method.

5. Equity investments, other long-term investments, marketable securities

The gross value reflects the purchase cost excluding related expenses. If the market value is lower than the value at cost, an impairment provision is set aside for the difference.

Equity investments:

An impairment provision is recorded in respect of any excess of cost over the value in use. Value in use is established by reference to earnings, medium term outlook and stock market prices of comparable companies and recent transactions.

Treasury shares:

Treasury shares are recorded under long-term investments and are divided into three different categories:

- €793,322.16 of the total are held in order to issue them on the stock exchange or as consideration for merger or acquisition transactions.

- €254,085.37 of the total are held in order to ensure the liquidity contract functions correctly. An impairment charge of €21,355.30 was set aside at the balance sheet date.

- The balance of €204,523.53 is held in order to issue the shares to employees and/or directors of the Company or companies of its group, in accordance with statutory conditions and procedures.

6. Receivables

Receivables are stated at face value. A bad debt provision is recorded if their realisable value is lower than their book value.

7. Bond redemption premium

None.

8. Foreign currency transactions

None.

9. Regulated provisions

None.

10. Recognition of revenue and unfinished contracts at the balance sheet date

Revenues and related earnings are accounted for based on the state of completion method.

Unfinished contracts at the balance sheet date are billed to the client under two different methods as follows:

- invoicing by batch or stage,
- invoicing based on state of completion.

An additional provision may be recorded in respect of any risk of losses on completion of the contract.

11. Change in accounting policies

There were no changes in accounting policies during the year.

12. Additional Information

The following data is provided to enable the reader to make a more informed judgement:

36,896 and 24,286 stock options were exercised by employees of Arcome and Idesys respectively at a ratio of 1 option per share.

FIXED ASSETS

€000

TABLE A		GROSS B/FWD	INCREASES		
			Reclassifications	Additions	
Intangible fixed assets					
Start-up costs, research and development expenses	Total I				
Other intangible fixed assets	Total II	359		101	
Tangible fixed assets					
Plant and machinery					
General equipment, fixtures and fittings		1,043		55	
Vehicles					
Office and IT equipment, furniture		688		50	
Tangible fixed assets in progress				797	
	Total III	1,731		902	
Long-term investments					
Other equity investments (1)		17,080		5,400	
Other long-term securities		636		1,167	
Loans and other long-term investments		346		254	
	Total IV	18,062		6,821	
Grand total (I + II + III + IV)		20,151		7,824	
TABLE B		DISPOSALS (SCRAPPED)	DISPOSALS (SALE)	GROSS C/FWD	REVALUATIONS
Intangible fixed assets					
Start-up costs, research and development expenses	Total I				
Other intangible fixed assets	Total II			460	
Tangible fixed assets					
Plant and machinery					
General equipment, fixtures and fittings				1,098	
Vehicles					
Office and IT equipment, furniture			21	717	
Tangible fixed assets in progress			542	256	
	Total III		563	2,070	
Long-term investments					
Other equity investments (1)				22,480	
Other long-term securities			551	1,252	
Loans and other long-term investments				599	
	Total IV		551	24,331	
Grand total (I + II + III + IV)			1,114	26,861	

(1) including €8,983,000 granted as security for new credits and loans

Depreciation and amortisation

€000

TABLE A		BALANCES AND CHANGES DURING THE YEAR			
DEPRECIATED FIXED ASSETS		Gross b/fwd	Charges for the year	Disposals/write-backs	Gross c/fwd
Intangible fixed assets					
Start-up costs, research and development expenses	Total I				
Other intangible fixed assets	Total II	208	96		303
Tangible fixed assets					
Plant and machinery					
General equipment, fixtures and fittings		172	129		301
Vehicles					
Office and IT equipment, furniture	Total III	242	78	21	298
Grand total (I + II + III)		621	302	21	902
TABLE B					
		DEPRECIATION AND AMORTISATION CHARGES FOR THE YEAR			
DEPRECIATED FIXED ASSETS		Straight line	Reducing balance	Impairment	
Intangible fixed assets					
Start-up costs, research & development	Total I				
Other intangible fixed assets	Total II		96		
Tangible fixed assets					
Plant and machinery					
General equipment, fixtures and fittings			129		
Vehicles					
Office and IT equipment, furniture	Total III		78		
Grand total (I + II + III)			207		302
TABLE D		BOOK VALUE B/FWD	INCREASES	AMORTISATION / IMPAIRMENT CHARGES	BOOK VALUE C/FWD
CHANGES IN DEFERRED EXPENDITURE					
Deferred expenditure					

Balance sheet impairment and provisions

€000

		BALANCE B/FWD	CHARGE FOR THE YEAR	REDUCTIONS/ WRTE-BACKS FOR THE YEAR	BALANCE C/FWD
Regulated provisions					
	Total I				
Provisions (1)					
Provisions for disputes					
Provisions for fines and penalties					
Other provisions for risks and charges (2)					
		180	247	6	421
	Total II	180	247	6	421
Impairment					
On other long-term investments					
			21		21
On trade receivables					
		10		10	
Other provisions for impairment					
		19		14	5
	Total III	29	21	24	26
Grand total (I + II + III)					
		209	269	30	447
Of which charges and write-backs:					
	- operating items		247	20	
	- financial items		21	10	
	- exceptional items				

(1) (1) €6,000 of the reduction in the provision for risks and charges was used during the year.

(2) Substantially all relates to a provision for bonus shares.

Maturity of receivables and payables

€000

TABLE A	MATURITY OF RECEIVABLES	GROSS	UP TO 1 YEAR	MORE THAN 1 YEAR
Fixed assets				
	Other long-term investments	599	4	596
Current assets				
	Trade receivables	13,068	13,068	
	Personnel receivables and related amounts	1	1	
	Social security	30	30	
	Corporation tax	33	33	
	Value added tax	864	864	
	Group and shareholders	443	443	
	Other debtors	182	182	
	Prepaid expenses	1,230	1,230	
	Total	16,451	15,855	596

TABLE B MATURITY OF PAYABLES	GROSS	UP TO 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
Loans and borrowings with financial institutions due in less than 1 year (1)	3,935	3,935		
Loans and borrowings with financial institutions due in more than 1 year (1)	10,013	2,013	8,000	
Miscellaneous loans and borrowings (1) (2)				
Trade payables	5,018	5,018		
Personnel receivables and related amounts	2,830	2,830		
Social security	1,977	1,977		
Corporation tax	451	451		
Value added tax	2,429	2,429		
Other taxation and related amounts	351	319	32	
Fixed asset payables and related amounts	179	179		
Group and shareholders (2)				
Other payables	2,544	1,927	617	
Deferred income	617	617		
Total	30,344	21,695	8,649	

(1) Of which loans taken out during the year: €10,000 secured by a charge on equity investments.

(1) Of which loans repaid during the year: 0

(2) Value of loans and liabilities owing to shareholders: 0

Accrued income

€000

(Decree 83-1020 dated 29 November 1983 - Article 23)

Accrued income included in the following balance sheet accounts	31/03/08	31/03/07
Trade receivables	6,182	3,555
Other receivables	63	62
Cash	1	0
Total	6,247	3,617

Accrued Expenses

€000

(Decree 83-1020 dated 29 November 1983 - Article 23)

Accrued expenses included in the following balance sheet accounts	31/03/08	31/03/07
Loans and borrowings owing to financial institutions	52	17
Fixed asset payables and related amounts	2,246	927
Tax and social security liabilities	4,204	3,684
Other payables	2,544	1,622
Total	9,046	6,249

Deferred income and prepaid expenses

€000

(Decree 83-1020 dated 29 November 1983 - Article 23)

DEFERRED INCOME	31/03/08	31/03/07
Operating income	617	847
Financial income		
Exceptional income		
Total	617	847
Prepaid expenses	31/03/08	31/03/07
Operating expenses	1,230	635
Financial expense		
Exceptional expense		
Total	1,230	635

Exceptional income and expense

€000

EXPENSE DESCRIPTION	AMOUNT
Loss on purchase of treasury shares	25
Other exceptional expenses	542
Solucom Foundation provision charge	300
TOTAL	867
INCOME DESCRIPTION	AMOUNT
Gain on purchase of treasury shares	35
Other exceptional income	542
Exceptional indemnity received	290
TOTAL	866

Leasing

€000

(Decree 83-1020 dated 29 November 1983 - Article 53)

BALANCE SHEET ACCOUNTS	HISTORI CAL COST	THEORETICAL DEPRECIATION		THEORETIC AL NET BOOK VALUE	LEASE PAYMENTS	
		2008/09	Cumulative		2008/09	Cumulative
Land						
Buildings						
Plant and machinery						
Other tangible fixed assets	1,206	262	571	635	279	600
Fixed assets in progress						
Total	1,206	262	571	635	279	600

	OUTSTANDING LEASE PAYMENTS				RESIDUAL PURCHASE PRICE	EXPENSE RECORDED DURING THE YEAR
	UP TO 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL		
Land Buildings Plant and machinery Other tangible fixed assets Fixed assets in progress	312	361		673	11	279

Analysis of share capital

(Decree 83-1020 dated 29 November 1983 - Article 24-12)

CATEGORIES OF SHARES	NOMINAL VALUE (€)	NUMBER OF SHARES			
		Brought forward	Issued during the year	Repurchased during the year	Carried forward
Shares brought forward	0.10	4,889,480			4,889,480
Exercise of 61,182 stock options	0.10		61,182		61,182
Shares carried forward	0.10	4,889,480	61,182		4,950,662

The Company increased its share capital by a total of €29,100 corresponding to the subscription of 61,182 new shares following the exercise of stock options for €6,000 and €23,000 for the rounding of the nominal value per share to €0.10.

At 31 March 2008, share capital amounted to €495,066.20 divided into 4,950,662 fully paid-up shares of the same class.

At 31 March 2008, there were 22,402 outstanding stock options granted to Idesys employees and 11,456 stock options granted to Arcome employees entitling the holders to subscribe for 22,402 and 11,456 new shares respectively and totalling €69,700 of shareholders' equity.

Change in treasury shares

(€000)

CATEGORIES OF TREASURY SHARES	NUMBER OF SHARES				VALUE CARRIED FORWARD
	Brought forward	Repurchased during the year	Sold during the year	Carried forward	
Capitalised treasury shares	53,433	67,294	31,765	88,962	1,231
Total	53,433	67,294	31,765	88,962	1,231

Analysis of corporation tax

€000

(Decree 83-1020 dated 29 November 1983 - Article 24-20)

	BEFORE TAX	TAX CHARGE	AFTER TAX
Net profit on ordinary activities (after profit share)	7,126	1,601	5,525
Exceptional items	-1	0	-1
Net profit for the year	7,126	1,601	5,525
The corporation tax charge is broken down as follows:			
- Current tax for the year		1,634	
- Family tax credit		(8)	
- Sponsorship tax credit:		(25)	
Total		1,601	

Financial commitments

€000

(Decree 83-1020 dated 29 November 1983 - Articles 24-9 and 24-16)

COMMITMENTS GRANTED	BALANCE
Non-real estate leasing commitments	684
Retirement bonuses (1)	154
Pledge of equity shares (2)	8,983
Total	9,821
COMMITMENTS RECEIVED	
Deposits and guarantees (guarantees in conjunction with M&A transactions)	1,995
Multi-year commitment to the Solucom Company Foundation	300
Total	2,295
RECIPROCAL COMMITMENTS	

(1) Commitments from defined benefit schemes are valued by independent actuaries based on the projected unit of credit method.

(2) Of which related companies: €8,983,000

The assumptions underlying the calculation are as follows:

- Application of the collective agreement for research office staff
- high staff turnover
- THTF 2000-2002 mortality table
- salary inflation: 2%
- discount rate: 6.12%
- retirement age: 65 years
- Leavers on the initiative of the employer

List of liabilities and commitments

(€000)

CONTRACTUAL LIABILITIES	TOTAL	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Long-term liabilities (including leasing) (1)	10,684	2,315	8,369	
Operating lease liabilities (2)	9,143	2,213	6,117	813
Other liabilities				
Other commercial commitments				
Credit lines	2,783	850	1,933	
Pledge of shares	8,983		2,983	6,000

(1) Long-term liabilities above include loans amounting to €10,000,000.

(2) The maturity stated above in respect of lease liabilities corresponds to the earliest possible cancellation date of the various leases.

Increases and reductions in future tax liabilities

(€000)

(Decree 83-1020 dated 29 November 1983 - Article 24-24)

INCREASES IN FUTURE TAX LIABILITIES	BALANCE
Regulated provisions	
Total	
REDUCTIONS IN FUTURE TAX LIABILITIES	BALANCE
Provisions not deductible in same year as accounts	
- Provisions for paid holiday	
- Employee profit share	532
- Organic tax (tax on sales)	19
- Employer's contribution to construction effort	47
Other	
- Acquisition costs on subsidiaries	301
- Provision for loss on completion	2
- Unrealised gains on marketable securities	3
Total	904
Deferred capital allowances	
Losses carried forward	
Long-term capital losses	

Breakdown of revenues

This does not apply since Solucom only markets one type of service, namely information systems consulting, and since all such services are subject to the same risks and earn similar margins, separate business sectors have not been defined.

Over 90% of the Company's revenues are generated in France.

Average number of employees

(Decree 83-1020 dated 29 November 1983 - Article 24-22)

	COMPANY EMPLOYEES	OUTSIDE CONTRACTORS
Managers	234	
Supervisors and technicians		
Employees	11	
Workers		
Total	245	

The average number of employees is calculated based on full time equivalents. In accordance with the collective workers agreement, as from financial year 2007/2008, students on a sabbatical year, unlike trainees, are included as employees.

