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This registration document was filed with the Autorité des Marchés Financiers (the French market regulator) on April 26th 2005, in accordance with articles 211-1 to 211-42 of its regulations. It can only be used in support of a financial transaction if accompanied by a prospectus duly approved by the AMF. This report is available in English on Boursorama's website: [www.boursorama.com](http://www.boursorama.com). BOURSORAMA Group also published a social report for 2004 in application of French law 77-769 of July 12th 1977.

# ▶▶▶ 1. Persons responsible for the registration document and for the audit of the financial statements

## 1.1 Person responsible for the registration document

Vincent TAUPIN, Chairman

## 1.2 Statement of the person responsible for the registration document

"To our knowledge, the information contained in this registration document provides a true and fair picture of the existing situation. It includes all information required by investors to formulate an opinion on the assets and liabilities, business, financial position, earnings and prospects of the company. It does not contain any omission which could affect the validity of this document".

Chairman  
Vincent TAUPIN

## 1.3 Persons responsible for the audit of the financial statements

### Statutory Auditors:

- DELOITTE TOUCHE TOHMATSU  
Represented by Josè-Luis GARCIA  
185, Avenue Charles de Gaulle  
92200 Neuilly-sur-Seine

At the Joint Shareholders' Meeting of May 3rd 2004, DELOITTE TOUCHE TOHMATSU was appointed Statutory Auditors for the remaining mandate of KPMG, who has resigned.

This mandate will expire at the Ordinary Shareholders' Meeting convened to vote upon the financial statements for the financial year ending 31/12/07.

- ERNST & YOUNG AUDIT  
Represented by Christian MOUILLON  
11 Allée de l'Arche  
92400 Courbevoie

Date of first appointment: 13/11/2000.  
This mandate will expire at the Ordinary Shareholders' Meeting convened to vote upon the financial statements for the financial year ending 31/12/05.

### Alternate Statutory Auditors:

- Alain PONS  
185, Avenue Charles de Gaulle  
92200 Neuilly-sur-Seine

Alain PONS was appointed alternate statutory auditor at the Joint Shareholders' Meeting of May 3rd, 2004, for the remaining mandate of his predecessor Gérard RIVIERE, who has resigned.

This mandate will expire at the Ordinary Shareholders' Meeting convened to vote upon the financial statements for the financial year ending 31/12/07.

- Gabriel GALET  
11 Allée de l'Arche  
92400 Courbevoie

Date of first appointment: 13/11/2000.  
This mandate will expire at the Ordinary Shareholders' Meeting convened to vote upon the financial statements for the financial year ending 31/12/05.

## 1.4 Statutory auditors' certification

### Report of the Statutory Auditors' on the financial statements

Financial year ending December 31st, 2004

To the Shareholders,

In our capacity as the Statutory Auditors of Boursorama, pursuant to articles L. 211-5-2 of the general regulations of the Autorité des Marchés Financiers, and in accordance with French accounting standards, we have reviewed the information concerning the company's financial situation and the historic accounting data presented in this registration document.

Mr. Vincent Taupin, Chairman of the Board of Directors, was responsible for compiling this reference document. Our responsibility is to issue an opinion on the fairness of the information contained herein with respect to the company's financial position and financial statements.

Our audit consisted in verifying, using the accounting principles generally accepted in France, the fairness of the accounting and financial data presented and the conformity of said data with the accounts. It also consisted in reviewing the other information contained in this document to identify any significant inconsistencies and in indicating any manifest errors noted on the basis of our knowledge of the company as acquired during our mission. Prospective data contained herein correspond to the management's objectives, and are not forecasts arising from a structured calculation process.

The parent company and consolidated financial statements for the periods ended December 31st 2002 and 2003, as prepared by the Board of Directors, were audited by Ernst & Young Audit and KPMG Audit, a department of KPMG SA, in accordance with the standards prevailing in France, and were certified without reservation or comment.

The parent company and consolidated financial statements for the period ended December 31st 2004, as prepared by the Board of Directors, were audited by Ernst & Young Audit and Deloitte & Associés in accordance with the standards prevailing in France, and were certified without reservation or comment.

We have nothing to report with respect to the fairness of the information on the financial position and financial statements contained in the reference document.

Paris – La Défense and Neuilly sur Seine on May 3rd 2005

Statutory Auditors

ERNST & YOUNG Audit  
Christian MOUILLON

Deloitte & Associés  
José-Luis GARCIA

The general report and the report on the consolidated financial statements as at December 31st 2004 of the Statutory Auditors, along with the justification for the assessment of the Statutory Auditors prepared in accordance with the provisions of article L. 225-235 of the French Commercial Code, are included in this registration document on pages 68 and 43, respectively.

The report of the Statutory Auditors, drawn up in compliance with the last paragraph of article L. 225-235 of the French Commercial Code, on the report of the Chairman of Société Générale's Board of Directors on internal control procedures relative to the preparation and processing of accounting and financial information, is included in this registration document on page 121.

### 1.5. Auditors' fees

|                     | Ernst & Young      |            |                 | Deloitte              | KPMG        | Baker Tilly and Co |           |                 |
|---------------------|--------------------|------------|-----------------|-----------------------|-------------|--------------------|-----------|-----------------|
|                     | Amount in EUR '000 |            | Change<br>n/n-1 | Amount in<br>EUR '000 | EUR '000    | Amount in EUR '000 |           | Change<br>n/n-1 |
|                     | 2004               | 2003       |                 | 2004                  | 2003        | 2004               | 2003      |                 |
| Audit               |                    |            |                 |                       |             |                    |           |                 |
| Statutory auditing  | 80                 | 94         | -15%            | 80                    | 85          | 49                 | 50        | -2%             |
| Related assignments | 28                 | 23         | +22%            | 12                    | 5,5         | 2                  |           |                 |
| <b>Total</b>        | <b>108</b>         | <b>117</b> | <b>-8%</b>      | <b>92</b>             | <b>90.5</b> | <b>51</b>          | <b>50</b> | <b>+2%</b>      |

### 1.6. Executive officer responsible for financial information

- Olivier Lecler, Vice Chairman  
BOURSORAMA  
18, quai du Point du Jour  
92659 Paris La Défense Cedex, France  
Tel: +33 (0)46.09.50.00  
Fax: +33 (0)46.09.54.70  
E-mail: [olivier.lecler@boursorama.fr](mailto:olivier.lecler@boursorama.fr)

## ▶▶▶ 2. Issue and/or listing of securities

None.

## ▶▶▶ 3. General information on Boursorama and its capital

### 3.1. Information on the company

#### 3.1.1. Company name

BOURSORAMA

#### 3.1.2. Registered office

18, quai du Point du Jour  
92659 Boulogne–Billancourt Cedex

#### 3.1.3. Date and term of incorporation

The Company was incorporated on June 7th, 1989 under the name of GIF Futures. Its name was later changed to Fimatex SA by a decision of the Extraordinary Shareholders' Meeting held on September 11th, 1995, without modifying the corporate purpose. On November 29th, 2002, the shareholders decided to adopt Boursorama as the new company name, effective as of January 1st, 2003. On September 29th, 2003, the shareholders decided that the corporate purpose of the Company would be banking and the provision of investment services.

The Company was formed for a term of 99 years from the date of its registration in the Trade and Companies Register unless further extended or dissolved before term.

#### 3.1.4. Legal structure

A French corporation (Société Anonyme) with a Board of Directors governed by the French Commercial Code.

#### 3.1.5. Trade and Companies Register

NANTERRE 351 058 151.

#### 3.1.6 French industry code (NAF) and business sector

671-A: "Financial market administration"

#### 3.1.7. Consultation of corporate documents

The bylaws, financial statements, reports and minutes of shareholders' meetings may be consulted at the Company's registered office.

#### 3.1.8. Corporate purpose (article 2 of the bylaws)

As an approved bank and investment services provider, the business of the Company, in France and in other countries, consists of:

- asset management services for individual clients (directly or via a company), in some cases through a professional intermediary, and also for entrepreneurs, comprising the receipt of funds from the public, holding of securities, cash and savings accounts, transactions relating to the receipt of employee savings, provision of loans backed with securities, financial instruments and life insurance contracts, and the administration and management of means of payment;
- accepting, transmitting and executing investment orders for third parties and the provision of investment services in all financial instruments listed in Article L.211-1 of the Monetary and Financial Code;
- holding of custodial accounts;
- the provision of advice and assistance in asset management;
- foreign exchange transactions;
- the marketing of life-assurance and endowment products as well as any contract guaranteeing a defined capital benefit or annuity under an individual or group scheme;
- in general, all activities that may be carried out by a credit institution or by any other company accorded a similar status under new regulations.

In general, the Company may carry out, on its own behalf, jointly or for third parties, all financial, commercial, industrial, non-commercial, real estate or securities transactions, directly or indirectly related, wholly or in part, or contributing to one of the corporate purposes listed above, and in particular may acquire a stake, by subscription, transfer of shares or any other means, in any company with a similar, related or complementary activity.

### **3.1.9. Financial year (article 23 of the bylaws)**

The Company's financial year begins on January 1st and ends on December 31st of each year.

### **3.1.10. Shareholders' meetings (article 19 of the bylaws)**

Shareholders' Meetings are called and conducted according to conditions established by law. Meetings are held either at the Company's registered office or any other location stated in the notice of meeting.

All shareholders are entitled to take part in meetings, provided they can show proof of identity, either by attending personally, by returning the form for voting by mail or by appointing a proxy subject to the following conditions:

- the names of holders of registered shares must be recorded in a register maintained by the Company;
- holders of bearer shares must submit, at the location indicated in the notice of meeting, a certificate from an authorised financial intermediary acknowledging that their shares are not transferable until the time fixed for the meeting.

These formalities must be carried out at least five days before the meeting.

### **3.1.11 Determination, appropriation and distribution of earnings (article 25 of the bylaws)**

The profit or loss of the period consists of the difference between income and expenses of the period in the income statement after deducting depreciation and provisions.

At least 5% of net earnings for the period, less previous losses if applicable, is allocated to the legal reserve. This

allocation ceases to be compulsory once the legal reserve reaches one tenth of the share capital. However, if the reserve falls below 10% of share capital, the annual allocations must be resumed.

Distributable profit corresponds to the net income of the period, less accumulated losses and amounts set aside as reserves pursuant to the law or the Company's bylaws, and any previously retained earnings.

This profit is distributed among all shareholders in proportion to the number of shares held by each.

However, after deduction of the sums posted to reserves under the law, the Shareholders' Meeting may allocate any amounts it chooses to optional, ordinary or extraordinary reserves, or to retained earnings.

In general, dividends are paid out first from the year's income. The Shareholders' Meeting is also entitled to distribute amounts deducted from available reserves, providing it expressly indicates the reserve accounts from which such deductions are made.

Except in the event of capital reductions, distributions to shareholders are prohibited whenever this would cause shareholders' equity to fall below the aggregate of capital reserves not available for distribution pursuant to the law or the bylaws. Revaluation reserves are not distributable. They may be wholly or partly capitalised.

Losses, if any, are carried forward after the year's financial statements have been approved by the Shareholders' Meeting and deducted from the income of subsequent years until fully written off.

### **3.1.12 Payment of dividends (article 25 of the bylaws)**

The Shareholders' Meeting voting on the financial statements for the year may offer shareholders the option of receiving part or all of dividends in cash or new company stock as provided by law. The same option applies to the payment of interim dividends.

Shareholders must exercise this option on the entire dividend payment attributable to the shares held.

### 3.1.13. Disclosure of holdings exceeding certain thresholds

Any shareholder, whether acting alone or in concert, acquiring more than one-twentieth, one-tenth, one-fifth, one-third, one-half or two-thirds of the Company's share capital, must comply with the provisions of article L. 233-14 of the French Commercial Code and, in particular, shall immediately inform the Company by registered letter with acknowledgement of receipt. Authorisation to exceed thresholds above 5% must be granted by the supervisory authorities (CECEI).

The Company's bylaws do not contain provisions pertaining to the disclosure of changes in equity held, apart from those referred to above. Failure to comply with this reporting obligation will result in the application of the provisions provided for by article L. 233-14 of the French Commercial Code.

### 3.1.14. Identification of holders of bearer shares: Identifiable Bearer Shares (article 7 of the bylaws)

In accordance with the provisions of article L. 228-2 of the French Commercial Code, the Company may request at any time that the clearing organisation EUROCLEAR FRANCE disclose the identity of the holders of bearer shares.

### 3.1.15. Double voting rights (article 9 of the bylaws)

No double voting rights are attached to the Company's shares.

### 3.1.16. Repurchase by the Company of its own shares

A resolution shall be proposed at the next Shareholders' Meeting to authorise the Company to implement a new share buy-back programme for the following purposes:

- to ensure the market making activities of an investment service provider under a liquidity agreement established in accordance with a compliance code recognised by the French Financial Markets Authority (AMF);
- to offer shares as payment or exchange in connection with potential acquisitions.

### Report on the share buy-back programme authorised at the Shareholders' Meeting of May 3rd, 2004

In accordance with the prospectus approved by the COB on April 1st, 2004 under number 04-238, the Joint Shareholders' Meeting of May 3rd, 2004 authorised the Board of Directors to implement a share buy-back programme.