The volume of hours available as at 31 March 2008 in respect of 'DIF' (French employee entitlement to training) is 6,995 hours.

The volume of hours consumed as at 31 March 2008 in respect of DIF is 2,170 hours.

Directors remuneration

(€000)

(€000)	HEADING	
	MANAGEMENT BOARD	SUPERVISORY BOARD
Remuneration allocated	349	63
Total	349	63

There were no retirement or pension commitments for any members of the above Boards in respect of their positions as directors.

No advance or loan was granted by any Group company to the members of the Management or Supervisory Boards.

Valuation differences on fungible items

€000

(Decree 83-1020 dated 29 November 1983 - Articles 10 and 24-10)

TYPE OF FUNGIBLE ITEM	BOOK VALUE	MARKET VALUE
	FCP (mutual fund) "Atlantique Trésorerie"	141
SG technical account	4,935	4,935
Total	5,076	5,079

An unrealised capital gain of €2,600 represents the difference between the market value and value at cost.

Changes in shareholders' equity

€000

	Share capital	Share premium	Other equity	Net profit for the year	Total shareholders equity
Balance at 31/03/07	466	10,929	6,764	2,895	21,054
Movements during the first six months					
Earnings appropriation			2,219	-2,219	
Dividends				-677	-677
Movements during the second six months					
Earnings distribution in respect of treasury shares			3		3
Capital increase by exercise of 61,182 stock options	6	258			264
Capital increase for rounding of nominal value per share	23		-23		
Consolidated reserves				5,525	5,525
Balance at 31/03/08	495	11,187	8,963	5,525	26,169

List of subsidiaries and equity investments

(€000)

Decree 83-1020 dated 29 November 1983 -Article 24-11)

A - DETAILS OF SUBSIDIARIES AND EQUITY INVESTMENTS	Share capital	Shareholders' equity other than share capital	% equity interest	Net profit for the last financial year
1 - Subsidiaries (over 50% equity interest)				
IDESYS				
Tour Franklin 100/101 terrasse Boieldieu 92042 Paris La Défense Cedex	206	1,774	100%	1,029
ARCOME				
Tour Franklin 100/101 terrasse Boieldieu 92042 Paris La Défense Cedex	160	429	100%	249
ARCOME CONSULTING				
Social Calle Orense 8 Oficinas 28020 Madrid - Spain	15	-14	100%	139
DREAMSOFT				
86 rue Voltaire 93100 Montreuil	305	1,220	100%	1,000
NEW'ARCH				
Tour Franklin 100/101 terrasse Boieldieu 92042 Paris La Défense Cedex	472	822	100%	419
KLC				
Tour Franklin 100/101 terrasse Boieldieu 92042 Paris La Défense Cedex	178	358	100%	270
VISTALI				
31 place ronde Espace 21 92042 Paris La Défense Cedex	104	1,032	100%	361

2 - Equity investments (from 10 to 50% equity interest)				
B - CUMULATIVE DATA CONCERNING OTHER SUBSIDIARIES AND EQUITY INVESTMENTS	Subsidiaries		Equity investments	
	<i>French</i>	<i>Foreign</i>	<i>French</i>	<i>Foreign</i>
Book value of shares held				
- Gross:	22 480			
- Net:	22,480			
Loans and cash advances granted (2)	4,482			
Guarantees and sureties granted				
Dividends received	3,100			
(2) Centralised cash management: these accounts are disclosed as liabilities in Solucom's financial statements.				

Information concerning related parties and equity investments

(€000)

(Decree 83-1020 dated 29 November 1983 - Articles 10 and 24-15)

	Amounts concerning:	Receivables or payables in bills of exchange
	<i>Related companies</i> <i>Companies with an equity connection</i>	
Details covering several balance sheet accounts		
Long-term investments		
Equity investments	22,480	
Impairment provision on equity investments		
Total fixed assets	22,480	
Receivables		
Trade receivables	2,677	
Other receivables	477	
Bad debt provision on other receivables		
Total receivables	3,154	
Liabilities		
Trade payables	2,457	
Other payables	310	
Total liabilities	2,767	
Income		
Income from investments	3,100	
Other financial income	42	
Total income	3,142	
Expenses		
Financial expense	134	
Total expenses	134	

Financial results and other details of the company during the past five years

(€000)

(Decree 67-236 dated 23 March 1967)

	31/03/04	31/03/05	31/03/06	31/03/07	31/03/08
Share capital at year end					
Share capital	451	455	459	466	495
Number of ordinary shares	1,182,121	1,193,970	1,203,134	4,889,480	4,950,662
Income statement details					
Net revenues	18,222	22,253	26,147	30,953	37,285
Profit bef. tax, profit share, depreciation and provisions	2,947	4,148	4,514	4,817	8,197
Corporation tax	792	1,248	1,092	1,155	1,601
Employee profit share	254	420	354	426	530
Profit after tax, profit share, depreciation and provisions	2,776	4,462	2,969	2,895	5,525
Dividends	279	401	475	677	924
Earnings per share					
Profit after tax and profit share, before depreciation and provisions	1.61	2.08	2.55	0.66	1.23
Profit after tax, profit share, depreciation and provisions	2.35	3.74	2.47	0.59	1.12
Dividends	0.24	0.34	0.40	0.14	0.19
Personnel					
Average number of employees	146	166	194	199	245
Total wages and salaries	8,104	9,179	10,252	10,590	12,101
Social security and other staff benefits	3,533	4,103	4,661	4,953	5,661

Treasury shares held under the share buy-back programme do not attract dividends; the difference between the amount allocated for dividend distribution as stated above and the amount actually paid is posted to retained earnings.

General auditors' report year ended 31/03/08

To the shareholders,

In accordance with the assignment entrusted to us by the General Meeting, we submit to you our report for the year ended 31/03/07 concerning:

- Our audit of the attached financial statements of Solucom,
- Justification of our opinion,
- Specific audit testing and information required by French law.

The Management Board is responsible for the preparation of the financial statements. It is our responsibility to express an opinion on these financial statements, based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with auditing standards applicable in France. These standards require that we perform such tests and procedures so as to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made in preparing the financial statements, and an evaluation of the overall adequacy of the presentation of these statements. We believe that our audit provides a reasonable basis for the opinion expressed below.

We certify that the annual financial statements are, regarding the French accounting rules and standards, honest and sincere and give a true image of the outcome of the transactions carried out during the period elapsed, as well as of the company's financial situation and assets at the end of the period.

3. Justifications for our assessments

As per article L. 823-9 of the Commercial Code regarding the justification of our assessments, we inform you of the following:

Impairments of equity interests are appraised in accordance with the method described in the note on accounting rules and standards contained in the appendix to the annual financial statements. Securities are assessed on the basis of various criteria described in that note. We reviewed the methods for implementing that impairment test and the assumptions used and we verified that the note to the appendix provides appropriate information.

The assessments thus given are part of our audit of the annual financial statements, as a whole, and have therefore contributed to the construction of our opinion expressed in the first part of this report.

3. Specific audit procedures and information

We have also performed specific audit procedures required by law in accordance with auditing standards applicable in France.

We have no comments to make on:

- the fair presentation and conformity with the annual financial statements of the information given on the management of the Group and the documents provided to shareholders regarding the financial situation and the annual statements.

- the fairness of the information provided in the management report in respect of directors' remuneration and benefits, as well as all commitments made to them upon taking up, giving up or changing their positions or prior thereto.

Pursuant to legal requirements, we confirm that the various information relating to capital holdings and control and the identity of Company shareholders has been communicated to you within the Management Report.

Paris, 12/06/08

General Auditors

Constantin Associés
Laurent Levesque
26 rue de Marignan, 75008 Paris

SLG Expertise
Marion Bolze
60 rue Pierre Charon, 75008 Paris

Special Auditors' report on regulated agreements year ended 31/03/08

To the shareholders:

In our capacity as statutory auditors of Solucom, we submit to you our report concerning regulated agreements.

Pursuant to Articles L.225-88 of the French Commercial Code, we have been notified of agreements, which have been approved in advance by the Supervisory Board.

It is not our responsibility to search for the existence of any agreements of which we may not have been informed, but rather to communicate to you, based on information given to us, the principal terms and conditions of agreements of which we were notified; we do not comment on their commercial value or appropriateness.

It is your responsibility, in accordance with Article R. 225-58 of the French Commercial Code, to evaluate the commercial reason for signing these agreements, in order to approve them.

We have carried out our work in accordance with professional standards applicable in France; these standards require that we plan and perform our examination so as to verify that the information provided to us is consistent with the underlying records from which they are taken.

Commitments and agreements authorised during the period

A / Waiver of a Solucom claim on Arcome Consulting

Agreement authorised by your Supervisory Board of 26/11/07.

Manager concerned: Pascal Imbert. The companies Solucom and Arcome Consulting Solucom waived a claim on Arcome Consulting for an amount of €138,566 covering the balance of the current account advance dated 26/03/08 and the accrued interest. This waiver marks the termination of the current account agreement entered into on 19/12/2003.

Commitments and agreements approved during previous periods whose execution continued during the period

Besides, as per the Commercial Code, we have been informed that the execution of the following agreements and commitments, approved during previous periods, continued during the last period.

A / Service performance agreement dated 19/06/06 with the companies Arcome SAS, Idesys, Dreamsoft and acceptance of this agreement by KLC and New'Arch as at 01/04/2007

Along with Arcome SAS, Idesys, Dreamsoft and since 01/04/07 with the companies KLC and New'Arch, Solucom has entered into an assistance agreement for the performance of studies and services for strategic, marketing, and technological monitoring purposes, for the Group's requirements, whose induced costs are borne by Solucom, based on the number of man-days and the average daily production cost.

Invoicing is at quarter expiry date, based on the progression of the project. Since 01/04/07, this agreement has been renewable automatically. This agreement was not applicable during the period.

B / "Activesys 6" agreement of 30/06/03 with the companies Arcome SAS, Idesys, Dreamsoft and acceptance of this agreement by KLC and New'Arch as at 01/04/2007

Under an agreement dated 30/06/2003, it has been agreed that the cost of maintenance work on the Activesys software programme would be shared between Solucom, Arcome SAS, Idesys, Dreamsoft and, since 01/04/07, KLC and New'Arch proportionally to the number of users of the programme within each company. This agreement is renewable automatically.

For the period, Idesys invoiced Solucom €66,400 exclusive of tax.

C / Services contract with Mr. Jacques Pansard, member of the Supervisory Board

Solucom signed a services contract with Mr. Jacques Pansard for training in conjunction with SOLUCOM's institute for a period running from 20/06/05 to 31/03/06. The chargeable rate for Mr. Jacques Pansard's work under this contract was fixed at €1,300 net of tax per day. This agreement

replaces the one dated 21/06/04. Since 01/04/06 this agreement has been annual, automatically renewable for one-year periods.

Under this agreement, Mr. Jacques Pansard invoiced Solucom €44,575 net of tax for the year ended 31/03/08.

D/ Employment contract of Mr Michel DANCOISNE, Chairman of the Supervisory Board

On 01/10/02, Solucom signed an employment contract with Mr. Michel Dancoisne for an unlimited term, to cover his duties as "expert in terms of financial policy, development and acquisitions" for 10 hours per week.

In consideration for these services, Mr. Michel Dancoisne receives remuneration of €1,900 per month over 13 months with repayment of expenses on submission of related vouchers.

During the year, Mr. Michel Dancoisne received remuneration of €24,700.

E/ Agreement for current account advance with Arcome Consulting

Arcome Consulting benefits from a current account advance of a maximum amount that can be used on one or more occasions of €150,000.

Under the terms of an amendment dated 19/12/03, it was decided to waive all charges in respect of this current account advance with effect from 01/10/03. [CET AMENDEMENT EST CADUX SUITE A L'ABANDON DE CREANCE DE SOLUCOM EN FAVEUR D'ARCOME CONSULTING LE 26/03/08]

At 26/03/08, the balance of this advance amounted to €138,566

Paris, 12/06/08

The Statutory Auditors

Laurent LEVESQUE
CONSTANTIN ASSOCIES
26, rue de Marignan
75008 – PARIS

Marion BOLZE
SLG EXPERTISE
60, rue Pierre Charron
75008 - PARIS

Fees of the statutory auditors and their network incurred by the Group

	SLG Expertise				Constantin Associés			
	Amount		%		Amount		%	
	07/08	06/07	07/08	06/07	07/08	06/07	07/08	06/07
Audit								
Certification, audit of individual company and consolidated financial statements								
Issuer								
Fully consolidated subsidiaries	41,231	51,315	56%	77%	41,611	44,145	42%	58%
Other assignments and services directly related to the statutory audit engagement								
Issuer								
Fully consolidated subsidiaries	31,855	15,700	44%	23%	35,330	6,500	35%	8%
Other assignments and services directly related to the statutory audit engagement								
Issuer					23,000	26,100	23%	34%
Fully consolidated subsidiaries								
Sub-total	73,086	67,015	100%	100%	99,941	76,745	100%	100%
Other services rendered by members of the auditors' networks to fully consolidated subsidiaries								
Legal, tax, HR								
Other								
Sub-total	0	0	0	0	0	0	0	0
TOTAL	73,086	67,015	100%	100%	99,941	76,745	100%	100%

4

Report of the Chairman of the Supervisory Board regarding terms and conditions for the preparation and organisation of the Board's duties and regarding internal control

Executive bodies

Directors' remuneration and interests

Employees earnings-based bonuses

Report of the chairman of the supervisory board regarding terms and conditions for the preparation and organisation of the board's duties and regarding internal controls

Ladies and Gentlemen,

In accordance with the provisions of Article L 225-68 of the French Commercial Code, as Chairman of the Supervisory Board, I am honoured to present to you a report on the terms and conditions for the preparation and organisation of the Board's operations and on internal control procedures adopted by the Company.

1. Conditions for preparation and organisation of the Supervisory Board's duties

1.1 General organisation and formation of management and supervisory bodies

I would first like to remind you that the Extraordinary and Ordinary General Meeting held on 30 September 2002 passed a resolution to adopt the corporate governance status of a company "with Management and Supervisory Boards".

The Board of Directors, which proposed this amendment to the General Meeting, considered that the most appropriate structure for the Company, based on previous experience, is to separate the functions of general management and control, by establishing a Management Board and a Supervisory Board.

This functional separation of management and control, together with the appointment of independent members to the Supervisory Board, also reflects best Corporate Governance practices.

Members of the Supervisory Board

The Supervisory Board comprises the following members:

- Michel Dancoisne: Chairman,
- Jean-Claude Malraison: Vice Chairman,
- Hervé Nora: Member,
- Jacques Pansard: Member.

In its meeting of 2 June 2008, the Supervisory Board reviewed the independence of each of its members in relation to the list of criteria recommended by the "Bouton" report (this list of criteria is designed to ensure that the Board members' relations with the company, its group or management are not liable to compromise his/ her freedom of judgement).

The Board concluded that 2 out of the 4 members (i.e. 50% of the Board) could be considered as independent as follows: Jean-Claude Malraison and Hervé Nora.

The specific situation of Jacques Pansard has been reviewed, as it is every year given the fact that he provides professional training services to Solucom.

In view of the value of the services he provided for Solucom during the last financial year, the Supervisory Board considered that this amount could be deemed as representing a material proportion of his business and therefore decided to classify him as non independent.

This classification may change in future years using the same criteria, if, as was the case in the past, the value of his services is considered to be not material.

Based on the Articles of Association and legal provisions, the members of the Board must hold at least one share in the Company.

The members of the Supervisory Board were chosen for their competence and multi-disciplinary expertise as illustrated by the biographies below.

The terms of office and duties performed are given in the Management Board Report to the General Meeting.

Michel Dancoisne

Born 13 March 1947, a graduate of the Institut Supérieur d'Electronique du Nord and backed by an Executive MBA (HEC Group), in 1971 Michel Dancoisne joined Télésystèmes, a subsidiary of France Télécom, as a technical-commercial engineer. In 1974 he joined CII-Honeywell Bull as a commercial engineer.

In 1979, he helped to set up the QUESTEL business (database server) within Télésystèmes as Commercial Director of this business and became its General Manager. Thereafter he became Director of the Networks Division and member of the Executive Committee of Télésystèmes in 1985.

In 1990 he co-founded Solucom where he was Joint Chairman until his appointment as Chairman of the Supervisory Board.

Jean-Claude Malraison

Born 13 August 1946 and a graduate of the Institut Supérieur d'Electronique du Nord, Jean Claude Malraison joined IBM as commercial engineer in 1971, managing major financial institutions and later managing the branch dedicated to this sector.

In 1987 he was appointed consultant to the Corporate Marketing Department of IBM Armonk (USA), and in 1989 he was made Head of the PC Division in France, then Spain and Switzerland.

In 1993 he was made General Manager heading the creation of the UNIX Division of IBM EMEA (Europe, Middle East, Africa), then in 1996 he was appointed Vice Chairman Distribution and General Business of IBM EMEA.

During this period he was also member of the Supervisory Board of IBM France and member of the executive committee of IBM EMEA.

From 1999 to 2003 he was Managing Director of Plantronics EMEA.

Jean-Claude Malraison is currently Chairman of the Board of Critical Eye Ltd, Vice-Chairman of Solucom's Supervisory Board, and Managing Director of Kervillen SARL.

Hervé Nora

Born 4 July 1944 and a graduate of Ecole Polytechnique, Ecole Nationale Supérieure des Télécommunications and holder of a Master of Sciences in Management, from 1971 to 1982 Hervé Nora held many general management positions in the Telecommunications industry, notably head of development of all telematics particularly Minitel services.

In 1983, he set up and chaired the subsidiary BULL CP8, responsible for the development, production and marketing of CP8 microprocessor cards and related equipment and systems. He was also Chairman and CEO of Microcard Technologies Inc., its US-based subsidiary.

In 1988, he was appointed General Manager of the New Businesses and Services department for BULL France.

In 1991, he then joined the Framatome group, where he set up the IT Business and Information Systems department, followed by the Framatome ANP department, a joint venture of FRAMATOME and SIEMENS. During his time with Framatome he was also Chairman and CEO of Framentech-Cognitech and Framasoft + CSI, Managing Director of the Ingévision and Simfra divisions and Director of Information Systems for the Framatome group.

During this period he was also Vice Chairman of CIGREF (IT association for major French companies) for which he was also Assistant Director of Telecommunications.

He was also a member of the Consultation Commission for Telecommunications services at the French Ministry for Economy, Finance and Industry from 1994 to 2003.
Hervé Nora is currently Chairman of TELFIX SA, a business and retail e-transaction services company that he helped to found in 2002.

Jacques Pansard

Born 27 February 1950 and graduate of the Ecole Polytechnique Fédérale in Lausanne and of the Institut d'Administration des Entreprises, Jacques Pansard joined SG2 group in 1974, IT services subsidiary of Société Générale.

Following his spell with SG2, he joined the firm COOPERS & LYBRAND in 1981 where he became a partner of the French practice in 1988.

In 1990, he was appointed General Manager of the Paris-based agency of the consulting firm CESIA.

In 1993, he became Chairman-CEO of CESYS, an organisation and information systems consulting firm of EURISYS Group (a COGEMA subsidiary).

In 1997 he joined ORGABOARD as Director Partner within the Industry and Services division.

Since 2000, he has been active as an independent consultant and an expert in new information technologies (OSEO Anvar, APM).

He has been an associate professor at ESCP-EAP since 2003 including Scientific Director of the Executive Master of Business Consulting (ongoing training programme for managers experienced in change management projects).

He has also been responsible for classes at the Université de Paris Dauphine since 2001.

Members of the Management Board

The Management Board comprises the following members:

Pascal Imbert: Chairman,

Patrick Hirigoyen: Member.

A biography of the members of the Board is stated below; their terms of office and duties performed are given in the Management Board Report to the General Meeting.

Pascal Imbert

Born 12 August 1958, Pascal Imbert is a qualified engineer from the Ecole Polytechnique and the Ecole Nationale Supérieure des Télécommunications.

He joined the IT services company Télésystèmes in 1980, where he contributed to several projects linked to the launch of the Télétel service in France.

In 1986, he took charge of the Networks Research and Projects department, responsible for the design of telecoms products and networks for Télésystèmes.

In 1988, he joined Cirel Systèmes, manufacturer of telecoms products for PCs, as Technical Director, later appointed Deputy Managing Director.

During his spell at Cirel Systèmes, he managed the development of a new generation of telecoms products, marketed to large, French and international systems producers.

He founded Solucom together with Michel Dancoisne in 1990, and for the next twelve years both men oversaw the company's growth and development. In September 2002, he became Chairman of the Management Board of Solucom, while Michel Dancoisne became Chairman of the Supervisory Board.

Patrick Hirigoyen

Born 6 August 1963, Patrick Hirigoyen graduated as an engineer from the Ecole Nationale Supérieure des Télécoms de Bretagne, and has 15 years of experience in IT services and networks.

He began his career as business engineer for the firm INFI, an IT services company specialising in new technologies.

He joined Solucom in 1993 as Sales Director. He developed the sales department before being appointed Deputy CEO responsible for operations and member of the Management Board in September 2002.

1.2 Preparation and organisation of duties

The Board's operations and work

The Supervisory Board exercises ongoing supervision of the management of the Company by the Management Board.

At any time during the year, the Supervisory Board carries out verifications and controls that it considers appropriate and may receive any documents that it considers useful in the execution of its duties.

The Supervisory Board met on four occasions during the year ended 31 March 2008, with an attendance rate of 100.00%.

The planning of Supervisory Board meetings is established at each meeting for the following two meetings.

Board meetings are called and confirmed by email and letter approximately one week prior to the meeting.

The agenda is always attached to the notice of the meeting.

Furthermore, the financial statements, which must be reviewed at meetings approving the half-year or annual financial statements, are sent to the members of the Board approximately one week prior to the meeting.

The representatives of the Workers Council on the Supervisory Board are invited to all Board meetings.

The statutory auditors are invited to all Management Board and Supervisory Board meetings covering the half-year and annual financial statements.

During the year ended 31 March 2008, the Supervisory Board covered, inter alia, the following points:

- Review and audit of the Company and consolidated annual financial statements and review of the Management Board Report.
- Review and audit of the Company and consolidated half-year financial statements and review of the Management Board Report.
- Presentation by the Management Board of forecasts.
- Presentation by the Management Board of the 3-year plan 2007 – 2010, the action plan and the 2007/08 budget, including the Group's development strategy by acquisition and approval of this policy.
- Monitoring of outstanding progress regarding the development strategy by acquisition.
- Review of quarterly reports of the Management Board.
- Review and approval of regulated agreements, notably with subsidiaries.

- Renewal of the term of office of one principal statutory auditor and of one secondary statutory auditor.
- Directors' remuneration.
- Review of the independence of members of the Supervisory Board.
- Presentation and analysis of the Company's internal control procedures in force.

Draft minutes of the Board meetings are sent to all members for approval, prior to them signing, which they generally do at the Board meeting following that of the minutes.

Assessment of the Board's operations and work performed

The Supervisory Board meeting of 12 December 2006 performed such a review including an assessment of the Board's operational procedures and a review of the members of the Board and their contributions to the work performed while ensuring that major issues are appropriately prepared and debated.

Committees

No specific committee has been set up within the Supervisory Board, since the Board as a whole performs the duties generally delegated to such committees.

Internal regulations

At its meeting of 19 June 2006, the Supervisory Board established the new rules applicable to directors concerning their transactions in Company shares and their reporting obligations with regard to the AMF and the Company.

These rules supersede the rules introduced at the Board meeting dated 31 July 2003.

The Company also established a list of senior executives who are obliged to declare their transactions in the Company's shares and informed them of their presence on this list and their duties in this respect.

Principles governing directors' remuneration

The principles for determining directors' remuneration are largely based on the criteria of completeness, simplicity and stability of the rules and measures, as defined by *AFEP* (French private companies association) and *MEDEF* (French business association) in their recommendations published in January 2007.

The allocation of directors' fees is covered once a year at the first meeting following the annual general meeting.

The remuneration of the Chairman of the Supervisory Board and that of the Management Board are also reviewed once a year by the Supervisory Board, during the budget review meeting.

The members of the Supervisory Board, except for the Chairman, receive directors' fees, the total of which is decided by a vote taken in a shareholders general meeting.

The Board decided to allocate this total in three equal parts as follows:

The Chairman of the Supervisory Board receives fixed remuneration in respect of his office and also received fixed remuneration in respect of his employment for his expertise in financial, development and M&A policies.

The remuneration in respect of his office is decided by the Board, which is also informed of the value of his remuneration for his employment.

The Chairman of the Management Board receives both fixed and variable remuneration in respect of his office; the variable remuneration is based exclusively on quantified criteria depending on the achievement of certain budget objectives.

This remuneration is determined by the Board during the budget meeting when the budget objectives for the variable part are determined.

The other member of the Management Board receives fixed remuneration in respect of his office, and he also receives remuneration for his employment as deputy CEO in charge of Operations.

This latter remuneration includes both a fixed and variable part, based exclusively on quantified criteria depending on the achievement of certain budget objectives.

On 15 September 2006, he was granted a bonus share issue plan, subject to conditions of working for the Company and personal investment in Solucom shares as well as performance criteria.

The remuneration in respect of his office is decided by the Board, during the budget meeting when the Board is also informed of all other sources of remuneration.

The directors do not receive any benefits in kind and there is no procedure to pay redundancy or arrival payments when directors join or leave the Company; nor do they have any specific pension plan.

2. Internal control

2.1 General framework

Under the requirements of the French Commercial Code applying to publicly listed companies, in 2007 the AMF (French financial markets regulator) published general guidelines on internal controls for all financial periods beginning with effect from 1 January 2007. Under these guidelines, each company is responsible for its own organisation and internal control procedures and the guidelines are not intended to be mandatory but to assist companies in supervising and, if applicable, improving their internal controls, without representing directives to design their organisation.

In January 2008, the AMF considered that the specific features of small and medium-sized enterprises (SMEs) needed to be taken more into account in the implementation of these guidelines and established a guide specifically focusing on SMEs.

This report has been prepared based on this implementation guide and its application to Solucom.

This report was also based on discussions with the Chairman of the Management Board and the Finance Director, a review of internal Company documents and meetings with the statutory auditors.

This report was also submitted to the Supervisory Board at its meeting held on 2 June 2008.

2.2 Principles

Internal controls are procedures applied under their responsibility by Solucom Group companies designed to ensure:

- Compliance with laws and regulations.
- Application of instructions and strategies established by general management or the Management Board.

- The proper operation of internal procedures of these companies, notably those covering the safeguarding of assets.
- Reliability of financial information.

Generally, internal controls are designed to support management with the business, operational efficiency improvements and the effective use of resources.

By helping to prevent and control the risk of not achieving the Group's objectives, internal control plays a key role in performance and the management of its various activities. However, internal control cannot provide an absolute guarantee that these objectives have been achieved.