Transactions carried out from March 5th, 2004 to April 13th, 2005

|                         | Purchase     | Sale         |
|-------------------------|--------------|--------------|
| Number of shares        | 395,530      | 356,675      |
| Average share price (€) | 5.29         | 5.35         |
| Total amount (€)        | 2,093,017.60 | 1,909,978.38 |

### Figures for April 13th, 2005

|   |           |
|---|-----------|
| Percentage of own shares held directly or indirectly: | 0.001%    |
| Number of shares cancelled over the last 24 months:   | 0         |
| Number of shares held in the portfolio                | 780       |
| Book value of share portfolio                         | € 5,101.2 |
| Market value of share portfolio                       | € 5,428.8 |

### 3.1.17. Transferability of shares

There exist no provisions in the bylaws restricting the transfer of shares.

### 3.1.18. Draft resolutions to be submitted at the Ordinary General Meeting to be held on May 10th, 2005

#### First resolution: Approval of the parent company financial statements for 2004

The Shareholders' Meeting, under the conditions required for ordinary meetings as to quorum and majority, and having been informed of the Board of Director's report and the Statutory Auditors' report for the financial year ending

December 31st, 2004, hereby approves the parent company financial statements for the year as presented, which show a profit of € 14.5 million, as well as the management of the Company on the basis of these financial statements and reports.

#### **Second resolution: Allocation of income for 2004**

For the financial year ending December 31st, 2004, the Shareholders' Meeting hereby decides to allocate the total profit for the financial year of € 14.5 million to retained earnings.

The Shareholders' Meeting recognises furthermore that no dividends have been paid out for the past three financial years.

#### **Third resolution: Approval of the consolidated financial statements for 2004**

The Shareholders' Meeting, under the conditions required for ordinary meetings as to quorum and majority, and having been informed of the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements for the financial year ending December 31st, 2004, hereby approves the consolidated financial statements for the year as presented, which show a profit of € 12.3 million, as well as the management of the Company on the basis of these financial statements and reports.

#### **Fourth resolution: Approval of the agreements listed in Article L.225-38 of the French Commercial Code**

The Shareholders' Meeting, under the conditions required for ordinary meetings as to quorum and majority, and having been informed of the special report of the Statutory Auditors on the agreements mentioned in Article L. 225-38 of the French Commercial Code, hereby approves and ratifies the authorisation given by the Board of Directors, thereby approving the agreements.

#### **Fifth resolution: Renewal of the mandate of Vincent TAUPIN as a Director**

The Shareholders' Meeting, under the conditions required for ordinary meetings as to quorum and majority, decides to renew the mandate of Vincent TAUPIN as a Director.

This mandate is granted for a period of six years, and will expire at the end of the Shareholders' Meeting to be held in 2011 to approve the financial statements for the preceding financial year.

#### **Sixth resolution: Appointment of Olivier LECLER as a Director**

The Shareholders' Meeting, under the conditions required for ordinary meetings as to quorum and majority, and having been informed of the Board of Directors' report, decides to appoint Olivier LECLER, a French national residing at 17, allée Montcalm - 91430 IGNY as a Director.

This mandate is granted for a period of six years and will expire following the end of the Shareholders' Meeting to be held in 2011 to approve the financial statements for the preceding financial year.

#### **Seventh resolution: Renewal of the authorisation granted to the Board of Directors for the Company to buy back its own shares**

The Shareholders' Meeting, under the conditions required for ordinary meetings as to quorum and majority, and having been informed of the Board of Directors' report and the prospectus approved by the French Financial Markets Authority, and in accordance with the provisions of articles L. 225-209 et seq. of the French Commercial Code and with European Commission regulation 2273/2003 of December 22nd, 2003:

1) authorises the Board of Directors to repurchase shares in the Company, subject to a maximum of 10% of the total number of shares comprising the share capital outstanding at the time of purchase. Such shares shall not exceed 10% of the total share capital outstanding;

2) decides that such repurchases, as well as any disposals or transfers, may be carried out at any time, including when a public offer for the Company is in progress, all at once or in several transactions, and by any means, in accordance with the regulations in force. These transactions may, where appropriate, be effected over the counter, through block trades or through the use of options or derivative products;

3) agrees that the Board of Directors may decide to repurchase the shares of the Company in order to:

- to ensure the market making activities of an investment service provider under a liquidity agreement established in accordance with a compliance code recognised by the French Financial Markets Authority (AMF);
- to offer shares as payment or exchange in connection with potential acquisitions.

Repurchased shares may be held, sold or transferred in order for the Company to meet the above-mentioned purposes.

4) sets the highest price at which shares may be repurchased at € 12 and the lowest price at which they may be sold at € 3. In the event of a capital increase through the incorporation of reserves and the distribution of free shares, as well as in the event of stock splits and reverse splits, the foregoing prices will be adjusted by a multiple equal to the ratio between the number of shares outstanding before and after the transaction.

On this basis, at February 14th, 2005, taking into account shares already held by the Company, the maximum number of shares available for purchase would be 6,829,242.

The maximum amount which the Company may consequently allocate to these acquisitions under this authorisation is € 20,000,000.

5) grants full powers to the Board of Directors, with the option of delegating these powers, to execute such transactions, carry out any and all formalities and make any declarations, make any required adjustments resulting from transactions affecting the share capital of the Company, and take any and all other action required to use this authorisation;

6) sets the duration of this authorisation at 18 months from the date of this Shareholders' Meeting. This authorisation cancels and replaces the authorisation granted by the Joint Shareholders' Meeting of May 3rd, 2004 in its eleventh resolution.

#### **Eighth resolution: Powers to carry out all formalities**

The Shareholders' Meeting grants full powers to the bearer of an original, copy or extract of the minutes of the Meeting to carry out all legal filing, publication and other formalities.

## 3.2. Information on the share capital

### 3.2.1. Share capital

On December 31st, 2004, the share capital was € 27,316,966, divided into 68,292,415 fully paid-up shares with a par value of € 0.40, all in the same class.

### 3.2.2. Changes in share capital

In 2004, the share capital increased from € 27,307,326.40 to € 27,316,966 following the exercise of options during the year.

#### Summary of changes in capital

| Date  | Transaction  | Nominal  | Additional paid-in capital | Shares created | Nominal value created | Total value of authorised capital | Total number of shares |
|---|--|----------|----------------------------|----------------|-----------------------|-----------------------------------|------------------------|
| 7/06/1989   | Incorporation  | FRF 100  | -                          | 2,500          | FRF 250,000           | FRF 250,000                       | 2,500                  |
| 18/09/1989  | Capital increase/shares issued for cash  | FRF 100  | -                          | 97,500         | FRF 9,750,000         | FRF 10,000,000                    | 100,000                |
| 18/09/1989  | Capital increase/contribution in kind  | FRF 100  | -                          | 12,000         | FRF 1,200,000         | FRF 11,200,000                    | 112,000                |
| 20/03/1992  | Capital increase/shares issued for cash  | FRF 100  | -                          | 30,000         | FRF 3,000,000         | FRF 14,200,000                    | 142,000                |
| 27/09/1995  | Capital increase/shares issued for cash  | FRF 100  | -                          | 110,000        | FRF 11,000,000        | FRF 25,200,000                    | 252,000                |
| 17/11/1995  | Capital increase/contribution in kind  | FRF 100  | -                          | 116,000        | FRF 11,600,000        | FRF 36,800,000                    | 368,000                |
| 24/06/1996  | Capital increase/shares issued for cash  | FRF 100  | -                          | 100,000        | FRF 10,000,000        | FRF 46,800,000                    | 468,000                |
| Shareholders' Meeting of 30.06.99:                                      | Capital increase/shares issued for cash  | FRF 100  | -                          | 360,000        | FRF 36,000,000        | FRF 82,800,000                    | 828,000                |
| Shareholders' Meeting of 27.12.99:                                      | Capital increase/shares issued for cash  | FRF 100  | -                          | 262,400        | FRF 26,240,000        | FRF 109,040,000                   | 1,090,400              |
| 23/02/2000  | 40-for-1 stock split   | FRF 2.50 | -                          | 42,525,600     | -                     | FRF 109,040,000                   | 43,616,000             |
| Meeting of the Board of Directors of 21.03.00: (stock market flotation) | Capital increase/shares issued for cash (before exercise of green shoe option)                           | FRF 2.50 | FRF 1,306,308,237          | 13,000,000     | FRF 32,500,000        | FRF 141,540,000                   | 56,616,000             |
| Meeting of the Board of Directors of 04.05.00:                          | Capital increase/shares issued for cash (before exercise of green shoe option)                           | FRF 2.50 | FRF 156,859,317            | 1,560,000      | FRF 3,900,000         | FRF 145,440,000                   | 58,176,000             |
| Shareholders' Meeting of 29.05.01:                                      | Conversion of share capital into euros and capitalisation of a portion of the additional paid-in capital | € 0.40   | € -1,098,214               | -              | € +1,098,214          | € 23,270,400                      | 58,176,000             |
| Shareholders' Meeting of 28.06.02:                                      | Capital increase/contribution in kind  | € 0.40   | € 30,963,229.77            | 10,091,221     | € 4,036,488.40        | € 27,306,888.40                   | 68,267,221             |
| Shareholders' Meeting of 29/09/03:                                      | Capital increase/contribution in kind  | € 0.40   | € 2,975                    | 1,095          | € 438                 | € 27,307,326.40                   | 68,268,316             |
| Meeting of the Board of Directors of 01/03/04:                          | Exercise of stock options  | € 0.40   | € 598.47                   | 300            | € 120                 | € 27,307,446.40                   | 68,268,616             |
| Meeting of the Board of Directors of 14.02.05:                          | Exercise of stock options  | € 0.40   | € 32,128.94                | 23,799         | € 9,519.60            | € 27,316,966                      | 68,292,415             |

### 3.2.3. Breakdown of capital and voting rights

| SHAREHOLDERS                       | At April 13th, 2005* |   | At February 10th, 2004* |   | At April 4th, 2004* |   |
|------------------------------------|----------------------|---|-------------------------|---|---------------------|---|
|                                    | Number of shares     | Percentage of capital and voting rights | Number of shares        | Percentage of capital and voting rights | Number of shares    | Percentage of capital and voting rights |
| FIMAT SNC (1)                      | -                    | -                                       | -                       | -                                       | 7,507,040           | 11.00%                                  |
| SOCIETE GENERALE                   | 48,490,142           | 71.00%                                  | 48,479,014              | 71.01%                                  | 38,466,908          | 56.35%                                  |
| Free float                         | 13,680,424           | 20.03%                                  | 12,930,821              | 18.94%                                  | 1,2029,384          | 17.62%                                  |
| Patrice LEGRAND (2)                | 2,343,938            | 3.43%                                   | 2,343,938               | 3.43%                                   | 3,515,906           | 5.15%                                   |
| Former shareholders of Finance Net | 3,777,131            | 5.53%                                   | 4,514,543               | 6.61%                                   | 6,575,315           | 9.63%                                   |
| Treasury stock                     | 780                  | 0.001%                                  | -                       | -                                       | 172,668             | 0.25%                                   |
| <b>TOTAL</b>                       | <b>68,292,415</b>    | <b>100.00%</b>                          | <b>68,268,316</b>       | <b>100.00%</b>                          | <b>68,267,221</b>   | <b>100.00%</b>                          |

\* the dates correspond to the last updates before publication of the accounts for each period

(1) On December 31st, 2003, Société Générale Group transferred Fimat SNC's holdings to Société Générale. Note that Fimat SNC is wholly-owned by Société Générale.

(2) In July 2003, Patrice Legrand's share in the capital of Boursorama fell below the 5% threshold.

### 3.2.4. Changes in the breakdown of capital over the last three years

- Extraordinary Shareholders' Meeting of 30/06/99: capital increase through the issuance of shares for cash (360,000 shares) subscribed for by FIMAT BANQUE (51%) and SOCIETE GENERALE (49%).
- Extraordinary Shareholders' Meeting of 27/12/1999: capital increase through the issuance of shares for cash (262,400 shares) subscribed for by FIMAT BANQUE (51%) and SOCIETE GENERALE (49%).
- 20/03/2000: purchase of 14,736,920 Fimat Banque shares by Société Générale at the flotation price of EUR 15.70 per share.
- Board of Directors' Meeting of 21/03/2000: capital increase through the issuance of shares for cash (13,000,000 shares).
- Board of Directors' Meeting of 04/05/00: exercise of the green shoe option by Société Générale - capital increase (1,560,000 shares).
- Extraordinary Shareholders' Meeting of 29/05/01: conversion of the share capital into euros. Nominal value rounded up to the nearest tenth via a capital increase through the

incorporation of a portion of the additional paid-in capital (EUR 1,098,214.94).