2.3 Scope of internal control

Note that for operational purposes, Solucom Group consists of Solucom SA, parent company of the Group, and six wholly-owned and controlled 'active' subsidiaries: Arcome, Dreamsoft, Idesys, KLC, New'Arch and Vistali. Arcome Consulting (Spain) is a dormant company and did not trade during the year.

Solucom Group has implemented internal controls adapted to its situation accordingly.

Controls for the preparation and processing of accounting and financial information are identical for all seven operating companies of the Group.

Controls governing operations, on the other hand, are only applied to a limited extent within Solucom.

- ▶ Given the limited size of Arcome, Dreamsoft, Idesys, KLC, New'Arch and Vistali, operational control of these companies is directly performed by the relevant general management.

However, Solucom, the parent company, ensures that operational control is properly performed within its subsidiaries and, if applicable, ensures application of certain controls by established control procedures that affect the Group.

2.4 Internal control details

Solucom's Management Board sets the broad objectives of internal control procedures. The Group Executive Committee, which includes representatives from each Group company, then approves the relevant policies and determines the scope of these policies (i.e. the entire Group or just the parent company).

These approved policies are then issued to all relevant parties with a view to implementation by the staff concerned.

The internal controls, adapted accordingly to the features of each company, stipulate the following:

- An organisation including a clear definition of responsibilities, based on appropriate information systems, tools and procedures.
- Distribution within the Group of relevant and reliable information.
- Identification of the principal risks in relation to Group objectives.

However, it should be noted that, given the limited size of Solucom Group, the fact that it only has one activity and the simplicity of its organisation, the current internal control procedures only partially cover an ongoing duty to perform supervisory and control activities and deployment of Solucom policies to all Group companies relating to "operational risks". The parties involved in internal controls focus primarily on performing regular reviews on the effective application of Group policies.

2.5 Parties involved

Supervisory Board

Each year, the Management Board reports to the Supervisory Board on the key features of the internal controls.

When needed, the Supervisory Board may use its general powers to arrange for audits and reviews or take other actions that it considers appropriate in the circumstances.

Management Board and Group Executive Committee

The Management Board is charged with defining, driving and overseeing the most appropriate internal controls in the circumstances and based on Solucom Group's activities. The Management Board is regularly informed of any weaknesses in controls and, if applicable, refers them to the Supervisory Board.

The Group Executive Committee comprises the Chairman of the Management Board of Solucom and the general managers of the seven Group companies, the Finance Director and the Group Sales Director. The Group Executive Committee sets the Group strategy, fixes the business objectives and monitors performance in relation to these objectives. This work is formalised in the form of monthly reports including the status of outstanding projects.

Finance department

The Finance department supervises the production of accounting and financial data of each entity and for the Group.

The Finance department oversees the preparation of data and management indicators provided to operational management and to the Group Executive Committee.

The accounting function is performed by a single Group accounting department supported by an external accounting firm. This firm is in charge of the Group consolidation.

Solucom Group does not have an internal audit department in its true sense. Currently, the finance department is preparing and/or consolidating all current internal policies for Solucom Group.

Company personnel

Every employee concerned is aware of the information required to ensure correct operation of internal controls at his/her level in relation to the assigned objectives.

Employees are not, however, responsible for supervising the effective performance of the internal controls.

2.6 Controls for the preparation and processing of accounting and financial information

Internal controls relating to accounting and financial aspects affect the Group and therefore all Group companies.

The written policies are consolidated within a Group policies manual.

Preparation of budgets

An annual budget, broken down by month, is established at the beginning of the year by each Group company and on a consolidated basis.

An updated budget is established in December, once the half-year accounts have been closed.

After preparation, the budget is presented to the Supervisory Board.

Monitoring of operations.

In Solucom's business, the key point for monitoring activities is project management.

Internally developed project management software (ActiveSys), has been installed and is used for all Group companies.

This software includes the following functionalities:

- Project management and order entry.
- Monthly input of time spent.
- Monthly recalculation of projects (expenses incurred and forecasts estimated by the project manager).
- Invoicing.

This software has various access levels depending on responsibility of the users and can be accessed via Intranet and Extranet by all company employees.

Project management is performed with this software, which at any time gives a consolidated view of all information relating to each project, specifically:

- Sales and contractual data,
- Days spent on the project, forecast expenditure, forecast planning, and project overruns.

- Invoicing, outstanding amounts to invoice and deferred income.

Monthly monitoring of budget/ actual and reporting

Data produced by the ActiveSys system enables Management Accounting to perform a monthly control of actual vs. budget and to update the forecast budget in the light of the most recent information available and a forecast of projects.

This data is summarised in a monthly results table for each company and the Group providing management indicators including budget/ actual comparison, for the following headings:

- Revenues,
- Operating profit.
- Consultants utilisation rate.
- Employees,
- Order entry,
- Sales price,
- Order backlog,
- Cash,
- Trade receivables (overdue invoices and invoices to be issued).

The results tables are reviewed every month by management at each company, and by the Group Executive Committee, leading to corrective action where necessary.

Furthermore, the Management Board prepares and presents a quarterly report of Solucom's and the Group's operations to the Supervisory Board.

Reporting and accounting periods

Unaudited quarterly accounts are prepared for internal purposes for the first and third quarters enabling reconciliation between accounting and management data.

Furthermore, the half-year and annual accounts are audited by the statutory auditors, approved by the Supervisory Board and published in accordance with legislation and regulations.

Solucom's statutory auditors attend the Supervisory Board meeting, in which the Company and consolidated financial statements for the year as approved by the Management Board, are reviewed.

Board members can question the statutory auditors directly in relation to:

- The accounting policies applied.
- Verification that they have had access to all information they required to fulfil their duties, notably with respect to the consolidated subsidiaries.
- The progress of their work, even if experience shows that at the date when the Board reviews the financial statements, the statutory auditors have completed their work.

The financial statements are prepared based on standard accounting policies and procedures throughout the Group (e.g. revenue recognition, provisioning policies, calculation of production costs, segregation of duties, cut-off policies, profit share calculation, tax calculation etc).

During Supervisory Board meetings relating to the half-year and annual financial statements, the Management Board presents and comments on the following points:

- The income statement.
- A 'management' analysis table of this detailed income statement per company.
- Operating indicators underlying this income statement.
- The balance sheet.
- The cash flow statement.

Calculation of provisions for risks and disputes

Management Accounting performs a review at each half year and annual close of all outstanding projects to establish the need for any provisions in the event of budget overruns:

These provisions are based on the most recent monthly update of the total budget for the project performed by the project manager.

Management Accounting is also informed of any events liable to give rise to a provision, as soon as they occur, for example:

- Bad debt risk by a customer (very rare in view of the Group's large company clients).
- Unusual difficulty in recovering an amount owed,
- Dispute with a third party.

Accounts consolidation

The established organisation and existing procedures, as described above, enables the parent company to exercise control over the accounts of its subsidiaries.

The following are examples of controls:

- The Finance department, which oversees the production of accounting and financial data of each Group entity.
- The Group Executive Committee which monitors the achievement of objectives for the Group and each Group company, based largely on a review of the monthly results table prepared by Group Management Accounting.
- A reconciliation between accounting and management data for each Group company at the end of every quarter, under the responsibility of Group Management Accounting.

The accounts consolidation is performed by an external accounting firm in liaison with the Finance department and includes the following controls and checks:

- A check that inter company balances reconcile for their elimination on consolidation.
- A consistency check of each of the consolidated company accounts.

- Each company submits a consolidation package in the standard Group format.
- Calculation of retirement provisions.
- Justification and analysis of all consolidation adjustments in accordance with current accounting policies.

Cash and treasury management

A system for centralising the cash of the Group has been implemented in conjunction with a bank. This centralised system:

- Optimises use of excess funds of the Group.
- Gives a real-time centralised view of the cash position of each Group company.

The Supervisory Board is informed each quarter of the Group's cash positions via the quarterly report issued by the Management Board.

Monitoring off-balance sheet commitments

At each monthly cut-off, Management Accounting lists all off-balance sheet commitments for each Group company.

Quality control of accounting and financial information published

All financial communication and press releases are prepared under the direct control of Solucom's Management Board.

The Finance department is also responsible for identifying developments in relation to financial communications that may impact the Group financial statements.

Periodical obligations for reporting accounting and financial data to the markets are detailed in the Group policies manual.

2.7 Controls relating to operations

Existing internal controls relating to operations focus on key processes in relation to Solucom's business activities and include the following:

- Performance and monitoring of projects, and the quality of services performed.
- Human resources management.
- Monitoring of commercial activities.
- Security of information systems.

It should be noted that the Management Board keeps an up-to-date list of identified risks and the way in which they are handled.

Each risk is analysed for probability and potential impact.

This analysis is given to the Supervisory Board every year at the meeting covering internal control.

The following are examples of policies, some of which relating to all staff are mentioned in the Quality System, which is distributed to all employees:

● **Controls related to project performance and monitoring and the quality of the service:**

- ▶ Monthly meeting of Solucom's management team to ensure operational supervision of:
 - projects (overruns).
 - inter-contracts,
 - invoicing problems or difficulties in obtaining documents required for invoicing (e.g. orders or order acknowledgements).
 - sales price per project.

This monthly meeting leads to corrective action if problems arise concerning specific aspects.

- ▶ Controls over fixed-price projects

The objective of this policy is to define the principles underpinning fixed-price projects, specifically the operating policies for each major stage in the life cycle of such a project, and the responsibilities in the performance of the project.

- ▶ Quality Charter

The Quality Charter defines:

- The quality of services delivered to the client.
- Measurements to assess the client's level of satisfaction.
- The principles and systems underlying Solucom's quality policy.

Furthermore, there is a procedure for reporting quality problems and opinions of on-site clients to the Quality Manager.

Based on this information and a regular analysis of the overall quality of relations with Solucom clients, a range of indicators is presented to company staff to increase awareness.

● **Human Resources controls:**

- ▶ Induction
The purpose of this control is to describe all procedures applied within Solucom to support the induction of any new consultant.

It also defines the various actions and tasks to ensure proper induction and identifies the people responsible for the new consultant's induction.

- ▶ Annual interview and performance review of consultants

This procedure defines the process of evaluating every consultant by technical department managers via a standard file and a checklist for individual interviews.

- ▶ Recruitment and retention of staff

These controls describe all steps taken to enable the Company to achieve its objectives in terms of recruitment and retention of staff.

They also define the monthly results summaries to monitor recruitment and staff turnover.

● **Controls for monitoring commercial activities:**

▶ Quotes

These controls are designed to ensure correct commitments are made in conjunction with customer quotes, which are based on a standard format covering general terms and conditions including confidentiality, terms of payment and invoicing, no approaches to company staff, travel expenses and liability/insurance,

▶ Contracts

All contracts are approved by the Sales Director or by general management.

● **Controls over information systems security:**

▶ Security Charter

This charter, which is binding for all company employees, lays down the principles and rules designed to ensure effective, standard and tailored data security in respect of confidential information contained in all Solucom's information systems.

▶ Security of the information system

The controls applied relate principally to data confidentiality, protection against viruses, systems crashes and data back-up.

Solucom Group keeps abreast of all developments in best practices for corporate governance and internal control.

As shown above, the Supervisory Board and the Management Board are both moving towards increased formality, while retaining flexibility and clear responsibilities for each company in the Group, which underpin Solucom's strength and success.

The statutory auditors have commented on the internal control procedures relating to the preparation and processing of accounting and financial information in a report attached to their report on the financial statements.

Chairman of the Supervisory Board

2 June 2008

Auditors Report in accordance with article L. 225-235 of the French Commercial Code, on the Report of the Chairman of the Supervisory Board of Solucom

with respect to internal control procedures regarding the preparation and processing of accounting and financial information

To the shareholders,

As statutory auditors of Solucom and in accordance with the provisions of Article L.225-235 of the French Commercial Code, we hereby present our report on the report of the Chairman of the Supervisory Board of the company, prepared pursuant to the provisions of Article L.225-68 of the French Commercial Code with respect to the year ended 31 March 2008.

It is the responsibility of the Chairman of the Supervisory Board to report on the conditions for planning and organising the duties of the Supervisory Board and the internal control procedures implemented in the company.

It is our responsibility to report to you any comments we may have on the information given in the Chairman's report concerning the internal control procedures relating to the preparation and processing of accounting and financial information.

We conducted our engagement in accordance with professional standards applicable in France. These standards require that we perform such tests and procedures so as to assess the accuracy of the information given in the Chairman's report relating to the preparation and processing of accounting and financial information. Our procedures included the following:

- Ascertain the objectives and overall organisation of internal controls and control procedures relating to the preparation and processing of accounting and financial information, as detailed in the Chairman's report;
- Ascertain the procedures and tasks underlying the information given in said report.
- Determine whether or not the major deficiencies in internal controls relating to the preparation and treatment of accounting and financial information that we raised as part of our mission have been mentioned appropriately in the Chairman's report.

Based on our testing and procedures, we have no comments on the information relating to the preparation and processing of accounting and financial information given in the Chairman's report, prepared pursuant to the provisions of Article L.225-68 of the French Commercial Code.

Paris, 20 June 2008

The Statutory Auditors

Laurent Levesque
Constantin Associés
26, rue de Marignan
75008 – PARIS

Marion BOLZE
SLG Expertise
60, rue Pierre Charron
75008 - PARIS

Management bodies

Group Executive Committee

The Group Executive Committee consists of 11 members as follows:

Pascal Imbert: Chairman of the Solucom Management Board.

Patrick Hirigoyen: Member of the Solucom Management Board and Solucom Deputy Managing Director in charge of operations.

Siegfried Günther: Chairman of Idesys, in charge of operations.

Bassam Almoussa: Chairman of Arcome, in charge of operations.

Marc Muller: Chairman of Dreamsoft.

René Dumoucel: Chairman of New'Arch.

Pierre Laigle: Chairman of KLC.

Pierre Bougeret: Chairman of Vistali.

Éric Rabaux: Chairman and CEO of Cosmosbay~Vectis.

Reza Maghsoudnia: Group Sales Director.

Pascale Besse: Finance Director.

Interests of members of the management and supervisory bodies

Gross remuneration and all forms of benefits in kind paid to each director

The Management Board report to the General Meeting details such remuneration and benefits.

Directors' fees

The Management Board report to the General Meeting details such directors' fees.

Stocks options

No stock options were granted to members of Solucom's management and supervisory bodies.

Agreements concluded with members of the management and supervisory bodies

The special report of the statutory auditors specifies such agreements.

Other interests of members of the management and supervisory bodies

The members of Solucom's management and supervisory bodies are also shareholders of the Company. They do not hold any interest in a company which controls Solucom, or in a subsidiary or in a significant client or supplier of the Company.

Loans guarantees

None.

STAFF EARNINGS-BASED INCENTIVES (“*INTÉRESSEMENT*”)

The Group’s sole staff incentives arrangement relates to a 3-year incentives (“*Intéressement*”) contract signed by Vistali on 1 December 2006. A statutory profit sharing scheme is in force at Arcome SAS, Dreamsoft, Idesys, NewArch and Solucom.

No stock options were granted to the issuer’s directors during the year.

During the year, no other company director of the issuer was granted equity securities, options etc. that could entitle the holder to receive or subscribe for Solucom shares immediately or in the future.

The schedule below presents a summary of past stock options and ‘BSPCE’ (French stock options for company start-ups).

	Idesys Stock options 1	Arcome Stock options 2	Idesys + Arcome Stock options 3
General Meeting date	29/09/00	28/09/01	28/09/01
Date of the Board of Directors meeting	13/07/01	27/12/01	30/12/02
Date of the Management Board meeting	-	-	30/12/02
Total number of shares that may be subscribed or purchased	50,840 ⁽¹⁾	47,048 ⁽¹⁾	100,776 ⁽¹⁾
Number of directors concerned ⁽²⁾	0	0	0
Of which number of shares that may be subscribed or purchased by directors	-	-	-
Expiry date	12/07/07	26/12/07	31/12/08
Subscription price (€)	10.40 ⁽¹⁾⁽³⁾	7.13 ⁽¹⁾⁽³⁾	2.06 ⁽¹⁾⁽³⁾
Number of shares subscribed at 07/05/08	24,728 ⁽¹⁾	33,196 ⁽¹⁾	61,030 ⁽¹⁾

⁽¹⁾ After the 4-for-1 bonus issue of Solucom shares dated 25 October 2006 and the corresponding calculated adjustment to the number of shares.

⁽²⁾ Directors of Solucom SA.

⁽³⁾ Average closing price of Solucom shares on the last 20 stock market sessions prior to the date of the Board meeting.

Stock options granted to and exercised by the largest beneficiaries of stock options among employees and directors

The schedule below presents a summary of stock options granted and exercised during the year.

	Total number of options
Options granted during the year by the issuer and by any company included in the issuer's scope of consolidation to the ten largest beneficiaries of stock options among employees of the issuer and of any company included in the issuer's scope of consolidation	0
Options held on the issuer and aforementioned companies exercised during the year by the ten largest employee subscribers or buyers of shares.	42,076

No stock options were granted to company directors during the year.

5

General information concerning Solucom and its share capital

Description of the share buy-back programme submitted to the company's shareholders at the extraordinary and ordinary general meeting dated 28 September 2007.

Resolutions submitted to the extraordinary and ordinary general meeting
- 28 september 2007

Exceptional events and litigation

General information concerning Solucom and its share capital

1. General information concerning the Company

1.1 Important events in the growth of the Group's business

- **1990**

Michel Dancoisne and Pascal Imbert establish Solucom, The Company specialises in networks and telecoms consulting.

- **1994**

Internet and telecoms deregulation boost Solucom's business.

- **2000**

Floats on the *Marché Libre*.

- **2001**

Relists on the *Nouveau Marché* and fund raising.

Takeover of Arcome and Idesys.

- **2005**

Takeover of Dreamsoft.

- **2006**

Takeover of KLC and New'Arch.

- **2007**

Solucom completes its 2004-2007 business plan.

Takeover of Vistali in April 2007.

- **2008**

Takeover of Cosmosbay~Vectis in April 2008.

1.2 Name and registered office

Solucom

Tour Franklin
100-101 terrasse Boieldieu
La Défense 8,
92042 Paris la Défense cedex

1.3 Legal form

Société Anonyme (French public limited company) with a Management Board and Supervisory Board governed by its articles of association and current legal and regulatory provisions in force, notably the French Commercial Code.

1.4 Date of formation and the company's term

Solucom SA was formed in February 1990 and registered on 2 April 1990.

The Company has a term of 99 years (Article 5 of the articles of association) expiring on 2 April 2089, except in the case of an extension or early liquidation.

1.5 Company object

In accordance with Article 2 of the articles of association, Solucom SA's object, directly or indirectly, in France or abroad, is as follows:

- performance of computer services for third parties by the use of specifically developed programs or standards,

- analysis, consulting, technical assistance, training, development, documentation, installation, maintenance of computer or telecommunication systems, for information in any form and on all supports, and all related services of any kind and by any means,
- creation, implementation, and management of all networks and/or groups with a view to the development of concepts belonging to the Company and communication of the know-how,
- development, ownership, administration, leasing, and sale of any patents and/or trademarks and the granting of any licences,
- acquisition of equity interests by any means in any existing or future companies and businesses that could relate directly or indirectly to the Company object,
- and generally, any financial, fixed or moveable property operations that could relate directly or indirectly to the Company object or likely to promote its development or achievement.

1.6 Trade and companies register

R.C.S. NANTERRE B 377 550 249.

1.7 Financial year

The financial year runs from 1 April each year to 31 March the following year (Article 34 of the articles of association).

1.8 Specific clauses in the articles of association

Appropriation of earnings (Article 36 of the Articles of Association)

If the financial statements for the year approved by the General Meeting show distributable earnings as legally defined, the General Meeting decides to transfer said distributable earnings to one or more reserve accounts, the use and appropriation of which it controls, to carry it forward to future years or to distribute it.

The income statement, which lists income and expenditure for the year, states the net profit for the year after deduction of depreciation and provisions.

At least five percent shall be deducted from the net profit for the year reduced for any prior year losses and transferred to the legal reserve. This transfer ceases to be mandatory once total reserves reach one tenth of the share capital.

Distributable earnings consist of the net profit of the year, reduced for any prior year losses and reserve transfers in accordance with legislation and the articles of association, and increased for retained earnings brought forward. These earnings are allocated to all shareholders in proportion to the number of shares each one holds. The General Meeting may decide to distribute the amounts transferred to reserves, which it controls, by stating explicitly the reserve accounts from which the distribution should be made.

Except in the case of a share capital reduction, a distribution to shareholders is prohibited if the amount of shareholders' equity is, or following such distribution would be, lower than the value of share capital plus reserves that are non distributable under the law or the articles of association. The revaluation reserve is not distributable and may be partially or entirely transferred to share capital.

However, after deduction of statutory transfers to reserves, the General Meeting may transfer any residual undistributed earnings that it deems fit to ordinary or extraordinary voluntary reserves, or to carry them forward as retained earnings.

After approval of the financial statements by the General Meeting, any losses are carried forward as retained losses for offset against future retained earnings until they are fully compensated.

General Meetings

Meetings are convened pursuant to current legislation.

Meetings are held at the Company's registered office or at any other location specified in the notice of the general meeting.

Access to Meetings - Powers (Article 27 of the Articles of Association) ⁽¹⁾

1. All holders of ordinary shares may vote in general meetings in person or by postal vote, regardless of the number of shares held, provided the shares are fully paid up. The right to attend or be represented at general meetings is subject to the following:

- registered or named administered shareholders must be registered as such by midnight (Paris time) of the fourth working day prior to the date of the meeting.
- Holders of bearer shares must be registered as such by midnight (Paris time) of the fourth working day prior to the date of the meeting. Registration or the accounting entry in the bearer shareholder registry of an intermediary will be established by a certificate from the financial intermediary approved attached to the form for remote or proxy voting or by an application for an admission card established in the name of the shareholder. a certificate may also be issued to shareholders seeking to physically attend the Meeting who have not received their admission card by midnight (Paris time) of the fourth working day prior to the date of the meeting.

If it deems fit, the Board of Directors may give shareholders personal named admission cards, which will be required to attend the meeting.

2. All shareholders may vote by post in accordance with current regulations on submission of a form that they can apply to receive by following the procedures stated on the Meeting notice advice.

3. Shareholders may only be represented by their spouse or another shareholder; in which case the representative must provide proof of his power of attorney.

4. If the Management Board so decides in the Meeting notice, shareholders may also attend via videoconference or other means of telecommunication enabling their identity to be established in accordance with procedures allowed under current regulations.

Information rights (Article 33 of the Articles of Association)

All shareholders are entitled to receive documents required to enable them, in full awareness of the facts, to assess the management and control of the Company pursuant to statutory conditions and deadlines.

The details of these documents and conditions for sending them or making them available to shareholders are laid down by legislation and regulations.

Quorum-Vote (Article 29 of the articles of association)

1. The quorum is calculated on all shares comprising the share capital, except in the case of special general meetings for which it is calculated on all shares of the relevant class, after deduction of shares without voting rights pursuant to legislation.

For purposes of calculating the quorum, only postal votes submitted on properly completed forms and received by the Company at least three days prior to the date of the Meeting shall be accepted.

For purposes of calculating the quorum and majority votes, all shareholders who attend the meeting by video conference or means of telecommunication enabling their identification and in accordance with current regulations, will be included if the Management Board decides to use such means when issuing the notice for the general meeting

2. Voting rights linked to the share capital or other shareholders' rights are proportional to the number of shares they represent. Each share entitles the holder to one vote, subject to the provisions of Article 11 paragraph 4 concerning application of the provisions of Articles L 225-123 et seq. of the French Commercial Code.

3. Votes are counted by the raising of hands, or by names called, or by secret vote, based on a decision of the Meeting committee or that of the Shareholders. Shareholders may also submit postal votes.

Ordinary General Meetings (Article 30 of the articles of association)

Ordinary general meetings take all decisions except for amendment to the articles of association. Ordinary general meetings must be held at least once every year, within six months following the financial year-end of the Company, to approve the financial statements of that year, subject to postponement under a court decision.

Resolutions passed in ordinary general meetings are only valid if the shareholders present, represented or voting by post at the first convened Meeting, hold at least one quarter of shares with voting rights.

Resolutions are passed on the majority of votes cast of shareholders present or represented including shareholders voting by post.

Extraordinary General Meetings (Article 31 of the articles of association)

Extraordinary general meetings may amend any clauses of the articles of association, and in particular, may decide on the Company's transformation into another civil or commercial legal form. However, extraordinary general meetings may not increase the shareholders' commitments, subject to transactions resulting from a legally valid consolidation of shares.

Subject to legal exceptions, resolutions passed in extraordinary general meeting are only valid if the shareholders present, represented or voting by post, at the first convened Meeting, hold at least one quarter, and at the second convened Meeting, one fifth of shares with voting rights. In the event of a continued absence of a quorum, the second convened Meeting may be postponed to a future date not later than two months following the date for which it was convened.

Resolutions are passed on a two-thirds majority of votes cast of shareholders present or represented including shareholders voting by post.

In extraordinary general meetings called to approve capital contributions in kind or the granting of specific benefits, neither the transferor nor the beneficiary may vote either on his own account or on behalf of another shareholder.

Rights and obligations linked to shares (Article 11 of the articles of association)

1. Each share entitles the holder to a share in the profits, Company assets and liquidation bonus in proportion to the number and nominal value of the existing shares held subject to the rights granted to the shares of different classes.

A share also gives the holder a right to vote or be represented at general meetings, be informed on the progress of the Company and receive certain Company documents at times and under conditions specified by legislation and the articles of association.

2. Shareholders are only liable for the Company's liabilities up to the value of their capital contributions.

On change of ownership of shares, rights and obligations are transferred to the new holders of the shares.

Ownership of shares automatically binds shareholders to the Company's articles of association and resolutions passed in general meetings.

3. Each time that it is necessary to hold a given number of shares to exercise any right, shareholders who do not hold the required number of shares must make their own arrangements to form a grouping or to purchase or sell the required number of shares.

4. Holders of registered shares for more than two years in their own name are granted double voting rights.

Double voting rights are also granted to registered holders of bonus shares that were issued free of charge to them on account of shares in respect of which they already enjoyed double voting rights. Double voting rights automatically cease for any shares for which ownership has been transferred, subject to the statutory exceptions.

This double voting right was introduced following a decision of the Extraordinary General Meeting held on 6 December 1999.

5. Any individual or entity who holds, alone or in concert, a proportion of the Company's existing share capital or voting rights as specified under Article L233-7 of the French Commercial Code, shall

be obliged to disclose to the Company the total number of the shares that he holds, within five stock market trading days following acquisition of the shares that took his holding above any of the limits. He shall also inform the *Autorité des Marchés Financiers* (French stock market regulator) within five stock market trading days following acquisition of the shares that took his holding above any of the said limits. Solucom Reference Document 06.07 Legal Information

Notification must also be made within the same deadline if said person's holding drops below any of the limits stated in the first paragraph above.

Parties bound to disclose the information stated in the first paragraph must state the number of shares they hold giving future access to the share capital as well as the related voting rights.