- Extraordinary Shareholders' Meeting of 28/06/02: capital increase via contribution in kind (creation of 10,091,221 shares).
- Extraordinary Shareholders' Meeting of 29/09/03: capital increase via contribution in kind (creation of 1,095 shares).
- Exercise of stock options in 2003 recorded by the Board meeting on 01/03/2004 (300 shares).
- Exercise of stock options in 2004 recorded by the Board meeting on 14/02/2005 (23,799 shares)

### 3.2.5. Other securities conferring rights to the Company's share capital

The Extraordinary Shareholders' Meeting of February 23rd, 2000 and the Joint Shareholders' Meeting of June 28th, 2002 authorised the Company's Board of Directors to grant certain corporate officers and employees of Boursorama, Fimat Banque, Fimat SNC and Société Générale or any of its subsidiaries in France or abroad, options to subscribe for the Company's shares.

|  | PLAN N°1  |                       |                        | PLAN N°2                 | PLAN N°3               |
|--|---|-----------------------|------------------------|--------------------------|------------------------|
|  | Tranche n°1   | Tranche n°2           | Tranche n°3            |                          |                        |
| Date of Board of Directors' meeting                                  | March 21st, 2000  | July 10th, 2000       | January 10th, 2001     | July 18th, 2002          | June 30th, 2004        |
| Total number of shares available for subscription or purchase        | 2,054,081   | 294,200               | 354,777                | 2,098,000                | 1,419,350              |
| Number of shares that can be subscribed for or purchased by:         |   |                       |                        |                          |                        |
| corporate officers   | 740,000   | 0                     | 80,000                 | 140,000                  | 100,000                |
| first-in-line employees  | 830,000<br>(15 people)  | 294,200<br>(6 people) | 165,000<br>(13 people) | 1,210,000<br>(22 people) | 461,350<br>(10 people) |
| Exercisable-as-of date   | 21/03/2003  | 10/07/2003            | 10/01/2004             | 18/07/2005               | 30/06/2007             |
| Expiry date  | The options are valid for ten years from their allotment date |                       |                        |                          |                        |
| Subscription or purchase price (in EUR)                              | 15.70   | 15.70                 | 7.15                   | 1.91                     | 5.91                   |
| Conditions of exercise   | Must be held for a minimum of three years                     |                       |                        |                          |                        |
| Subscription or purchase options cancelled during the financial year | None  | None                  | None                   | None                     | None                   |
| Outstanding subscription or purchase options                         | 2,054,081   | 294,200               | 354,777                | 2,098,000                | 1,419,350              |

When BOURSORAMA absorbed Selftrade, it agreed to maintain all the share subscription/purchase options which had been set up by Selftrade. If all SELFTRADE's stock options were exercised, a further 192,469 BOURSORAMA shares would be created.

| Date of the Shareholders' Meeting | Date of Board of Directors' meeting | Before conversion                             |                             |   |                    | After conversion             |  |                    |
|-----------------------------------|-------------------------------------|---|-----------------------------|---|--------------------|------------------------------|--|--------------------|
|                                   |                                     | Outstanding options on the date of the merger | Selftrade shares per option | Total No. of Selftrade shares to be created | Strike price (EUR) | Boursorama shares per option | Total No. of Boursorama shares to be created | Strike price (EUR) |
| 20/04/99                          | 21/04/99                            | 499   | 249                         | 124,251                                     | 0.374618           | 99.60                        | 39,093                                       | 0.936546           |
| 21/07/99                          | 30/08/99                            | 1,070   | 249                         | 266,430                                     | 0.961807           | 99.60                        | 93,089                                       | 2.404518           |
| 05/06/00                          | 20/07/00                            | 9,570   | 1                           | 9,570                                       | 8.000000           | 0.40                         | 3,828  | 20.000000          |
| 05/06/00                          | 21/07/00                            | 95,888  | 1                           | 95,888                                      | 7.700000           | 0.40                         | 38,355                                       | 19.250000          |
| 05/06/00                          | 21/07/00                            | 21,142  | 1                           | 21,142                                      | 8.290000           | 0.40                         | 8,457  | 20.725000          |
| 05/06/00                          | 16/08/00                            | 19,344  | 1                           | 19,344                                      | 8.700000           | 0.40                         | 7,738  | 21.750000          |
| 05/06/00                          | 23/01/01                            | 4,772   | 1                           | 4,772                                       | 6.380000           | 0.40                         | 1,909  | 15.950000          |

If all BOURSORAMA stock options that have been (or will be) allotted to employees and managers were exercised, the total dilutive impact for existing shareholders would be 9.4%.

### 3.2.6. Securities not representing share capital

None.

### 3.2.7. Share pledges, guarantees and sureties

None.

### 3.2.8. Shareholders' agreement

None.

### 3.2.9. Dividends and distribution policy

No dividends have been paid out in respect of the past three financial years.

### 3.2.10. Issuer's affiliations

As at January 25th, 2005, Boursorama is a 71%-owned subsidiary of the Société Générale group, a banking group listed on Euronext's Premier Marché in Paris.

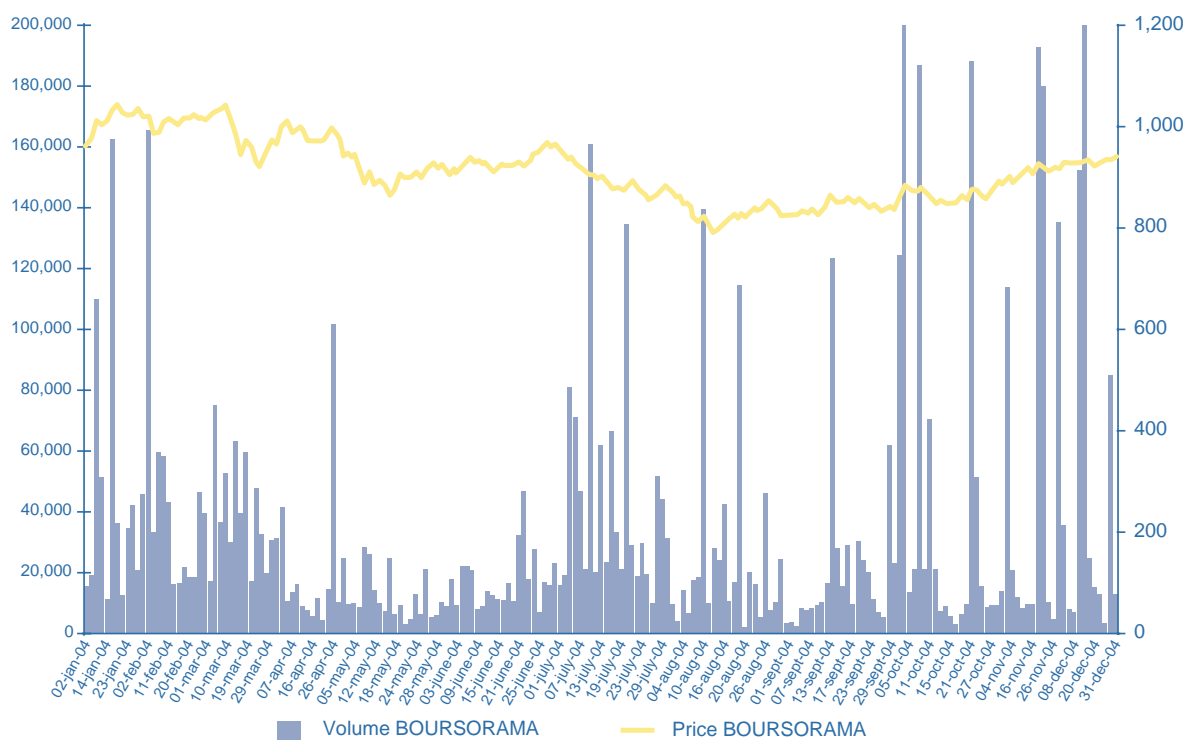
### 3.3. The market for the company's shares

#### 3.3.1 General information

BOURSORAMA has been listed on Euronext's Nouveau Marché in Paris since March 23rd, 2000.

##### Share details (on 31/12/04)

|                                     |               |
|-------------------------------------|---------------|
| Number of shares traded on 31/12/04 | 68,292,415    |
| Closing price on 31/12/04           | € 5.24        |
| 2004 high                           | € 6.86        |
| 2004 low                            | € 4.01        |
| Market capitalisation on 31/12/04   | € 358 million |
| Average daily volume in 2004        | 35,974        |
| ISIN code                           | FR0000075228  |
| Mnemonic code                       | BRS           |
| Reuters code                        | FMTX.LN       |
| Bloomberg code                      | BRS.FP).      |
| Stock market indices                | MidCac 100    |



Source Euronext

### 3.3.2. Changes in BOURSORAMA share price

| Month   | Volume    | Market cap (€m) | High (€) | Low (€) | Average (€) |
|---------|-----------|-----------------|----------|---------|-------------|
| Jan-04  | 1,001,596 | 371.4           | 5.76     | 4.78    | 5.44        |
| Feb-04  | 909,691   | 428.0           | 6.63     | 5.75    | 6.27        |
| Mar-04  | 918,526   | 422.6           | 6.86     | 5.50    | 6.19        |
| Apr-04  | 361,058   | 408.2           | 6.35     | 5.75    | 5.98        |
| May-04  | 235,047   | 395.3           | 6.12     | 5.42    | 5.79        |
| June-04 | 379,656   | 402.8           | 6.15     | 5.65    | 5.90        |
| July-04 | 948,472   | 325.0           | 5.74     | 4.32    | 4.76        |
| Aug-04  | 587,203   | 301.7           | 4.62     | 4.01    | 4.42        |
| Sept-04 | 456,414   | 300.4           | 4.84     | 4.07    | 4.40        |
| Oct-04  | 1,008,965 | 329.1           | 5.31     | 4.45    | 4.82        |
| Nov-04  | 1,269,142 | 357.7           | 5.75     | 4.85    | 5.24        |
| Dec-04  | 1,167,756 | 357.7           | 5.60     | 5.05    | 5.24        |
| Jan-05  | 1,494,376 | 400.1           | 6.50     | 5.17    | 5.86        |
| Feb-05  | 1,972,047 | 447.8           | 6.86     | 6.25    | 6.56        |

### 3.4. Market making and liquidity agreement

A market making and liquidity agreement, pursuant to the charter of the French Investment Firms Association and the French Financial Markets Association (AFEI-AMF), was concluded on September 26th, 2002 between BOURSORAMA, SOCIETE GENERALE and SG Securities (Paris) SA.

The agreement is valid for one year, renewable automatically.

## ▶▶▶ 4. BOURSORAMA's business activities

### 4.1. Introduction to BOURSORAMA

#### 4.1.1 BOURSORAMA in brief

Established in 1995, BOURSORAMA is a major European player in the online distribution of savings products with nearly € 3 billion in custody and 228,000 accounts. Present in four European countries and with 365 employees, BOURSORAMA executed more than 3.7 million orders in 2004.

- BOURSORAMA allows individual investors to manage their online savings autonomously through a whole range of financial products (shares, warrants, options, futures, UCITS, life assurance, tracker funds, bonds, certificates, depositary receipts, etc.) and services (access to the main international financial markets via the Internet, GTS, WAP, telephone and Minitel).

BOURSORAMA is the market leader in France, operating under two complementary brands:

- Boursorama.com is the benchmark portal for online financial information, and has extremely high audience levels, attracting 2.3 million unique visitors per month (source: SmartAdServer – Nov. 2004). This performance has enabled Boursorama to capitalise on advertisers' growing interest in the Internet. This business is becoming a significant growth area, with sales of € 7.6 million in 2004 (up 49% in one year).
- Boursorama INVEST is the leading online broker, with 116,000 accounts and 2.6 million orders executed in 2004.

The Group has also developed the distribution of online savings products.

The online sale of UCITS has increased sharply following the launch in spring 2003 (+46% of online financial savings at € 345 million at the end of 2004). To accelerate its expansion, BOURSORAMA introduced a dedicated, free access UCITS account on October 1st, 2004: 0% entry and exit fees on 300 UCITS, and no custody, account maintenance or brokerage fees.

Similarly, the Boursorama life assurance policy, Boursorama Vie, launched in March 2004 had 3,500 accounts at the end of December (with 50% from new customers) and more than € 102 million in deposits. The growth in deposits towards the end of the year, a fourfold increase in the space of 4 months, can be attributed to the successful launch of free access to online savings (0% entry fee on Boursorama Vie).

BOURSORAMA operated in Germany under the brand name FIMATEX since 1997 and is now the fourth largest online broker with a 6% market share, thanks to a customer base of highly active individual investors (711,000 orders executed in 2003 for 24,800 accounts). The company went a step further with the acquisition of Veritas in early 2005. The merger of BOURSORAMA and Veritas allows the Group to balance out its activity more evenly in Germany and diversify its revenue sources to include the distribution of long-term savings products. The new entity has 115,000 direct accounts for total outstanding investments of more than € 1.1 billion. BOURSORAMA operates under the SELFTRADE brand in Spain where it is ranked third in this market. With a lightweight structure and its position targeting the most active investors, BOURSORAMA saw its operating income grow 37% to € 5.2 million in 2004, generating positive net income.

The Group also operates under the name SELFTRADE in the United Kingdom. It is the UK's fourth largest online broker, with 73,600 accounts and 162,000 orders executed in 2004, representing a 15% increase in one year. Two online banks, CAHOOT and SMILE, market SELFTRADE products and account for a significant portion of new customers. SELFTRADE UK's operating income grew 33% to € 5.2 million in the space of a year. The UK entity is now profitable.

BOURSORAMA is 71% owned by SOCIETE GENERALE and is listed on Euronext's Nouveau Marché in Paris - ISIN: FR0000075228 (BRS) – Reuters code: FMTX.LN – Bloomberg code: BRS FP.

### 4.1.2 Background

BOURSORAMA was formed when the companies FIMATEX, FINANCE NET and SELFTRADE decided to join forces to create a major operator in online savings in Europe.