Parties bound to disclose the information, when they cross the threshold of one tenth or one fifth of the share capital or voting rights, must also state the objectives they plan to follow during the coming twelve months.

This declaration must state if the acquirer is acting alone or in concert, if he plans to cease acquisitions or to continue them, if he plans to obtain control of the Company or not, and his name or that of one or more persons who are members of the Management Board or the Supervisory Board. It must be addressed to the Company.

6. New preference shares may be issued based on any legal procedures, terms, conditions and limits. They shall be governed, converted and/or redeemed in accordance with statutory conditions.

Identifiable bearer securities (Article 9 final paragraph of the articles of association)

Pursuant to the provisions of Article L.228-2 of the French Commercial Code, the Company may, at any time, take all steps in accordance with statutory and regulatory provisions, including by a request to the organisation responsible for third party payments, to identify the holders of securities giving immediate or future voting rights at its own general meetings of shareholders, and to establish the number of securities held by each of them and, if applicable, any restrictions to said securities. The Company is also entitled, in accordance with the law, to request the identity of shareholders if it considers that certain shareholders, whose identity it has received, hold the shares on behalf of third parties.

Members of the Company's management and supervisory bodies

Powers of the Management Board (Article 17 paragraph 1 of the articles of association)

The Management Board is vested with extensive powers to act in any circumstances in the name of the Company, within the Company Object and subject to specific statutory limits and the articles of association approved in shareholder general meetings and subject to the Supervisory Board.

No restriction on its powers may be relied upon for dealings with third parties, who may take legal action against the Company based on commitments made in its name by the chairman of the Management Board or its managing director provided their appointments were published in accordance with regulations.

Given that members of the Management Board have allocated duties between them with the approval of the Supervisory Board, on no account may such allocation exempt the Management Board from the requirement to meet and pass resolutions on the most important management issues facing the Company, nor to be cited as an objection to the principle of joint and several liability of the Management Board and each of its members.

The Management Board may charge one or more of its members or any other person with special, ongoing or temporary assignments of its choosing, and, for purposes of one or more objectives with or without entitlement to sub-delegate, may grant powers that it deems necessary.

Powers of the Supervisory Board (Article 20 of the articles of association)

The Supervisory Board controls the management of the Company as performed by the Management Board on an ongoing basis.

At any time of the year, it may conduct testing and controls that it deems appropriate, any may demand any documents that it considers necessary to accomplish its duties from the Management Board.

At least once a quarter, the Management Board presents to the Supervisory Board a report specifying the principal management actions or facts of the Company, backed by all necessary information to

enable the Supervisory Board to be fully informed on the Company's business and on the half-year, and if applicable the quarterly, financial statements.

Following the year-end and within the regulatory deadlines, the Management Board presents to the Supervisory Board the Company financial statements, the consolidated financial statements and its report to the general meeting, for purposes of verification and control.

The Supervisory Board presents to the annual general meeting its comments on the report of the Management Board and on the annual consolidated and Company financial statements. During the annual general meeting, the chairman reports on the conditions for preparing and organising its duties and on the internal controls adopted by the Company.

This duty of supervision may not under any circumstances give rise to the Supervisory Board or any of its members directly or indirectly conducting management actions.

Pursuant to Article L. 225-68 of the French Commercial Code, the following transactions are subject to the prior approval of the Supervisory Board:

- Sale/transfer of real estate
- Total or partial sale/transfer of equity investments
- Creation of sureties, endorsements and guarantees.

The Supervisory Board may authorise the Management Board in advance to conduct one or more transactions stated above, subject to the maximum amounts that it may establish.

The Supervisory Board may decide to establish committees made up of members of the Supervisory Board, charged with reviewing issues for which the Supervisory Board or its chairman request an opinion. The Supervisory Board establishes the members and the powers of such committees, who conduct their duties under the Supervisory Board's responsibility.

1.9 Purchase by the company of its own shares

Please refer to the Report of the Management Board to the Extraordinary and Ordinary General Meeting of shareholders of 26 September 2008 for details of the share buy-back programme proposed to the General Meeting dated 26 September 2008 as specified below.

2. General information concerning share capital

2.1 Share capital

At 31 March 2008, the share capital amounted to €495,066.20 divided into 4,950,662 fully paid-up shares of the same class (Article 6 of the articles of association).

The shares comprising the share capital have a nominal value of €0.10 each ⁽²⁾.

⁽²⁾ Stated after adjusting for the 19 July 2007 increase in nominal value.

2.2 Potential share capital

The Company has granted stock options as described under the Corporate Governance chapter of this report.

The Company undertakes not to issue stock options at prices that significantly differ from its stock market share price.

Information relating to potential dilution of the company's share capital (as at 7 May 2008)

Type of potentially dilutive instruments	Date of issue	Exercise/ subscription price (€)	Identity of holders	Of whom directors ⁽¹⁾	Exercise period per holder	Number of shares to which holders are entitled	Potential dilution
Stock Options 3	30/12/02	2.06 ⁽²⁾	Employees	0	31/12/08	33,858	0.7%
Total potential dilution (at 7/5/08)							0.7%

⁽¹⁾ Solucom S.A. is managed by the directors.

⁽²⁾ Average closing price of Solucom shares on the 20 last trading sessions prior to the date of the meetings of the Board of Directors/Management Board

2.3 Authorised share capital not issued

The Company currently still has authorisations granted by the Extraordinary and Ordinary General Meeting dated 28 September 2007. Please refer to the appendix of the Report of the Management Board for details of these authorisations.

2.4 Pledges, guarantees and sureties

Registered pledges of issuing company shares

Name of registered shareholder	Beneficiary	Effective date of the pledge	Expiry date of the pledge	Condition for cancellation of the pledge	Number of shares pledged	% of issuing company share capital pledged
None	None	None	None	None	None	None
TOTAL						

Pledges of issuing company assets (intangible and tangible fixed assets and long-term investments)

Type of pledge / charge	Effective date of the pledge	Expiry date of the pledge	Value of pledged asset (a) (€m)	Total balance sheet heading (b) ⁽¹⁾ (€m)	% (a) / (b)	Condition For termination
On intangible fixed assets	None	None	None	None	None	None
On tangible fixed assets	None	None	None	None	None	None
On I/t investments (Dreamsoft shares)	28/10/05	01/11/10	3.0 ⁽²⁾	24.3	12	See comment
On I/t investments (Vistali shares)	25/03/08	27/03/15	3.6 ⁽³⁾	24.3	15	See comment
On I/t investments (New'Arch shares)	25/03/08	27/03/15	2.4 ⁽³⁾	24.3	10	See comment
TOTAL			9.0	24.3	37	

⁽¹⁾ The amount stated under "Total balance sheet heading" above corresponds to the total account balance of "Long-term investments" in the Company financial statements of Solucom SA for the year ended 31 March 2008. The amount stated under "Total balance sheet heading" above corresponds to the total account balance of "Long-term investments" in the Company financial statements of Solucom SA for the year ended 31 March 2008 and relates largely to Idesys shares, Arcome SAS shares, Dreamsoft shares, New'Arch shares, KLC shares and Vistali shares.

⁽²⁾ This pledge covers Dreamsoft shares and corresponds to a mutual guarantee on behalf of the banks HSBC and Société Générale. This pledge will be terminated once Solucom repays the full amount of the loans granted by the two banks, which is scheduled for 1 November 2010 (being the maturity date of the loans concerned).

⁽³⁾ This pledge covers Vistali and New'Arch shares and corresponds to a charge on financial instruments financiers granted by Solucom to Société Générale as security for the loan contracted at the end of March 2008. This pledge will expire once the loan granted to Solucom by Société Générale has been fully repaid, which will occur by 27 March 2015 (being the maturity date of the loan).

2.5 Shareholders pact and agreements

Measures relating to the shareholders

None.

Measures relating to issuing company

None.

The Company is not aware of the existence of any clause that may have an impact on the Company's assets, business, financial situation, earnings and outlook.

3. Breakdown of share capital and voting rights

3.1 Shareholders of Solucom SA

The following table lists the shareholders of Solucom SA as at 10 May 2008:

Shareholders	Shares	% interest	Voting rights	% voting rights (1)
Founders and executives	2,883,996	58.25	5,757,116	70.79
P. Imbert	1,440,160,	29.09	2,880,320	35.42
M. Dancoisne	1,395,420	28.19	2,790,840	34.32
P. Hirigoyen	47,976	0.97	85,084	1.05
Other directors	440	0.001	872	0.001
Treasury shares	89,229	1.80	89,229	1.10
Public	1,977,437	39.94	2,285,792	28.11
TOTAL	4,950,662	100.00	8,132,137	100.00

(1) Based on Article 11 of the articles of association of Solucom SA, double voting rights are granted to holders of fully paid-up registered shares if these shares have been registered for at least two years in the name of the same shareholder. Furthermore, pursuant to the new Article 223-11 of the general regulations of the AMF, the total number of voting rights is calculated based on all shares including those without voting rights.

Total voting rights for registered shares: 6,530,193 (1) and 3 348 718 shares.

Total shares with voting rights: 4,950,662.

Total shares with single voting rights: 4,950,662 - 3,348,718= 1,601,944 (2).

Total voting rights (1) + (2): 8,132,137.

As at 7 May 2008, the shares held by the public comprise 47% institutional funds and 53% private shareholders based on a TPI analysis dated 7 May 2008.

29% of Solucom SA's shares are held by Pascal Imbert, Chairman of the Management Board, and 28% by Michel Dancoisne, Chairman of the Supervisory Board. These two shareholders, who act in concert, together therefore own 57% of Solucom's share capital.

Patrick Hirigoyen, member of the Management Board, is deputy Managing Director in charge of operations for Solucom SA.

Jean-Claude Malraison, Hervé Nora and Jacques Pansard, appointed as other directors, perform the duties of Vice-Chairman and are members of the Supervisory Board.

During the year ended 31 March 2008, Solucom and the AMF were informed that Lazard Frères Gestion SAS acting on behalf of mutual funds had increased its holding above a 5% equity interest with 259,600 shares, representing 5.25% of the share capital.

To Solucom's knowledge no other shareholders hold 5% or more of the share capital and/or voting rights.

3.2 Change in Solucom's share capital over the last five years

Date	Transaction description	Number of shares	Nominal value (€)	Issue premium per share (€)	Share capital after transaction (€)
14/06/04 ⁽¹⁾	Exercise of BSPCE during year ended 31/03/2004	1,182,121	0.381	7.86	450,582.04
13/06/05 ⁽²⁾	Exercise of BSPCE during year ended 31/03/2005	1,193,970	0.381	8.24	455,097.19
12/06/06 ⁽³⁾	Exercise of BSPCE and stock options during year ended 31/03/2006	1,203,134	0.381	20.81	458,589.71
11/06/07 ⁽⁴⁾	Exercise of BSPCE and stock options during year ended 31/03/2007	4,889,480 ⁽⁵⁾	0.095 ⁽⁵⁾	3.49 ⁽⁵⁾	465,920.98
19/07/07 ⁽⁶⁾	Exercise of stock options during the period from 1/04/07 to 19/07/07	4,904,148	0.095	5.13	467,318.55
19/07/07 ⁽⁷⁾	Share capital increase for the rounding difference on the nominal value per share	4,904,148			490,414.80
02/06/08 ⁽⁸⁾	Exercise of stock options during the period from 20/07/07 to 31/03/08	4,950,662	0.10	3.93	495,066.20

⁽¹⁾ Issue of 5,561 new shares following exercise of the same number of BSPCE.

⁽²⁾ Issue of 11,849 new shares following exercise of the same number of BSPCE.

⁽³⁾ Issue of 9,164 new shares following exercise of BSPCE and stock options generating a premium on issue amounting to €191,000. The weighted average issue price of these shares was €21.19 per share.

⁽⁴⁾ Issue of 76,944 new shares following exercise of BSPCE and stock options generating a premium on issue amounting to €269,000. The weighted average issue price of these shares was €3.59 per share.

⁽⁵⁾ Stated after adjusting for the 4-for-1 bonus issue dated 25 October 2006.

⁽⁶⁾ Issue of 14,668 new shares following exercise of stock options generating a premium on issue amounting to €75,000. The weighted average issue price of these shares was €5.23 per share.

⁽⁷⁾ Share capital increase by a €23,000 transfer from reserves thereby increasing the nominal value to €0.10 per share.

⁽⁸⁾ Issue of 46,514 new shares following exercise of stock options generating a premium on issue amounting to €183,000. The weighted average issue price of these shares was €4.03 per share.

3.3 Change in shareholders over the last three years

	07/05/08 ⁽³⁾			10/05/07 ⁽³⁾			10/05/06		
	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights
Directors' shareholdings <small>(1) (2)</small>	2,883,996	58.25	70.79	2,884,996	58.92	71.08	719 092	59.76	72.50
Of which Pascal Imbert	1,440,160	29.09	35.42	1,440,160	29.41	35.55	360 040	29.92	36.31
Of which Michel Dancoisne	1,395,420	28.19	34.32	1,395,420	28.50	34.45	348 855	28.99	35.18
Treasury shares	89,229	1.80	1.10	56,720	1.16	0.70	13 289	1.10	0.00
Public	1,977,453	39.94	28.11	1,955,100	39.93	28.22	470 975	39.14	27.50
TOTAL	4,950,662	100	100	4,896,816	100	100	1 203 356	100	100

⁽¹⁾ Company directors of Solucom SA.

⁽²⁾ Michel Dancoisne and Pascal Imbert act in concert.

⁽³⁾ Pursuant to the new Article 223-11 of the general regulations of the AMF, the total number of voting rights is calculated based on all shares including those without voting rights.

There was no material change in the Company's shareholding structure during the year.

There was no material disposal of Company shares on the part of the shareholding directors and, in the Company's knowledge, there were no institutional shareholders holding over 5% of the share capital as at 7 May 2008.

3.4 Crossing shareholder thresholds

During the year ended 31 March 2008, Solucom and the AMF were informed that Lazard Frères Gestion SAS acting on behalf of mutual funds had increased its holding above a 5% equity interest with 259,600 shares, representing 5.25% of the share capital.

4. Membership by the issuing company of a group

Solucom SA does not belong to any group.

5. Dividends

5.1 Statute of limitations

Uncashed dividends expire after a period of five years and are paid to the French government pursuant to legal provisions.

5.2 Dividends paid

Solucom SA has distributed dividends since the year ended 31 March 1995.

Year ended	Number of shares	Earnings distributed (€)	Net dividend per share (€)
31/03/05	1,179,632 ⁽¹⁾	401,075	0.34 ⁽¹⁾
31/03/06	1,188,298 ⁽¹⁾	475,319	0.40 ⁽¹⁾
31/03/07	4,811,822	673,655	0.14

⁽¹⁾ prior to the 4-for-1 bonus issue dated 25 October 2006.

5.3 Distribution of dividends in respect of year ended 31 March 2008

In respect of the year ended 31 March 2008, the General Meeting of shareholders, ruling on the financial statements for the year ended 31 March 2008, will be invited to approve a total dividend distribution of €923,672.27 from the net profit of the year.

The treasury shares held by the Company in conjunction with the share buy-back programme, do not have any rights to dividends; the difference between the value allocated to the distribution as stated above and the amount actually paid shall be posted to Retained Earnings.

5.4. Future dividend payout policy

The future dividend payout policy will be based on the Company's prospects for growth and related funding needs.

6. The company's stock market

The Company is listed on compartment C of Euronext Paris.

Solucom share price movements from 1 April 2007 to 15 June 2008

Month	High	Low	Month end price	Total volume	Average price for the month
04/07	16.9	16.29	16.3	47,181	16.62
05/07	16.9	16.28	16.68	109,934	16.59
06/07	17.99	16.1	19.99	130,010	17.55
07/07	19.97	18.74	19.15	76,878	19.44
08/07	18.99	17.75	18.45	39,315	18.26
09/07	18.3	16.85	17.35	52,033	17.60
10/07	19.87	17.2	19.60	42,691	18.88
11/07	20.18	17.85	19.10	47,231	19.08
12/07	18.99	17.56	18.90	37,740	18.40
01/08	18.5	14.24	14.70	77,281	15.68
02/08	16.65	15.1	16.38	41,550	16.10
03/08	15.9	14.64	15.49	52,858	15.24
04/08	17.35	15.6	16.26	19,998	16.43
05/08	17.37	16.26	17.36	31,102	16.98
06/08	18	16,92	17,2	18,331	17,36



Graph of Solucom share price movements from 31 March 2007 to 15 June 2008

Description of the share buy-back programme submitted to the shareholders at the ordinary general meeting dated 26 September 2008

Pursuant to Articles 241-1 to 241-6 of the general regulations of the AMF (French stock market regulator) and European regulation no. 2273/2003 dated 22 December 2003, the objective of this description of the share buy-back programme, which Solucom will submit to the ordinary general meeting dated 26 September 2008, is to explain its terms and conditions. The programme described in this report supersedes that authorised by the shareholders on 28 September 2007.

Solucom SA has signed a liquidity contract in accordance with the ethics charter of the AFEI with Portzamparc. Said liquidity contract complies with the following:

- Regulation (EC) 2273/2003 of the European Commission,
- Articles L 225-209 et seq. of the French Commercial Code,
- The general regulations of the AMF

1. Date of the general meeting that will vote on the share buy-back programme

The share buy-back programme will be submitted for the approval of the extraordinary and ordinary general meeting dated 26 September 2008.

2. Shares and proportion of the share capital held by Solucom as at 7 May 2008

At 7 May 2008, Solucom held directly or indirectly 89,229 treasury shares representing 1.8% of Solucom SA's share capital.

3. Breakdown of Solucom SA's treasury shares by objective as at 7 May 2008

- 15,508 shares are designed to ensure the liquidity and boost the secondary market for the shares by the involvement of an investment services intermediary based on a liquidity contract in accordance with the ethics charter recognised by the AMF;
- 16,000 shares are held to issue to employees and/or directors of the Group in accordance with statutory terms and conditions, notably for purposes of stock option plans in order to financially involve employees or directors in the Company's or Group's growth, for purposes of company savings or bonus share plans or other shareholding plans;
- 57,721 shares are held to be offered as consideration for future external acquisitions or mergers.

4. Objectives of the new share buy-back programme

Based on the share buy-back programme covered under the fourteenth draft resolution of the ordinary general meeting on 26 September 2008, Solucom plans to pursue the following objectives:

- Ensure the liquidity and boost the market for the shares by the involvement of a completely independent intermediary service provider and based on a liquidity contract in accordance with the ethics charter recognised by the AMF;
- Hold shares to be offered as consideration for any future external acquisitions or mergers, subject to a maximum limit of shares that may be purchased for this purpose of 5% of the Company's share capital;
- Allocate or sell, depending on each case, shares to employees and/or directors of the Company and/or its Group companies in accordance with statutory terms and conditions, notably for purposes of profit sharing, the implementation of any Company or Group savings plan, the implementation of any stock option plan or to issue bonus shares;
- Issue shares on the exercise of options granting entitlement by any means to the Company's share capital.

5. Maximum proportion of share capital, maximum price, maximum number and terms and conditions of shares that Solucom may purchase

Under the terms of the fourteenth draft resolution of the ordinary general meeting dated 26 September 2008, the Management Board would be entitled, on one or more occasions, at times that the Management Board shall establish, to purchase shares of the Company up to a maximum limit of 10% of the total number of shares making up the share capital (495,066 shares) based on the share capital as at 7 May 2008. In view of the treasury shares held as at 7 May 2008, Solucom would only be permitted to buy a maximum potential total number of 405,837 shares or 8.2% of the total shares making up the share capital as at the same date.

The shares that may be purchased are ordinary shares, all of the same class and listed on NYSE Euronext compartment C of Euronext Paris (ISIN code FR 0004036036).

This authorisation terminates that granted to the Management Board by the ordinary and extraordinary general meeting dated 28 September 2007.

The maximum purchase price shall be €40 per share. In the event of a transaction affecting the share capital, including any share consolidation or bonus share issue, the aforementioned limits shall be adjusted accordingly.

Therefore, the maximum value of the transaction, less treasury shares, shall be €16,233,480 (405,837 shares X €40).

6. Duration of the new share buy-back programme

Under the terms of the fourteenth draft resolution at the ordinary general meeting on 26 September 2008, the Management Board would be authorised to buy shares during a period until the next ordinary annual general meeting convened to approve the financial statements for the year ended 31 March 2009, and, at the latest, within a maximum of 18 months from the general meeting on 26 September 2008, in accordance with Articles L. 225-209 et seq. of the French Commercial Code.

7. Results of the preceding programme

Statement from the issuer regarding transactions in treasury shares from 11 May 2007 to 7 May 2008

Proportion of share capital held directly and indirectly:	1.8%
Number of shares cancelled in the last 24 months:	0
Number of shares held as at 7 May 2008:	89,229
Number of shares held as at 7 May 2008:	€1,248,443
Market value of shares held based on a share price of €16.94 (closing market price on 7 May 2008)	€1,511,539

From 11/05/07 to 07/05/08	Gross transaction totals		Open positions as at 07/05/08			
	Purchases	Sales/ transfers	Open purchase positions		Open sale positions	
Number of shares: of which liquidity contract: of which other objectives :	66,841 40,296 26,545	34,332 34,332 -	Call options purchased	Forward purchases	Put options sold	Forward sales
Average maximum term	-	-	-	-	-	-
Average transaction price (€)	17.35	17.58	-	-	-	-
Average exercise price (€) ⁽¹⁾	-	-	-	-	-	-
Amounts (€)	1,159,666	603,533	-	-	-	-

(1) Solucom did not buy or sell any options or conduct any forward transactions, with the result that there is no average exercise price.

The Company did not use any derivative products in conjunction with this share buy-back programme and does not hold any open purchase or sale positions.

Lastly, in accordance with Article L 241-2 of the general regulations of the AMF, any material amendment to any information stated in this document shall be brought to the attention of the public as soon as possible, based on the requirements of Article L 221-3 of the general regulations of the AMF, including by making such information available at Solucom's registered office and website and on the website of the AMF.

Resolutions submitted to the Ordinary General Meeting 26 September 2008

First Resolution (approval of the Company financial statements for the year ended 31 March 2008):

The ordinary general meeting, having taken note of the Management Board report, the special report of the Management Board, the report of the Supervisory Board, the report of the Chairman of the Supervisory Board pursuant to Article l225-68 of the French Commercial Code and the reports of the statutory auditors, hereby approves the financial statements including the balance sheet, the income statement and notes thereto for the year ended 31 March 2008 as presented, and all transactions reflected in these financial statements and summarised in these reports.

Consequently, the ordinary general meeting discharges the members of the Management Board and the Supervisory Board and the auditors from their terms of office in respect of the said financial year. The general meeting takes note that there is no need to approve the expenses for the past financial year specified under Article 39.4 CGI (French General Tax Code) in accordance with the provisions of Article 223 (4) CGI.

Second resolution (approval of the consolidated financial statements for the year ended 31 March 2008):

The ordinary general meeting, having noted the Group Management Board report, the report of the Supervisory Board and the report of the statutory auditors, hereby approves the consolidated financial statements for the year ended 31 March 2008 as presented hereto, showing net profit, Group share, of €6,167,516.

Third resolution (appropriation of the net profit for the year ended 31 March 2008 and dividend):

The ordinary general meeting approves the Management Board's recommendation and decides to appropriate the net profit for the year of €5,524,933.02 as follows:

- Transfer of €2,914.52 to the legal reserve to increase it to 10% of the share capital
- *Total dividend of €923,672.27 paid to shareholders*
- *Transfer of the balance of €4,598,346.23 to the line "Other reserves"*
- *The dividend per share (in respect of shareholders entitled to dividends) is accordingly fixed at €0.19.*
- *The dividend will be payable in cash as from 13 October 2008.*
- *If, at the date of the dividend payment, the number of treasury shares without dividend rights held by Solucom has changed, the sum corresponding to the dividends not paid or to be paid by reason of this variation, shall be posted to the "Retained Earnings" account.*
- *Pursuant to Article 158-3-2 CGI (French General Tax Code), dividends paid to natural persons resident in France for tax purposes are entitled to a 40% reduction for income tax purposes provided they have not opted for the fixed allowance of 18% (excluding social security contributions) specified under Article 117 quater CGI.*

- *Dividends paid in respect of the three prior financial years were as follows:*

Year ended	Number of shares receiving dividends	Dividend paid	Tax allowance
31 March 2007	4,811,822	€0.14	40%
31 March 2006	1,188,298	€0.40 ❶	40%
31 March 2005	1,179,632	€0.34 ❶	50%

- ❶ prior to the four-for-one bonus issue of shares dated 25 October 2006.

Fourth resolution (approval of a new regulated agreement):

The ordinary general meeting, having heard the reading of the special report of the statutory auditors, decides to approve the nature and consistency of the new agreement falling within the scope of Article L.225-86 of the French Commercial Code.

Fifth resolution (earlier regulated agreements):

The ordinary general meeting, having heard the reading of the special report of the statutory auditors, takes note of the earlier approved agreements that have continued to have effect during the year ended March 2008.

Sixth resolution (renewal of a Supervisory Board member's term of office):

The ordinary general meeting, having taken note of the Management Board report, notes the expiry of the term of office of Mr. Michel Dancoisne and decides to renew it for a further term of six financial years until the general meeting called to approve the financial statements for the year ending 31 March 2014.

Seventh resolution (renewal of a Supervisory Board member's term of office):

The ordinary general meeting, having taken note of the Management Board report, notes the expiry of the term of office of Mr. Jacques Pansard and decides to renew it for a further term of six financial years until the general meeting called to approve the financial statements for the year ending 31 March 2014.

Eighth resolution (renewal of a Supervisory Board member's term of office):

The ordinary general meeting, having taken note of the Management Board report, notes the expiry of the term of office of Mr. Jean-Claude Malraison and decides to renew it for a further term of six financial years until the general meeting called to approve the financial statements for the year ending 31 March 2014.

Ninth resolution (appointment of a new Supervisory Board member):

The ordinary general meeting, having taken note of the Management Board report, decides to appoint Mr. Jean-François Perret as a new member of the Supervisory Board for a six-year term until the ordinary general meeting called to approve the financial statements for the year ending 31 March 2014.

Mr. Jean-François Perret has stated he accepts this appointment and that he does not exercise any duties and/or he is not subject to any measure liable to prevent him from performing the said office.

Tenth Resolution (appointment of a new Supervisory Board member):

The ordinary general meeting, having taken note of the Management Board report, decides to appoint Mr. Pierre Laigle as a new member of the Supervisory Board for a six-year term until the ordinary general meeting called to approve the financial statements for the year ending 31 March 2014. Mr. Pierre Laigle has stated he accepts this appointment and that he does not exercise any duties and/or he is not subject to any measure liable to prevent him from performing the said office.