#### Establishment (1995-1997)

1995

FIMATEX: Creation of the company and launch of business on Minitel, allowing individual investors to carry out real-time transactions on the Matif, the Monep and the stock markets.

1996

FIMATEX: Launch of GTS (Global Trading System), the first software application providing real-time access to financial information and transaction execution.

FINANCE NET: Patrice LEGRAND and Stéphane MATHIEU set up FINANCE NET.

1997

FIMATEX: Launch of the German subsidiary in Frankfurt.

FINANCE NET: Launch and development of [www.financenet.com](http://www.financenet.com).

SELFTRADE: Establishment of SELFTRADE.

#### Expansion (1998-1999)

1998

FIMATEX: Launch of France's first online brokerage transaction website ([www.fimatex.fr](http://www.fimatex.fr)).

FINANCE NET: Creation of the free financial information site ([www.boursorama.com](http://www.boursorama.com)).

SELFTRADE: Certification as an investment company and launch of business.

1999

FIMATEX: Launch of a new service allowing customers to place orders via WAP.

FINANCE NET: Creation of [www.boursorama.com](http://www.boursorama.com) France's first free financial information website.

SELFTRADE: Implementation of a UCITS platform and provision of access to the US markets (NYSE & NASDAQ).

#### IPO (2000)

FIMATEX: Stock market flotation (Nouveau Marché) on March 22nd. [www.fimatex.fr](http://www.fimatex.fr) is the first website in France to obtain AFAQ Webcert certification.

FINANCE NET: [www.boursorama.com](http://www.boursorama.com) is awarded the "clic d'or" ("golden click") as the best site for financial communication.

SELFTRADE: Stock market flotation (Nouveau Marché) on March 17th. Creation of subsidiaries in Spain and the United Kingdom and expansion of the product range. Acquisition of SELFTRADE by DAB BANK.

#### Rationalisation (2001)

FIMATEX: Expansion of the product range to include savings products, with FIMATEX Transparence PEA and E-Volution (life assurance).

FINANCE NET: Launch of the first stock market simulation game (over 100,000 participants) and creation of the Boursoscan panel.

SELFTRADE: Launch of the first French pension fund. The company is authorised to carry out banking activities in France.

#### BOURSORAMA, the emergence of a major online savings player (2002-2004)

2002

March: Announcement of the FINANCE NET (BOURSORAMA) and FIMATEX merger.

October: Launch of the new BOURSORAMA-FIMATEX offer.

December: Announcement of the acquisition of Selftrade.

2003

January: Corporate name changed to BOURSORAMA.

March: Finalisation (signature) of the acquisition of Selftrade.

May: Transfer of SELFTRADE's back office and IT platforms to BOURSORAMA.

September: Statutory merger and launch of new BOURSORAMA INVEST joint product offering.

2004

March: Launch of BoursoramaVie, the Group's new life assurance policy.

June: Launch of the Ultimate Trader offer aimed at active stock market traders.

September: Launch of the offer of free access to online savings: 0% entry fee on Boursorama Vie and marketing of Boursorama's 0% UCITS account.

November: Announcement of the merger with Véritas.

### 4.1.3 Regulatory framework

BOURSORAMA is a credit institution and, more specifically, a bank which provides investment services. As such, it is governed by the provisions of the French Monetary and Financial Code. BOURSORAMA is authorised to receive, transmit and execute orders on behalf of third parties, to make investments, hold custodial accounts and provide asset management advisory services.

Investment activities include the search for subscribers and purchasers on behalf of new issuers (Art. 2.1.6 of section II of the General Regulations of the Monetary and Financial Code). Consequently, the investment service provider is required to furnish a large amount of financial information.

In line with these obligations, BOURSORAMA customers have access to comprehensive information on the issuing company, on both the BOURSORAMA website and the GTS application. The information is provided either by the company itself or by the market authorities via hyperlinks, which prevents any errors that may occur when information is retranscribed. Customer orders are passed through the usual channels (Internet, GTS, or telephone, with written confirmation by fax or mail).

Like all credit institutions, BOURSORAMA is subject to a prudential supervision system, which sets certain constraints in

order to ensure its capital adequacy, liquidity and financial soundness.

The company has to meet specific requirements in the following areas:

- sufficient equity capital to cover risks (credit risks and market risks);
- control of major risks;
- maintenance of an acceptable liquidity ratio.

BOURSORAMA complies with all these requirements (major risks and the liquidity ratio are monitored at the consolidated level by the SOCIETE GENERALE Group).

In addition, BOURSORAMA has set up an internal control system, managed by the head of the Audit Department, that meets the regulatory requirements set out in paragraph 42 of CRBF 97-02.

In accordance with Article 2-4-3 of the CMF General regulations and with Resolution 97-09 of December 2nd, 1997, BOURSORAMA has appointed a dedicated compliance officer. It has also appointed a head of control for investment and related services (RCSI), who has been officially approved and authorised by the CMF.

#### 4.1.4 Key figures

| Consolidated income statement            | 2004        |             |             |            |                |
|--|-------------|-------------|-------------|------------|----------------|
|  | Group       | France      | Germany     | Spain      | United Kingdom |
| Operating income                         | 101.1       | 76.1        | 14.6        | 5.2        | 5.2            |
| Fees from order processing               | -23.1       | -18.7       | -2.7        | -1.0       | -0.7           |
| Total net income                         | 78.0        | 57.4        | 11.9        | 4.2        | 4.5            |
| Overhead expenses, excl. marketing costs | -55.5       | -36.6       | -11.7       | -3.2       | -4.0           |
| Marketing costs                          | -4.6        | -3.4        | -0.5        | -0.6       | -0.1           |
| Amortisation and provisions              | -2.9        | -1.8        | -0.7        | -0.2       | -0.2           |
| Total operating expenses                 | -63.1       | -41.8       | -12.9       | -4.0       | -4.3           |
| <b>Net operating income</b>              | <b>14.9</b> | <b>15.6</b> | <b>-1.0</b> | <b>0.2</b> | <b>0.2</b>     |
| Extraordinary items                      | -0.6        | 0.0         | -0.6        |            |                |
| Corporate tax                            | -0.5        | -0.5        |             |            |                |
| Goodwill                                 | -1.6        | -1.6        |             |            |                |
| <b>Net profit (loss)</b>                 | <b>12.3</b> | <b>13.5</b> | <b>-1.6</b> | <b>0.2</b> | <b>0.2</b>     |

##### 4.1.4.1 Business indicators – Online savings

2004 was marked by the success of Boursorama's sales drive, with:

- 27.5% growth in total deposits to € 2.9 billion (versus +7% for the CAC40). This is partly due to the 10% growth in average deposits to nearly € 25,000 through the opening of accounts in France;
- the increase in gross commissions per order (€ 19.4/order versus € 17.9/order the previous year). The Group's new price schedule helped offset the 6% drop in the number of transactions. It is worth noting the 24% increase in the number of transactions between the third and fourth quarter.
- a steady rise in the number of new accounts (28,000 in 2004), which accelerated towards the end of the year (up 75% between the third and fourth quarter).

Boursorama enjoyed the initial successes of its business development strategy. Launched in France in March 2004, Boursorama Vie had 3,500 accounts at the end of December (50% of which were new customers) and more than € 102 million in life assurance deposits. The growth in life assurance deposits towards the end of the year (a fourfold increase in the space of 4 months) reflects the successful launch of the offer of a 0% entry fee on Boursorama Vie, which became permanent in mid-December 2004.

Assets under management in UCITS grew by over 46% in one year to € 345 million. In France, there was a high concentration of investments in partner funds (84% out of € 285 million) and 22% of customers hold UCITS.

Boursorama estimates that it has received a total of € 187 million in deposits in its savings products over the year.

|  | 2004             |                |                |                |                  | 2003             |
|--|------------------|----------------|----------------|----------------|------------------|------------------|
|  | Total            | Q4             | Q3             | Q2             | Q1               | TOTAL            |
| <b>ONLINE BROKERAGE</b>                  |                  |                |                |                |                  |                  |
| <b>Number of orders executed</b>         |                  |                |                |                |                  |                  |
| France (Boursorama INVEST)               | 2,654,420        | 660,405        | 508,024        | 605,070        | 880,921          | 2,765,926        |
| Germany (Fimatex)                        | 710,925          | 147,752        | 140,513        | 184,651        | 238,009          | 846,809          |
| Spain (Selftrade by Boursorama)          | 168,900          | 41,174         | 33,784         | 42,928         | 51,014           | 176,657          |
| United Kingdom (Selftrade by Boursorama) | 161,849          | 38,565         | 33,671         | 36,144         | 53,469           | 142,315          |
| <b>Group total</b>                       | <b>3,696,094</b> | <b>887,896</b> | <b>715,992</b> | <b>868,793</b> | <b>1,223,413</b> | <b>3,931,707</b> |
| <b>Opening of new accounts (gross)</b>   |                  |                |                |                |                  |                  |
| France (Boursorama INVEST)               | 13,929           | 5,392          | 2,275          | 2,808          | 3,454            | 12,910           |
| Germany (Fimatex)                        | 715              | 151            | 124            | 180            | 260              | 905              |
| Spain (Selftrade by Boursorama)          | 2,869            | 804            | 386            | 618            | 1061             | 3,121            |
| United Kingdom (Selftrade by Boursorama) | 10,294           | 2,113          | 2,050          | 1,983          | 4,148            | 15,750           |
| <b>Group total</b>                       | <b>27,807</b>    | <b>8,460</b>   | <b>4,835</b>   | <b>5,589</b>   | <b>8,923</b>     | <b>32,686</b>    |
| <b>Number of accounts</b>                |                  |                |                |                |                  |                  |
| France (Boursorama INVEST)               | 116,224          | 116,224        | 113,584        | 114,701        | 119,174          | 115,917          |
| Germany (Fimatex)                        | 24,830           | 24,830         | 25,364         | 25,864         | 26,381           | 27,161           |
| Spain (Selftrade by Boursorama)          | 13,929           | 13,929         | 13,201         | 12,924         | 12,401           | 11,344           |
| United Kingdom (Selftrade by Boursorama) | 73,203           | 73,203         | 72,607         | 72,652         | 73,458           | 71,150           |
| <b>Group total</b>                       | <b>228,186</b>   | <b>228,186</b> | <b>224,756</b> | <b>226,141</b> | <b>231,414</b>   | <b>225,572</b>   |
| Outstanding assets on commission         |                  |                |                |                |                  |                  |
| UCITS (€ m)                              | 345              | 345            | 306            | 303            | 282              | 236              |
| Life assurance (€ m)                     | 118              | 118            | 43.5           | 27             | 16.6             | 15.5             |
| Online media activities (€ m)            | 7.6              | 2.1            | 1.6            | 2.3            | 1.6              | 5.1              |

#### 4.1.4.2 Business indicators – Online financial information

With a new record in November 2004 of more than 2.3 million unique visitors at the end of 2004, up 23% over one year (source: Smart AdServer), and operating income of € 7.6 million in 2004, up 49% on 2003, Boursorama has demonstrated its ability to capitalise on advertisers' growing interest in the Internet medium.

This growth is due not only to the steady increase in the financial communication of companies quoted on the Boursorama portal, but also to new commercial advertisers (automobiles, IT, travel, etc.) and the creation of stock market websites for B2B customers (TF1, Investir, Les Echos, Crédit du Nord).

## 4.2. BOURSORAMA's market

All BOURSORAMA's European entities operate in the online savings market. Only the French business offers online financial information.

### 4.2.1 Online savings

#### 4.2.1.1 France

##### 4.2.1.1.1 - The savings market in France

In 2004, there were 6.7 million individual shareholders in France, representing nearly 15% of the population aged 15+ (source: TNS Sofres "holders of securities in 2003"). The total number of orders traded on Euronext Paris (including institutional investors) fell 8.4% in 2004 to 49.1 million (source: Euronext).

The number of French people aged 15+ holding UCITS (including FCPE corporate closed-end funds) increased to 7.6 million, or 16.7% of the population (source: TNS Sofres "holders of securities in 2004"). France is Europe's largest market for UCITS. At the end of 2004, assets under management in UCITS totalled nearly € 1,080 billion, an increase of nearly 10.4% compared with end-2003 (€ 977 billion). It is worth noting that in 2004, the proportion of UCITS invested in equities was 18.9% higher than the previous year (source: AFG).

In 2004, 11.0 million people in France, or 24.3% of the population aged 15+ (source: TNS Sofres "holders of securities in 2004") held life assurance policies. For many years, life assurance has long been one of France's preferred savings products, and the country is currently the fourth largest market in the world, and second largest in Europe, with total outstanding investments representing € 840 billion in 2004. Life assurance contributions amounted to € 104 billion in 2004, up 13% on 2003 (source: Paris Europlace/FFSA).

##### 4.2.1.1.2 - Internet's share of the savings market in France

The Internet is becoming increasingly popular as a tool for managing financial portfolios. In 2004, more than 1 in 8 investors in France (13%) used the Internet to manage their bank accounts or financial investments. Among shareholders, the proportion has risen sharply from 15% in 2003 to 24%, or 1.1 million (source: TNS Sofres "holders of securities in 2004").

In online brokerage, the number of orders executed online in France in 2004 (only for online brokers and excluding orders placed through the websites of traditional networks ) was 6.6 million, or -5% compared with 2003 (source: ACSEL). This represents more than 13% of total Paris stock market transactions, including institutional investors.

#### 4.2.1.2 Online brokerage in Germany

Germany is Europe's largest and most mature market for online brokerage.

The online brokerage offering is highly centralised around three major players (COMDIRECT, CORTALCONSORS and DAB), along with other players such as BOURSORAMA's FIMATEX.

#### 4.2.1.3 Online brokerage in Spain

The penetration rate for banking services in Spain is particularly high. However, the online brokerage market remains highly fragmented and relatively small but offers good potential, with strong rates of growth and further scope for consolidation.

SELFTRADE by BOURSORAMA ranks third on the Spanish online brokerage market, behind BANKINTER and RENTA 4.

#### 4.2.1.4 Online brokerage in the United Kingdom

Growth in online brokerage in the UK has been driven by two main trends:

- a strong market recovery in 2004, with the number of online orders from individuals (3.5 million) up 31% on 2003 (after an increase of 27% in 2002);
- a rise in the proportion of orders carried out online. Between 2000 and end-2004, the proportion of orders from individual investors placed online jumped from 15% to more than 41% (source: APCIMS).

The UK online brokerage market is still fragmented with dozens of operators that are either subsidiaries of UK retail banks or specialist online brokers.

## 4.2.2 – Online financial information in France

### 4.2.2.1 The online advertising market in France

The internet has seen the strongest growth in terms of advertising with investments up 78% to € 837 million in 2004, outstripping all other media (posters, press, TV, etc.). It is the fifth most popular advertising medium (ahead of cinema and thematic TV channels) and accounts for 4.6% of multimedia advertising spending and has gained a further 1.8 point of market share. Of the 100 largest multimedia advertisers, 85% have used the Internet in their media plan, making it crucial to advertising strategy. Advertisers are especially comforted by the expansion of ADSL among households.

## 4.3 Introduction to boursorama's business activities

### 4.3.1 BOURSORAMA's commercial policy

#### 4.3.1.1 Description of the offering

BOURSORAMA operates in two complementary lines of business:

- online savings;
- online financial information.

##### 4.3.1.1.1 Online savings

BOURSORAMA provides individual investors with a comprehensive range of products and services enabling them to manage their savings autonomously via the Internet.

- A diversified product range  
BOURSORAMA offers customers a full range of financial products, including equities, warrants, derivatives (options and futures), UCITS (SICAVs and mutual funds), life assurance, tracker funds, bonds, certificates, depositary receipts, etc. in order to cater to the different investor profiles.
- Access to the major international financial markets  
Access to Paris, Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, New York and Zurich.

- A choice of access modes
  - Internet: [www.boursorama.com](http://www.boursorama.com) for customers in France, [www.fimatex.de](http://www.fimatex.de) in Germany, [www.selftrade.co.uk](http://www.selftrade.co.uk) in the United Kingdom and [www.selftrade.es](http://www.selftrade.es) for customers in Spain;
  - GTS (Global Trading System), a proprietary software which operates under Windows™;
  - WAP (Wireless Application Protocol), for access using mobile technology;
  - Minitel and telephone, but only to a very limited extent.

BOURSORAMA offers a number of key advantages:

- A wealth of unrivalled information  
BOURSORAMA provides customers with access to all the information they require to define and monitor their investment strategy: real-time prices and news bulletins, advice and analyses from reputable partners in order to interpret market trends (fundamental and technical analyses) and tools to identify investment opportunities (alerts, morning meetings, stock-picking search engine, etc.).
- A personalised customer relationship  
In line with its commitment to providing a high quality, customised service, BOURSORAMA provides the following services:
  - a customer service centre, which can be contacted by telephone between 8 am and 10 pm, on all stock market trading days. The service is structured into a series of virtual branches, each equipped with a powerful CRM software program;
  - in France, the Company organises workshops to teach customers to use the available tools, and provide an introduction to financial markets;
  - also in France, customers can subscribe to an asset management advisory service, which offers portfolio assessment and management tools;
  - certain customers in France can also contact financial advisers to help them with their investment strategy.
- Recognised service quality and reliability  
BOURSORAMA uses reputable partners in order to offer its customers fast and reliable service. The service quality is recognised by market professionals. BOURSORAMA has been awarded AFAQ's WEBCERT™ Reliable Service certification since 2000.

#### 4.3.1.1.2 Media activities

www.boursorama.com is a financial communication medium which combines data from a variety of sources (AFP, AOF, Cercle Finance, Dow Jones, Reuters, etc.) with stock market prices, stock exchange indices, etc., to produce a simple, comprehensive and coherent interface. Due to its high audience levels, it is also particularly attractive as an online advertising medium.

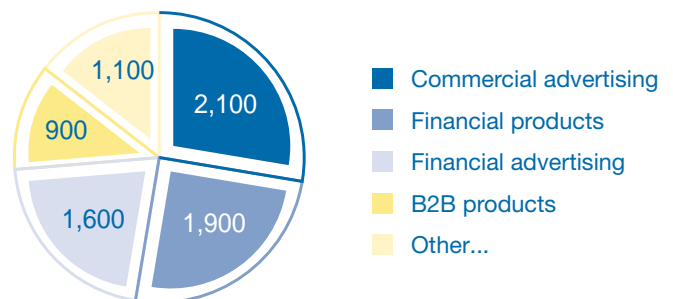
Advertising revenue from the Boursorama portal comes from the following areas of activity:

- **Commercial advertising**  
BOURSORAMA offers advertising space (banners, pop-ups, etc.) to commercial advertisers. The www.boursorama.com site offers all the advantages of a traditional advertising medium:
  - outstanding audience levels, with 2.3 million unique visitors per month (source: Smart AdServer – Nov. 2004);
  - excellent visibility and a good brand image.
 The www.boursorama.com site is now the ideal online medium for reaching a male audience with high purchasing power.
- **Financial advertising**  
BOURSORAMA sells advertising space to companies that are listed on the stock market or launching an IPO and want to distribute information to individual investors. The Group offers a wide range of advertising formats particularly suited to online financial communication, such as dedicated banners on stock pages, highlighting of press releases in the news streams, access to shareholder clubs, distribution of annual reports and targeted e-mails, etc.
- **Financial products (UCITS, derivatives, FCPI)**  
BOURSORAMA has also designed a communication offering specifically for UCITS, life assurance companies and issuers of warrants and tracker funds. Most of these spaces are on the "UCITS and Mutual Funds" pages and may take the form of advertising banners, permanent links, detailed listings and UCITS press releases. This provides investment management companies with a platform for communicating with their customers and helps to enhance their brand recognition, visibility and commercial prospecting.

- **B2B products**  
BOURSORAMA also provides unbranded design and content for stock market websites and pages. The Company uses the expertise it has acquired in this field to develop extremely reliable and effective end-products, tailor-made to customer requirements and using the same technology as the www.boursorama.com site. The applications are highly adaptable, and Boursorama assists its partners in transferring them to other communication systems (PDA, WAP, Audiotel, Minitel, SMS, etc.).

The other sources of income from the Boursorama portal derive essentially from direct marketing (hiring out of detailed customer files third-party companies for direct marketing campaigns) and Boursorama Corporate (Boursorama's offer for businesses).

**Breakdown of 2004 media income**  
In thousands of euros



#### 4.3.1.2 Customer base

BOURSORAMA's business lines cater to two categories of customers:

- individual customers who use BOURSORAMA's services to invest online;
- corporate customers for whom the www.boursorama.com site is a communications medium.

NB: As regards the breakdown by customer category, BOURSORAMA has more than 228,000 online accounts (individuals) and more than 300 commercial advertisers (corporate), so does not rely on any single customer for a significant portion of its operating income.

#### 4.3.1.2.1 Individual investors

BOURSORAMA's online investment offering is designed for individual investors who want to manage their savings autonomously.

At the end of December 2004, BOURSORAMA had a total of 228,000 accounts, with 116,200 in France, 24,800 in Germany, 13,900 in Spain and 73,200 in the United Kingdom.

The Group's outstanding customer deposits amounted to € 425 million in 2004, with € 283 million in France, € 78 million in Germany, € 18 million in Spain and € 45 million in the United Kingdom.

The average portfolio value rose sharply in 2004, representing € 17,200 in France (+25% in one year), € 9,000 in Germany (+5%), € 12,000 in Spain (+48%) and € 6,300 in the United Kingdom (+14%).

In 2004, BOURSORAMA customers performed more than 3.7 million transactions, with 2.6 million in France, 711,000 in Germany, 169,000 in Spain and 162,000 in the United Kingdom.

BOURSORAMA's individual customers are particularly active investors, especially in France and Germany where the annualised number of orders executed in 2004 was more than 23 (France) and 27 (Germany) per account per year.

#### 4.3.1.2.2 Corporate clients

As a result of its high audience levels and unique position as an advertising medium, BOURSORAMA is an ideal communication channel for commercial advertisers, listed companies and financial companies wishing to target individual investors. In 2004, nearly 430 advertisers (all categories) communicated via the [www.boursorama.com](http://www.boursorama.com) site.

- Commercial advertisers

As part of its commercial publicity service, Boursorama offers advertising space (banners, pop-ups, interstitials adverts, etc.) to companies from a variety of sectors (such as the automobile, finance, high tech, leisure and telecom sectors, etc.) targeting a male population with high purchasing power. In 2004, 98 advertisers (compared with 62 advertisers in 2003) conducted an advertising campaign on BOURSORAMA.

- Listed companies

BOURSORAMA's customers in financial communication are companies listed on the stock market or launching IPOs. In 2004, more than 270 companies (compared with 148 in 2003), including more than half the CAC 40 companies, communicated their financial results via BOURSORAMA.

- Financial institutions

BOURSORAMA offers financial institutions (banks, UCITS issuers, life assurance companies, etc.) dedicated areas on its website through which they can communicate with their target audience (specific columns, information tables and tabs).

In 2004, nearly 60 financial institutions (compared with 32 in 2003) used BOURSORAMA to communicate their results to financial professionals.

- Internet sites

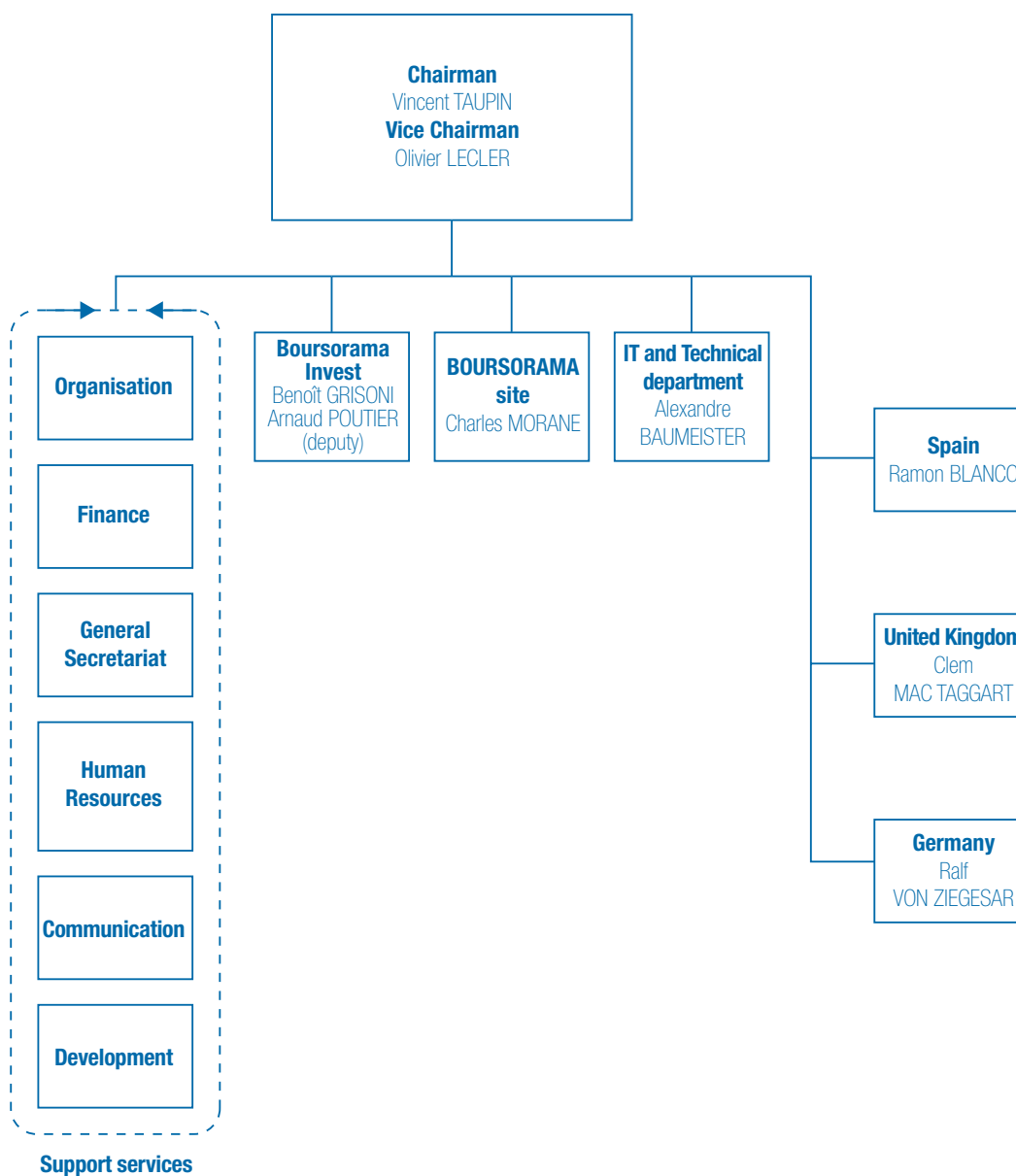
BOURSORAMA designs and develops unbranded stock market sites on behalf of various companies (including TF1, Investir, Les Echos, Crédit du Nord, etc.).