Eleventh resolution (renewal of the principal statutory auditors' term of office):

The ordinary general meeting, takes note of the expiry of the term of office of the principal statutory auditors, the firm Cabinet SLG Expertise, whose registered office is located at 60 rue Pierre Charron - 75008 PARIS, and decides to renew it for a further term of six financial years until the general meeting called to approve the financial statements for the year ending 31 March 2014.

Twelfth resolution (appointment of a new secondary statutory auditor):

The ordinary general meeting, notes the expiry of the term of office of the secondary statutory auditor Ms. Isabelle Gareau, domiciled at 60 rue Pierre Charron – 75008 PARIS and decides to appoint Ms. Valérie Dagannaud as a new secondary statutory auditor for a term of six financial years until the general meeting called to approve the financial statements for the year ending 31 March 2014.

Thirteenth resolution (directors' fees):

The ordinary general meeting, having taken note of the Management Board report decides to fix the total amount of directors' fees allocated to the members of the Supervisory Board at €17,000 per annum with effect from 1 October 2008 until a future decision of the general meeting;

Fourteenth resolution (authority to be granted to the Management Board to trade in shares of the Company):

The ordinary general meeting, having taken note of the Management Board report, hereby authorises the Management Board on behalf of the Company, with powers to delegate this authority, to buy shares of the Company in accordance with statutory and regulatory conditions in force at the time of the purchases, and specifically in accordance with the provisions of Article l225-209 et seq. of the French Commercial Code, Regulation no. 2273/2003 of the European Commission dated 22 December 2003, and Articles 241-1 to 241-6 of the general regulations of the *Autorité des Marchés Financiers* (French stock market regulator).

The Management Board may use this authority to meet the following objectives:

- Ensure the liquidity or drive the secondary market for Solucom shares by the involvement of an independent intermediary based on a liquidity contract in accordance with the ethics charter recognised by the *Autorité des Marchés Financiers*;
- Hold shares to be offered as consideration for any future external acquisitions or mergers;
- Allocate shares to employees and/or directors of the Company and/or its affiliated Group companies in accordance with legislation, notably for purposes of employee profit sharing, a company savings or shareholding plan for employees, a stock option or bonus share plan;
- Issue shares on exercise of securities giving access by any means to the Company's share capital.

The general meeting decides that:

- The acquisition, sale or transfer of shares may be undertaken by any means and in any manner, including by private transaction, including by purchase or sale of blocks of shares (with no limit to the proportion of the share buy-back programme carried out by this means), or by use of derivative instruments, or traded on a regulated or over-the-counter market, or by implementing stock option strategies, pursuant to terms and conditions approved by market authorities. These transactions may be undertaken at any time, including during periods of public offers in accordance with regulations in force.
- The maximum number of shares that the Company is entitled to purchase under this resolution may not exceed 10% of the share capital, in accordance with Article l225-209 of the French Commercial Code; this number includes shares purchased under authorities granted by a previous ordinary general meeting, it being specified that the number of shares purchased with a view to holding and subsequent reissue or exchange in conjunction with a merger, de-merger or capital contribution transaction, may not exceed 5% of the Company's share capital;
- The maximum purchase price per share is set at €40 (excluding purchase expenses) it being specified that, in the event of a transaction involving the Company's share capital, such as a capital increase by capitalising reserves, issue of bonus shares or a division or combination of shares, the aforementioned number and price of shares shall be adjusted by a coefficient equivalent to the ratio between the number of shares comprising the share capital before the transaction, and the number of shares after the transaction;
- The total maximum funds allocated for purchase of the Company's shares may not exceed €16,233,480, subject to available reserves.
- The present authority shall be granted for a period expiring on the date of the General Meeting convened to approve the financial statements of the financial year beginning 1 April 2008, without this period exceeding eighteen (18) months, with effect from today's date;
- The General Meeting grants all powers including that of sub-delegation, to the Management Board, under the conditions fixed by law, to implement the share buy-back programme, and notably in order to:
 - effectively launch and implement this share buy-back programme;
 - within the aforementioned limits, issue any stock market or off-market orders based on the conditions determined by current regulations;
 - adjust the purchase price of the shares to take account of the aforementioned transactions on the share price;
 - sign any agreements with a view to maintaining registers of purchases and sales of shares;
 - ensure a complete audit trail of transactions;
 - make any and all declarations and perform all formalities with any organisations, in particular the *Autorité des Marchés Financiers*, in accordance with current regulations;
 - meet all other formalities, and generally, take all necessary steps;
 - take note that the workers council will be informed of the adoption of this resolution, in accordance with the provisions of Article l225-209 sub-paragraph 1 of the French Commercial Code;

- take note that the shareholders shall be informed during the next annual general meeting of the exact allocation of shares purchased to the various objectives pursued in respect of all share buy-back transactions undertaken;
- this authority supersedes all prior authorities on the same subject.

fifteenth resolution (powers for formalities)

The ordinary general meeting gives all powers to the bearer of a copy or an original of these minutes, in order to carry out all legal formalities.

Exceptional events and litigation

To the Company's knowledge, there are no exceptional events or disputes that are liable to have or that have had a material impact on the Company's or the Group's financial situation or earnings.

Appendices

Annual information document

Documents accessible to the public

Parties Responsible

Reference Table

Annual information document

(Prepared in application of Article 221.1.1 of the general regulations of the French Financial Markets Authority)

Summary of information that has been published or made public between 1 April 2007 and 4 June 2008

Date of issue	Medium	Type	Subject
03/04/07	Solucom Site Actusnews	Press release	Merger with Vistali: Solucom becomes the leading French SOA consultancy
10/04/07	Solucom Site Actusnews	Press release	Regulatory information
16/04/07	Solucom Site Actusnews	Press release	Regulatory information
11/05/07	Solucom Site Actusnews	Press release	Regulatory information
14/05/07	Solucom Site Actusnews	Press release	Annual turnover for 2006/2007: €52.8m, up 36%
16/05/07	Balo	Periodic Publication	Turnover
11/06/07	Solucom Site Actusnews	Press release	Regulatory information
19/06/07	Solucom Site Actusnews	Press release	Operating margin on ordinary activities 2006/2007: 13% Target for 2010: to become one of the top five IT consultancy firms
20/06/07	Les Echos	Financial notice	
29/06/07	Solucom Site	Report	Annual financial information 2006/2007
02/07/07	Solucom Site	Report	Reference Document 2006/2007
10/07/07	Solucom Site Actusnews	Press release	Regulatory information
20/07/07	Balo	Periodic Publication	Annual financial statements 2006/2007
24/07/07	Solucom Site Actusnews	Press release	First Quarter turnover 2007/2008: 53% growth, 18% of which is organic
26/07/07	Solucom Site	Report	Quarterly financial information 2007/2008
06/08/07	Solucom Site Actusnews	Press release	Regulatory information

24/08/07	Balo	Periodic Publication	Turnover
24/08/07	Balo	Periodic Publication	Notification to attend
07/09/07	Solucom Site Actusnews	Press release	Regulatory information
13/09/07	Solucom Site Actusnews	Press release	Regulatory information
28/09/07	Solucom Site Actusnews	Press release	Regulatory information
09/10/07	Solucom Site Actusnews	Press release	Regulatory information
12/10/07	Balo	Periodic Publication	Approval of annual financial statements by shareholders' general meeting
06/11/07	Solucom Site Actusnews	Press release	Turnover first half 2007/2008: €33.5m, □up 48%, of which 20% organic
12/11/07	Balo	Periodic Publication	Turnover
13/11/07	Solucom Site Actusnews	Press release	Regulatory information
27/11/07	Solucom Site Actusnews	Press release	First half 2007/2008 Income from ordinary activities: up 57 % Statement of annual objectives
28/11/07	Les Echos	Financial notice	
29/11/07	Solucom Site	Letter to shareholders	Target for 2010
29/11/07	Solucom Site	Press release	Regulatory information
10/12/07	Solucom Site Actusnews	Report	Half-yearly financial information 2007/2008
08/01/08	Solucom Site Actusnews	Press release	Regulatory information
16/01/08	Balo	Periodic Publication	Half-yearly financial statements 2007/2008
31/01/08	Solucom Site Actusnews	Press release	Regulatory information
05/02/08	Solucom Site Actusnews	Press release	Nine months turnover for 2007/2008: €52.9m, up 42% of which more than 21% organic growth
08/02/08	Solucom Site Actusnews	Press release	Regulatory information
08/02/08	Balo	Periodic Publication	Turnover
13/02/08	Solucom Site	Report	Quarterly financial information 2007/2008

07/03/08	Solucom Site Actusnews	Press release	Regulatory information
27/03/08	Solucom Site	Letter to shareholders	On track!
02/04/08	Solucom Site Actusnews	Press release	Merger with Cosmos~Vectis: Solucom becomes one of the largest independent IT consultancies
09/04/08	Solucom Site Actusnews	Press release	Regulatory information
06/05/08	Solucom Site Actusnews	Press release	Turnover 2007/2008: €73.0m, up 38% of which more than 21% organic growth
14/05/08	Solucom Site Actusnews	Press release	Regulatory information
30/05/08	Balo	Periodic Publication	Turnover
03/06/08	Solucom Site Actusnews	Press release	Annual results 2007/2008: 38% growth and 13% operating margin on ordinary activities
04/06/08	Les Echos	Financial notice	
10/06/08	Solucom Site Actusnews	Press release	Regulatory information

Documents accessible to the public

The reference document is available at the head office of the company, Tour Franklin, 100-101, terrasse Boieldieu 92042 Paris-La-Défense Cedex.

Telephone: +33 (0)1 49 03 25 00 and on Solucom's website: www.solucom.fr

During the period of validity of the reference document, the following documents may be consulted at the Group's head office:

- The company's statutes
- All reports, mails and other documents, financial historical information, evaluations and notifications established by an expert on demand of the Group, a part of which is included or certified in this document
- Financial historical information of the Group for each of the two financial years preceding the publication of the reference document.

Parties Responsible

Party responsible for the reference document

Pascal Imbert, Chairman of the Management Board

Reference document certificate

"I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable GAAP and that they provide a faithful picture of the assets, financial situation and profits of the company and all its consolidated companies, and that the management report appearing on page 24 provides an accurate picture of the development of sales, profits and the financial situation of the company and all its consolidated companies, as well as a description of the main risks and uncertainties facing them."

Paris, 30 June 2008

Pascal Imbert, Chairman of the Management Board

Parties responsible for the audit of the financial statements

Primary statutory auditors:

SLG Expertise, 60, rue Pierre Charron, 75008 Paris : appointed by the General Meeting dated 30/09/02; term of office expires following the General Meeting called to approve the financial statements for the year ended 31/03/08, represented by Ms. Marion BOLZE.

Constantin Associés, 26, rue de Marignan, 75008 Paris : appointed by the General Meeting dated 28/09/07; term of office expires following the General Meeting called to approve the financial statements for the year ended 31/03/13, represented by Mr. Laurent LEVESQUE.

Secondary statutory auditors:

Ms Isabelle Gareau, 60, rue Pierre Charron, 75008 Paris: appointed by the General Meeting dated 30/09/02; term of office expires following the General Meeting called to approve the financial statements for the year ended 31/03/08.

Mr. Michel Bonhomme, 114, rue Marius AUFAN, 92532 Levallois Perret : appointed by the General Meeting dated 28/09/07; term of office expires following the General Meeting called to approve the financial statements for the year ended 31/03/13.

Responsible for the financial information

Pascal Imbert, Chairman of the Management Board
Pascale Besse, Finance Director

Solucom

Tour Franklin
100-101, terrasse Boieldieu
La Défense 8
92042 Paris-La-Défense Cedex

Tel.: +33 (0)1 49 03 25 00 - Fax: +33 (0)1 49 03 25 01
E-mail: action@solucom.fr

Reference Table

In accordance with appendix 1 of CE 809/2004 regulations

Sections/ Rubriques	Pages
1. Parties responsible	
Name and function of the party responsible	165
Reference document certificates	165
2. Name & address of parties responsible for the audit of the financial statements	165
3. Selected financial information	4-22
4. Risks	46-49 / 57-63
5. Information concerning the company	
5.1 History and development of the company	5&139
• Name and legal form	139
• Place and number of registration	139
• Date of establishment and lifespan	139
• Registered office and legal form	139
• Important events in the development	139
5.2 Capital expenditure and capital expenditure policy	22
6. Summary of Business	
6.1.2 Business and market	4/8/12
6.1.3 Degree of dependence, competitive edge	12/63
7. Organisation Chart	17 &18
8. Premises, factories and equipments	22
9. Audit of financial situation and profit	24-33
10. Cash & Equivalents and share capital	
10.1 Share capital of the Company	35, 83, 144-150
10.2 Cash flow	5, 57, 68, 96
10.3 Loans conditions and financial structure	57, 58, 84-87
11. Research & Development, patents & licences	31, 63, 76
12. Information on trends	27-30, 64
13. Future outlook and profit estimation	28
14. Directors and boards	17-18, 35-42, 135
15. Remuneration and benefits	38
16. Director's operations and functioning of boards	120-125
17. Employees	
17.1 Number of employees	43-46
17.2 Stock-options	35, 136-137

17.3 Employees as shareholders	35
18. Main shareholders	147-149
19. Related party transactions	20-21
20. Financial information concerning assets and liabilities, financial situation and earnings of the issuer	
20.1 Historical financial information and financial situation, testing on the annual historical financial information	5
20.2 Dividend distribution policy	150
20.3 Outstanding court and arbitration proceedings	159
21. Additional information	
21.1 Share capital	37,38,105,113, 144-150
21.2 Act of incorporation and articles of association	139-144
22. Important contracts	NA
23. Information from third parties	NA
24. Documents accessible to the public	166
25. Information regarding equity investments	19-20, 31-32, 111-112