## 4.3.2 Organisation principles

### 4.3.2.1 General organisation

#### 4.3.2.1.1 Group organisation

The BOURSORAMA Group is structured into separate business lines that are attached to a core of central functions, as shown below (February 2005).



#### 4.3.2.1.2 Organisation of financial management

Each entity (branch of subsidiary) has its own finance department staffed by a team of between two and eight people, depending on the size of the entity (two people in Spain, three in the UK, four in Germany and eight in France). These departments are responsible for compiling all the requisite financial and management data. They report to the entity manager, who approves all financial information before forwarding it to the Group head office where it can be consolidated. The local finance departments are therefore functionally attached to the Group Finance Department.

Each entity drafts a daily report on the previous day's activity, giving details such as the number of orders executed and the commissions invoiced. These reports are used to monitor trends in activity in relation to forecasts or previous periods. Any divergence can be quickly identified, and steps taken to correct it.

The Group entities also draft weekly reports on the previous week's activity, providing an overview of business volumes. Projections for average business since the beginning of the month are compared with previous months and with budget forecasts. The reports also give the number of accounts opened, the change in outstanding customer deposits and the average order size.

The entities produce two monthly reports, one for accounting purposes (balance sheet and income statement) and one for management control.

The accounting report is used to draw up Boursorama Group's monthly consolidated accounts. These consolidated accounts serve as a basis for the regulatory reports (Boursorama France and its branches), the monthly reports sent to Société Générale's consolidation department and the reconciliation of accounting and management results.

The management reports are drafted according to a standard format for all Group entities, which comprises an income statement and a number of different business indicators:

- net banking income is broken down by type of product. Net commission income is analysed according to the number of

orders carried out, the average order size and the level of activity per account. Commissions received and paid are also broken down by category;

- operating expenses are broken down into economic categories, so that they can be monitored more closely, i.e. personnel expenses, marketing costs, IT expenses (which are in turn broken down into items such as information flows, costs relating to the Atos contract, telecom costs and depreciation).

For 2004, the monthly performances of the Group entities are compared with the monthly budget.

Each entity is responsible for ensuring that its accounting and management reports are consistent. Consolidated figures are also reconciled on a monthly basis.

BOURSORAMA uses the CODA accounting system in France, SAP in Germany, SUN ACCOUNTING in the UK and CONTAPLUS ELITE in Spain.

In France, the accounting system has an upstream interface with a number of systems:

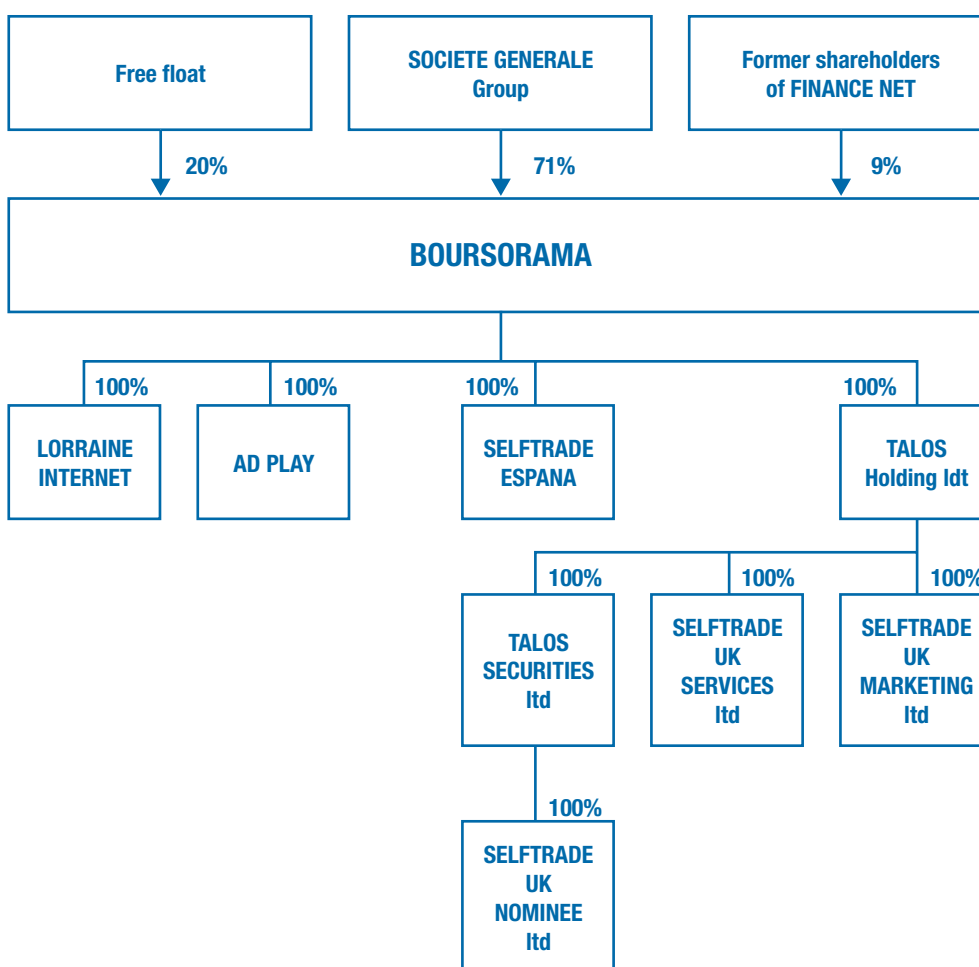
- back office tools (Cotre, Société Générale's securities accounting system, that is also used by Boursorama; GMI, Finat's derivatives transaction accounting system, again used by Boursorama);
- the application for managing the sale and invoicing of advertising space on BOURSORAMA.com (AdFront, developed by FVIA);
- salary and pay data (administered with the help of Hypervision, a tool made available to BOURSORAMA by ADP GSI);
- the asset management tool (Abel Immo, developed by Abel);
- the daily electronic bank statements provided by SOCIETE GENERALE are integrated into the banking reconciliation tools.

Downstream, the system is interfaced with the following tools:

- the consolidation tool (SAFRAN developed by Cartesis), which itself has an interface with Magnitude, the consolidation tool used by Société Générale;

- the system for reporting to the Banking Commission (Quetzal, developed by Témenos);
- the software used for tax returns (Etafi).

#### 4.3.2.1.3 Legal structure



As the parent company, Boursorama is responsible for the Group's main activities: online brokerage and media services. BOURSORAMA has five subsidiaries which were acquired with FINANCE NET in 2002 and SELFTRADE in 2003.

Euromirabelle, which is wholly-owned by Boursorama, is not included in the organisational chart as it does not generate any business.

TALOS Holding Ltd is the Group's online savings subsidiary in the United Kingdom. Moreover, TALOS Holding Ltd itself has three subsidiaries (TALOS Securities, SELFTRADE UK Services and SELFTRADE UK Marketing). The UK units' contribution to the consolidated results was as follows:

- Net banking income: € 4,493,000
- Operating income: € 163,000
- Net profit (loss): € 163,000

SELFTRADE ESPANA is a subsidiary that enables the Group's Spanish entity to use the .es domain in Spain. Its contribution to the consolidated results was as follows:

- Net banking income: € 10,000
- Operating income: € -9,000
- Net profit (loss): € -9,000

AD PLAY specialises in direct marketing. Its contribution to the consolidated results was as follows:

- Net banking income: € 260,000
- Operating income: € 160,000
- Net profit (loss): € 160,000

LORRAINE INTERNET specialises in the management of Internet domain names. Its contribution to the consolidated results was as follows:

- Net banking income: € 38,000
- Operating income: € 12,000
- Net profit (loss): € 12,000

The services provided by BOURSORAMA to its subsidiaries include general administration (general resources, accounting, human resources, legal affairs, etc.) and representative services (e.g. communication).

Central services are invoiced to the subsidiaries and branches, on the basis of a portion of the actual time spent by BOURSORAMA teams and a portion of the rental cost for the head office premises.

For the 2004 financial year, the amounts invoiced by BOURSORAMA were as follows:

| Subsidiary        | Amounts invoiced in 2004 (in € K) |
|-------------------|-----------------------------------|
| ADPLAY            | 185                               |
| LORRAINE INTERNET | 16                                |

#### 4.3.2.1.4 BOURSORAMA's operating sites

|  |  |  |
|--|--|--|
| Head Office                              | BOURSORAMA<br>18 quai du Point du Jour 92659 Boulogne Billancourt Cedex  | Lessee of 3,720 m <sup>2</sup> ,<br>600m <sup>2</sup> of which are sub-let |
| Finance Unit- Paris - Customer reception | BOURSORAMA - 46 rue notre dame des victoires - 75002 Paris               | Lessee of 216 m <sup>2</sup>   |
| Finance Unit – Lyon                      | BOURSORAMA - 18 rue Childebert - 69002 Lyon                              | Lessee of 95 m <sup>2</sup>  |
| Finance Unit – Nancy                     | BOURSORAMA - 1 bis rue Saint Dizier - 54000 Nancy                        | Lessee of 295 m <sup>2</sup>   |
| In Germany                               | FIMATEX<br>Zweigniederlassung – Wildunger Strasse 6a - Frankfurt am Main | Lessee of 4.873 m <sup>2</sup><br>50% of which are sub-let                 |
| In the UK                                | SELFTRADE - New Priestgate House, 57 Priestgate - Peterborough PE1 1JX   | Lessee of 950 m <sup>2</sup>   |
| In Spain                                 | SELFTRADE - C/ Marqués de Urquijo 5 - 28008 Madrid                       | Lessee of 488 m <sup>2</sup>   |
|  | Investment Center - C/ Velasquez 35 - 28001 Madrid                       | Lessee of 170 m <sup>2</sup>   |

#### 4.3.2.1.5 Human resources

At 31/12/04, BOURSORAMA's total headcount was 365, broken down as follows:

- France: 223
- Germany: 70
- Spain: 27
- United Kingdom: 45

| Number of employees (at 31/12) | 2002       | 2003       | 2004       |
|--------------------------------|------------|------------|------------|
| France                         | 155        | 233        | 223        |
| Germany                        | 81         | 71         | 70         |
| Spain                          | -          | 26         | 27         |
| United Kingdom                 | -          | 55         | 45         |
| <b>Total</b>                   | <b>236</b> | <b>385</b> | <b>365</b> |

\* calculated on a monthly basis

In accordance with the legislation currently in force, staff at BOURSORAMA have all been required to attend specific in-house training in compliance and have received a copy of the internal regulations and compliance charter.

They have also received memos informing them of recent regulatory developments relating to customer relations and the associated rules of professional conduct.

#### Management

##### Vincent TAUPIN, Chairman and CEO and Chairman of the Board of Directors

A graduate of the Ecole Nationale Supérieure des Télécommunications and the Ecole Spéciale des Travaux Publics, Vincent Taupin was CEO of GTI Finance (subsidiary of the CIC Group) from 1990 to 1994. In 1994, he became CEO of Fimat SNC and, in March 1998, was appointed Managing Director of Fimat in the United Kingdom and Senior Manager for Europe. At the same time, he was CEO of Fimatex SA from 1995 before being appointed Chairman of the Board of Directors in March 2000.

##### Olivier LECLER, Vice Chairman

A graduate of Ecole Polytechnique and ENSAE, Olivier Lecler started his career writing the "Analysis of macroeconomic trends" for INSEE. He joined the Société Générale Group in 1996 as Head of Strategic Studies and became Fimatex SA's Head of Finance and Development in the autumn of 1999 before being appointed Vice Chairman of Boursorama in March 2003.

##### Alexandre BAUMEISTER, Head of IT and Technical Services

A graduate of Université Henri Poincaré in Nancy, France, Alexandre Baumeister joined Finance Net SA in 1997 as Head of IT responsible for the development and management of technical projects, and notably of the Boursorama website. Following the merger between FINANCE NET and FIMATEX in 2002, he was appointed Head of IT of BOURSORAMA.

##### Benoît GRISONI, Managing Director of Boursorama Invest

With a post-graduate degree in finance and international trading from Ecole Supérieure Libre des Sciences Commerciales Appliquées, Benoît Grisoni joined Fimatex SA at the end of 1998 and became head of a team of customer relationship managers, before being appointed Customer Service Manager in 2000 then Head of Customer Service (customer relationship managers, sales representatives, product ranges) in April 2002. In October 2003 he was appointed Managing Director of Boursorama Invest.

##### Charles MORANE, Head of Media

Charles Morane graduated from IEP Paris and has a master's degree in business law. He worked as a consultant for Appor SA specialising in the organisation of regional banks, then became a senior consultant for Coteba Management (Vivendi Group). He joined Fimatex SA as Head of Customer Services in 1997, becoming Managing Director of Fimatex Paris in July 1999 then Managing Director of Fimatex SA in March 2000. Following the merger between Finance Net and Fimatex in 2002, he was appointed Head of the Media & B2B Division of Boursorama.

##### Arnaud POUTIER, Executive Officer of Selftrade France

A graduate of the Institut Commercial in Nancy (specialising in finance), Arnaud Poutier was named Administrative and Financial Director of Sodexho Saudi Arabia in 1992 then Sodexho Nigeria/Algeria in 1994. He joined the Exane Group as Financial Controller in 1996. He then joined Selftrade in 1999 as General Secretary (RCSI, head of control for investment and related services) before being appointed Head of Sales for SELFTRADE in 2000 and Managing Director for France in 2002. In October 2003, Arnaud POUTIER became CEO of BOURSORAMA INVEST.

##### Ramon Blanco, CEO of Selftrade Bank Espagne

With an MBA from Harvard Business School, Ramon Blanco joined the corporate banking department of Banco de Santander in 1997. He has been at the head of Selftrade Bank in Spain since 1999.

### **Clement MacTaggart, CEO of Selftrade Bank in the United Kingdom**

With over 20 years' experience in online brokerage, he became the COO of Selftrade Bank UK in 2002 before being named CEO in 2004.

### **Ralf Freiherr von Ziegesar, CEO of Fimatex Germany and chairman of the supervisory board of Véritas**

He joined the Dresdner Bank group in 1983 where he held a number of positions before being named corporate attorney in 1985, a post he held until 1991.

He co-founded Veritas SG Investment Trust GmbH in 1991 and is the CEO. He will take over the management of Fimatex Germany in March 2005.

#### *4.3.2.1.6. Description of global insurance plans*

As a subsidiary of Société Générale, BOURSORAMA is covered by Société Générale's global insurance plans. The global plans are divided into two categories:

- The Centralised Global Plan covers the following risks:

- theft/damage to valuables/fraud/misappropriation
- professional liability
- corporate officers' liability
- business interruption.

These are group insurance policies taken out by Société Générale's insurance department.

Premiums are divided between the entities according to levels of net banking income and headcount.

In the event of a claim, all contact with the insurers is handled centrally by Société Générale's insurance department.

- The Decentralised Global Plan covers the following risks:

- multi-risk (fire, water damage, etc.),
- company chairman's liability,
- all IT risks,
- machinery breakdown (if required).

The insurance policies must be taken out locally in each country through SOCIETE GENERALE's insurance broker.

However, SOCIETE GENERALE's Insurance Department provides additional "Umbrella" protection which guarantees coverage for claims not covered by local insurance policies, or additional coverage up to € 9.15 million.

#### *4.3.2.1.7 Material resources and investments*

The main investments made over the past three years are listed and described in Note 6 "Tangible Fixed Assets" of the consolidated and parent company financial statements (5.1.2 and 5.2.3 respectively). Amounts are broken down by country

in the section entitled "Sector information" under "Fixed assets by country" following the Notes to the consolidated financial statements.

#### 4.3.2.2 Information technology

BOURSORAMA's IT systems fall into three main categories:

- BOURSORAMA's web platform which hosts all the websites developed by the BOURSORAMA teams: portals and customer sites [www.boursorama.com](http://www.boursorama.com), [www.fimatex.de](http://www.fimatex.de), [www.selftrade.es](http://www.selftrade.es) and [www.selftrade.co.uk](http://www.selftrade.co.uk), as well as all BOURSORAMA's B2B web services;
- the platform which manages customer portfolios and orders (Order Management System), the core business of the online brokerage activities for all of BOURSORAMA's European entities. Atos WorldLine is responsible for developing, hosting and operating the platform for BOURSORAMA;
- the internal IT system at each of BOURSORAMA's European entities, which mainly includes applications covering customer relationship management, accounting systems and office automation.

##### *4.3.2.2.1 Web platform*

All of the Group's websites are developed by BOURSORAMA's in-house teams and hosted on the BOURSORAMA web platform provided by NTT/Verio.

NTT/Verio provides BOURSORAMA with a server farm in two highly secure, high-availability centres. BOURSORAMA also has access to NTT/Verio's IP network, which ensures that BOURSORAMA has a faultless Internet presence.

BOURSORAMA's web platform is physically spread across two remote sites in order to ensure high availability and strong disaster resistance.

NTT/Verio is a world leader in hosting critical 24x7x365 applications and operates its own global IP network. NTT/Verio is a subsidiary of the NTT Group.

##### *4.3.2.2.2 Order Management System*

The Group's transactional websites are developed by BOURSORAMA's in-house teams and hosted on the BOURSORAMA web platform. The platform runs on the "Order Management System" which has been tailor-developed for BOURSORAMA and is hosted and operated by ATOS WORLDLINE.

ATOS WORLDLINE also provides BOURSORAMA with:

- “backup” transactional sites: one site per country (France, Germany, Spain, United Kingdom). These websites provide additional security in the event of a serious problem on BOURSORAMA's web platform. Our customers can therefore continue to access their portfolio and trade on markets even if the main website is unavailable (e.g. [www.boursorama.com](http://www.boursorama.com) in France).
- certain transactional tools such as GTS, a transactional application in Windows offered to our customers in France and Germany, or the transactional Minitel in France.

Technology merger of BOURSORAMA and SELFTRADE

The latest IT system migrations, which involved the Spanish and UK entities, were completed at the end of the first quarter of 2004.

#### 4.3.2.3 Other partnerships

##### 4.3.2.3.1 France

###### ● Technical analysis tool

In France, BOURSORAMA provides the ProRealTime solution on request, in partnership with IT Finance, which has developed the application.

###### ● Order transmission - trading

The principal operator in charge of executing stock market orders is SG SECURITIES PARIS, with Gilbert DUPONT (CREDIT DU NORD GROUP) as the backup operator. Derivatives transactions are executed by FIMAT, one of the world's leading derivatives operators, while all foreign orders are executed by KNIGHT SECURITIES, one of the major brokers on the US markets.

###### ● Back office

In France, customer accounts are held and managed by SOCIETE GENERALE's Securities Department which notably manages all securities accounts for SOCIETE GENERALE customers. Clearing operations are handled by PAREL, a subsidiary of SOCIETE GENERALE, while all back office processing and derivatives clearing activities are carried out by FIMAT.

###### ● Suppliers of stock market data

BOURSORAMA has signed a number of “procurement” agreements to supply its websites and brokerage system

with stock market data (quotations, benchmarks and financial instruments' characteristics). The main suppliers are Comstock, Fininfo and Fides.

###### ● Information providers

BOURSORAMA has signed information provision agreements with a wide range of press agencies and specialist financial analysis companies. All internet users have access to free information from AFP, Cercle Finance, Reuters, Agence Option Finance, Ecwin, JCF Group, etc., while Boursorama customers also have access to information from sources such as the Dow Jones, Day by Day, Gilbert Dupont, Neo Bourse, or Investir.fr.

##### 4.3.2.3.2 Germany

In Germany, some of the activities which are subcontracted in France, including order transmission and securities back office processing, are carried out internally.

###### ● Order transmission

Boursorama is a member of the Deutsche Börse, which means it can transmit its customers' securities orders directly to the markets.

###### ● Back office

BOURSORAMA is responsible for clearing securities transactions and for the custody of securities accounts. Boursorama handles the equity back-office functions using OLGA network systems (for account keeping), which was developed by BWS, a former division of Deutsche Börse and subsidiary of DG Bank.

##### 4.3.2.3.3 Spain

In addition to the main website, SELFTRADE ESPANA provides its customers with the Visual Trader system developed by a subsidiary of the Madrid stock exchange, for the Spanish electronic market, Mercado Continuo, Latibex and Warrants.

###### ● Order transmission

SELFTRADE ESPANA is the shareholder of “Holding de Bolsas y Mercados Españoles, S.A.”, a company set up in 2002, which combines all the Spanish markets (the Madrid, Barcelona, Valencia and Bilbao stock exchanges, MEFF RV, MEFF RF, Senaf, Aiaf and FC&M) and the centralised settlement/delivery systems (Iberclear and Central de Anotaciones en Cuenta). In addition, the subsidiary is a member of the Madrid stock exchange, Meff and Iberclear, which means it can submit spot and derivatives orders directly. SELFTRADE ESPANA uses the services of BANCOVAL S.A., a specialist bank and wholly-owned subsidiary of BANQUE

INTERNATIONALE DU LUXEMBOURG (DEXIA Group), for transaction settlement.

● **Back office**

The securities back office function is handled in-house using BANCOVAL software for account maintenance and subsidiary customer accounting. Securities custody is provided by BANCOVAL for Boursorama's Spanish branch.

4.3.2.3.4 *United Kingdom*

In addition to its own online brokerage site, the UK subsidiary set up and operates the online brokerage modules of two online banks, CAHOOT and SMILE.

● **Order transmission**

The UK entity is a member of the London Stock Exchange, which means it can place customer orders on the securities markets. Selftrade UK uses tools created by Thomson Financials, the UK market leader, to transmit customer orders to market makers.

● **Back office**

Back office processing is handled internally using a software program developed by the UK company, CONSORT.

4.3.2.3.5 *BOURSORAMA's service providers for online savings*

|   | France                          | Germany  | Spain              | UK                 |
|---|---------------------------------|--|--------------------|--------------------|
| <b>Securities</b>                             |                                 |  |                    |                    |
| Order routing                                 | SG Securities et Gilbert Dupont | In-house   | Visual Trader      | Thomson Financials |
| Back-office                                   | SG                              | In-house   | In-house/ Bancoval | In-house           |
| Clearing                                      | PAREL                           | In-house   | Bancoval           | In-house           |
| Foreign orders                                | Knight Securities               | Knight Securities                                | Knight Securities  | -                  |
| <b>Derivatives</b>                            |                                 |  |                    |                    |
| Order routing                                 | FIMAT                           | In-house   | MEFF               | -                  |
| Back-office                                   | FIMAT                           | In-house   | Bancoval           | -                  |
| Clearing                                      | FIMAT                           | FIMAT  | Bancoval           | -                  |
| <b>Website</b>                                |                                 |  |                    |                    |
| Hosting and development of transactional site | NTT/Verio<br>ATOS               | NTT/Verio<br>ATOS                                | NTT/Verio<br>ATOS  | NTT/Verio<br>ATOS  |
| <b>Service provider</b>                       |                                 | <b>Billing method</b>                            |                    |                    |
| SG Securities/ Gilbert Dupont                 |                                 | Size of order/Number of orders                   |                    |                    |
| SG  |                                 | Number of orders + commission per account        |                    |                    |
| PAREL   |                                 | Number of orders                                 |                    |                    |
| KNIGHT  |                                 | Number of orders                                 |                    |                    |
| FIMAT   |                                 | Number of orders                                 |                    |                    |
| ATOS  |                                 | Number of orders                                 |                    |                    |
| Visual Trader                                 |                                 | Number of orders                                 |                    |                    |
| Bancoval                                      |                                 | Number of orders executed and number of accounts |                    |                    |
| GRIFO   |                                 | Fixed amount                                     |                    |                    |
| NTT/Verio                                     |                                 | Fixed amount                                     |                    |                    |

### 4.3.3 Systems security and quality

#### 4.3.3.1 IT security

BOURSORAMA has an RSSI (head of information systems security). Security breaks down into three main areas:

- confidentiality,
- integrity,
- availability.

The RSSI's duties are as follows:

- implementation and monitoring of a centralised system for managing authorisations;
- implementation and monitoring of the security policy;
- organisation of a monthly Security Committee meeting;
- overall monitoring of Information Systems Security.

##### 4.3.3.1.1 Information systems security – Confidentiality

With security one of the key elements in the development of the customer website, access to the transactional website is encrypted using the SSL system (Secure Socket Layer). This widely tried and tested solution provides Internet users worldwide with optimum quality.

Customers can also use the GTS tool (Global Trading System – customer-server trading software). The GTS system includes a number of Atos Origin proprietary components which encode and transport data between the customer terminal and central site (not a standard Web interface) and contribute to the overall security and confidentiality of the GTS online connection.

Customer access to accounts: Customers require a user name and password to access their accounts, while for telephone orders, they need to give their name and personal account number. However, Boursorama discourages the use of telephone orders by charging an additional fee (on top of brokerage fees).

In addition, funds may not be transferred from customer accounts to third parties online, in order to protect customers from possible fraudulent access.

Protection and management of the customer base: The nominative customer databases in each country are part of

Boursorama's strategic resources and assets. Access to and use of these files are strictly controlled both within Boursorama and externally.

##### 4.3.3.1.2 Information systems security – Integrity

Monitoring: BOURSORAMA's Web servers are monitored by a dedicated team of operators. In addition to daily operating tasks, the team is also responsible for monitoring daily security alerts and applying the appropriate corrective measures and patches to all the Web servers. It is essential to react quickly and strictly monitor any security failures to guarantee optimum security of the Web servers receiving connections from Internet users.

Security is one of the prime concerns in the development of the transactional website, which has been subcontracted to ATOS ORIGIN. A solution for detecting the loss of integrity on systems and security procedures has been developed in order to respond in the event of computer system attacks or intrusions. Security reports are included in ATOS ORIGIN's monthly reports to BOURSORAMA.

External view of security: Intrusion tests are performed on all front-office systems by a specialised service provider independent of Boursorama's current partners. These regular and recurrent measures enable Boursorama to assess the developments made in the security mechanisms and resources implemented in this area by each of its partners. BOURSORAMA therefore has its own information on the vulnerability of its infrastructure, whether this is hosted by external service providers or managed in-house, providing it with an overall view of the systems security in place.

At BOURSORAMA's request, ATOS ORIGIN commissions a specialised and reputable external company to carry out a half-yearly audit of the systems it dedicates to BOURSORAMA's website (technical and organisational aspects). The results of these audits are submitted to BOURSORAMA.

Risk of theft of customers' access codes: The GTS system includes a number of ATOS ORIGIN proprietary components which encode and transport data between the customer terminal and the central site (not a standard Web interface) and contribute to the overall security and confidentiality of the GTS online connection. The confidential passwords may be changed at the customer's request. BOURSORAMA also

encourages its customers to change their password on a regular basis.

In addition, funds may not be transferred from customer accounts to third parties online, in order to protect the customer from possible fraudulent access.

Risk of non-availability or loss of integrity of the transactional system following automatic night batch processing terminated in error: The transactional website is monitored and managed by operational staff until the markets close. In the morning, a team of staff begins processing the transactions carried out and performs detailed checks on all procedures. Similarly, the applications and access channels are checked by an operator every day before the markets open, and the relevant staff are contacted in the event of an anomaly.

#### 4.3.3.1.3 Information systems security – Availability

Backup transactional site: In addition to these internal security systems, a physical backup site was also set up by Atos Origin at the end of 2000 to bring Boursorama's transactional services back online if the system's main host site is down. This "disaster recovery" service does not require exactly the same systems as the main production site, but does ensure basic functions, in particular the execution and verification of transactions.

The backup website developed by Boursorama and hosted by Atos Origin and the domain name backup.boursorama-internet.com guarantee customers access to their portfolio even if the main site is down.

Risk of an IT equipment failure on the transactional website: All network, connection and computer equipment is backed up to provide uninterrupted service even in the event of an equipment failure.

Risk of a power cut on the transactional website: The power supply to the main transactional website is backed up with two generators which are tested on a regular basis. Boursorama has a contract with an oil refinery that guarantees delivery of fuel within four hours. The secondary transactional website is backed up with electrical batteries, with a limited lifetime, and by another generator.

#### 4.3.3.2 Levels of control

Boursorama is subject to two types of controls:

##### ● A priori checks

These are checks made before a transaction is carried out (automatic checks on data entered in the application, entries cannot be validated until all the information is correct and complete).

##### ● A posteriori checks

These constitute the Internal Control system in its broadest sense. They include the following levels of control:

- permanent surveillance: hierarchical and permanent checks of a number of elements (procedures, internal management accounts and book-keeping). These are regular checks carried out in all the departments of each entity. They are performed at all hierarchical levels to ensure that operational tasks are carried out in compliance with internal procedures and regulatory obligations;
- internal audit carried out by Boursorama or Société Générale;
- inspections performed by Société Générale's Inspection Générale, where applicable;
- checks carried out by external controllers (Statutory Auditors, supervisory authorities).

BOURSORAMA is thus subject to regular checks by the supervisory authorities and the Internal Audit Department.

##### 4.3.3.2.1 Supervisory authorities

BOURSORAMA is licensed by the CECEI (Comité des Etablissements de Crédit et Entreprises d'Investissement or Credit Institution Council of the Banque de France) as a bank and investment services provider. As such, it is subject to different controls, notably those of the CB (Commission Bancaire or French Banking Commission) and AMF (Autorité des Marchés Financiers or Financial Markets Authority).

##### ● France

The CB ensures that credit institutions comply with the legal and regulatory provisions in effect and applies sanctions in the event of non-compliance. The provisions include the regulations established by the CRBF in accordance with Article 33 of French law 84-46 of January 24th, 1984 which defines "the rules applicable to accounting procedures, data

processing supervision and security mechanisms and internal control procedures". Therefore, in compliance with CRBF regulation 97-02 of February 21st, 1997 (amended by regulation No. 2001-01 of June 26th, 2001) concerning the internal control of credit institutions and investment firms, an individual is appointed by the Board of Directors of the credit institution to ensure the consistency and effectiveness of the internal control system ("the internal controller"). Every year the internal controller must prepare a report which is presented to the Board of Directors and sent to the CB. The CB may carry out onsite verifications or request copies of the Statutory Auditors' reports and all other documents deemed useful.

In accordance with CRBF regulation 97-02 of February 21st, 1997, the Board of Directors of Boursorama appointed the Head of the Internal Audit Department as internal controller on March 1st, 2004. The 97-02 annual report for 2004 was presented in 2005 at the Board of Directors meeting held on February 14th, 2005.

The AMF, created under the financial security law of August 1st, 2003, verifies and controls Boursorama's programme of activities. In accordance with its general regulations, the AMF implements rules with which BOURSORAMA must comply (appointment of a compliance officer, framework of contractual relationships with customers, employee obligations, safeguarding of the interests of the market and customers, etc.). The AMF has a specific division which is responsible for monitoring investment service providers such as BOURSORAMA.

In compliance with the rules set out by the AMF, the Chairman of Boursorama appointed a compliance officer and head of control for investment and related services (RCSI) and informed the Board of Directors of this appointment on March 1st, 2004. This role mainly consists in ensuring that employees who have access to the markets are fully aware of codes of good conduct in order to protect customers' interests. All BOURSORAMA employees receive the compliance code when they are hired. Each year the compliance officer and RCSI draw up two reports (one on compliance and one on the control of Investment Services) which are transmitted to the AMF.

Each BOURSORAMA branch has appointed a compliance officer.

- **In Germany**, the activities of BOURSORAMA's subsidiary, Fimatex, are governed by the supervisory body, BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht), which defines all rules for carrying out internal controls. The exact framework for internal controls is defined by the nationales aufsichtrecht capital I, 3 besondere Aufsichtsthemen, 3.1. rundschriften zur internen revision § 25a cap. 1 KWG.

- **In Spain**, Selftrade's activities are controlled by the Comision Nacional del Mercado de Valores (CNMV). At the start of 2004, BOURSORAMA France launched its banking activities in Spain, under the name Selftrade Espagne, which will be governed by the Bank of Spain.

- **In the United Kingdom**, the activities of Talos, BOURSORAMA's UK subsidiary, under the trade name Selftrade UK, are governed by the FSA (Financial Services Authority). The FSA's statutory powers are set out in the Financial Services and Markets Act 2000. The internal control framework is defined in the FSA Handbook, Senior Management Arrangements, Systems & Controls, under section SYSC 3.

#### 4.3.3.2.2 Internal audit

BOURSORAMA is subject to inspection by its own internal audit department and that of Société Générale, which may perform audits at any time. The different levels of internal control cover BOURSORAMA's activity in France, Germany, Spain and the UK.

An annual audit programme is established and approved by the CEO of BOURSORAMA. The Company's internal audit team monitors the implementation of the recommendations made by the internal and external auditors.

Each branch has its own procedures manual which is kept up to date by the local internal audit team.

#### 4.3.3.2.3 Procedures for controlling forums on [www.boursorama.com](http://www.boursorama.com)

BOURSORAMA has set up an internal system to ensure that forums operate in accordance with current legislation (Articles 43-7 and 43-8 of the French law of September 30th, 2002).

As a technical organiser of forums, BOURSORAMA is obliged to exercise due diligence by implementing active control procedures (deletion of insulting or libellous messages).

Furthermore, all messages are recorded in real time and kept indefinitely. Boursorama may be required to collaborate actively with the legal authorities by disclosing information on the identity of the writers of litigious messages.

#### 4.3.3.3 AFAQ's "WEBCERT" Reliable Service Certification

Quality of service is one of the keys to developing the customer base. BOURSORAMA therefore decided that this year it would continue with its commitment to achieve certification. Four years after FIMATEX was first awarded AFAQ's WEBCERT Reliable Service certification, a reference approved by Internet professionals and consumer organisations, BOURSORAMA has seen its certification upheld.

The certification was awarded in January 2005 after a process of:

- online audits (August and December 2004) notably to check the online execution of stock market transactions and ensure all necessary information is provided on the website, [www.boursorama.com](http://www.boursorama.com);
- audits of BOURSORAMA's different departments in France (sales, customer support, IT, back-office, marketing, human resources) conducted by an expert on corporate quality organisation appointed by AFAQ/AFNOR.

AFAQ's WEBCERT Reliable Service focuses on the reliability and security of transactions, customer information and protection, customer data, the quality of the service provided and controls to ensure that commitments are honoured. Certification can be renewed at the end of the three years. During this time, however AFAQ monitors the company closely, carrying out controls, online audits and site inspections.

The fact that BOURSORAMA has retained the certification, without any remarks or references to non-conformity, acknowledges:

- Boursorama's skilled management of the CRM tool;
- operational control, which ensures that all commitments are honoured;

- customer loyalty since its set-up in 1998;
- the reference of the "BOURSORAMA" site;
- the level of satisfaction obtained in terms of the annual satisfaction survey (the overall rate exceeds 92% for "satisfied" and "very satisfied" customers, with the proportion of "very satisfied" customers increasing 10 points from 22% to 32%).

#### 4.3.3.4 Quality measures implemented by BOURSORAMA in France

##### • Call centre services

The percentage of calls handled for 2004 was 95% for customer services (ten points up on the previous year) and 90% for business services.

##### • Customer complaint rate

The average complaint rate was 0.3% for 2004 (0.7% in 2003), with 87% of complaints handled in less than three working days, in line with Boursorama's certification commitment. This is a gain of three additional points on 2003.

## 4.4 Risk factors

BOURSORAMA is an online broker of savings products (equities, bonds, derivatives, warrants, UCITS and life assurance) targeting individual customers.

Customers can place stock market orders at attractive prices via a number of channels: the transactional website, GTS (Global Trading System) which is the company's own order transmission and information system, telephone, Minitel and mobile technology devices.

BOURSORAMA also offers a range of value-added services designed to help customers in their investment decisions, including access to specialised financial analysis, training sessions, seminars and stock market alert tools.

BOURSORAMA does not carry out any proprietary trading. As a result, it is primarily exposed to counterparty risks linked to customers trading on an overdrawn account via the Deferred Settlement Service in France or through a margin

account in Spain, or to customers trading in derivatives on organised markets (Monep, Meff, Eurex and Xetra).

These risks are controlled using the Centrale des Risques or Risk Management System, combined with the monitoring of customers who are overdrawn or have insufficient funds.

#### 4.4.1 Counterparty risk

##### 4.4.1.1 Risk management system

In 1995, Boursorama set up a Risk Management System in order to reduce counterparty risk relating to its customers. This system automatically checks that customers' security portfolios and funds are sufficient to cover any losses resulting from a possible market shock.

BOURSORAMA's Risk Management System comprises two control levels:

- A priori checks (before authorising any new order): a risk calculation is conducted for all customer orders before they are presented to the market. This analysis is carried out on the basis of parameters configured by BOURSORAMA, the customers' existing position in securities and derivatives and their cash balance, and on the basis of the orders executed over the course of the day and those in progress.
- A posteriori checks: the aggregate risk exposure for each customer is recalculated on a daily basis once the data required by the back-office systems has been updated. If the margin cover is insufficient, no new orders are accepted and a margin call is sent out.

In 2004, as every year, Boursorama reviewed all its margin parameters.

#### The Deferred Settlement Service

In 2004, BOURSORAMA decided to maintain all its margin cover rates for orders with deferred settlement, which are as follows:

- 20% for cash and money market funds (same percentage as the market).

- 33% for bonds and bond funds (versus 25% authorised by the market).

- 40% for equities eligible for deferred settlement and equity funds (same percentage as the market).

- 100% for other equities (versus 40% authorised by the market).

- Equities on Euronext's OTC market and certain equities on the Nouveau and Second Marché which are not offer sufficient liquidity or exhibit high volatility provide no margin cover.

Each customer is assigned a theoretical commitment limit for purchases using the deferred settlement service, which is revised each time an order is transmitted, even if it is not executed.

#### The Derivatives Market

- In France and Germany, Boursorama changed its margin call requirements for derivatives markets to 120% of the cover required by the market.

The system for analysing risks on derivatives is based on the model currently used by the Fimat Group (a world leader in derivatives) to calculate the initial down payment required to cover maximum losses resulting from 16 different market shock scenarios. The impact of the scenarios on the underlying instruments is defined and updated in line with market trends on a regular basis. In contrast, the impact of volatility scenarios corresponds to market practice. These parameters are then compared with the minimum amounts required by market authorities, bearing in mind the margin call requirement of 120%.

- In Spain, margin call requirements vary between 100% and 150% depending on the customer.

The risk analysis system for derivatives is based on a model used in the Spanish derivatives market (Meff).

## Margin accounts

- BOURSORAMA's branch in Spain offers margin accounts.

For the margin account, the authorised overdraft limit is defined according to the customer in question and the securities held in the portfolio. The minimum ratio of portfolio value to cash overdraft must be 133%.

For example, to cover an overdraft of € 100, the customer must have a portfolio with a minimum value of € 133. Only securities with low volatility and high liquidity can be used as coverage.

- At the end of 2004, the German branch of BOURSORAMA introduced a margin account based on the same principle as our Spanish branch.

Our UK subsidiary does not offer any leveraged products.

### 4.4.1.2 Monitoring of overdrawn customers

In addition to the control carried out by our Risk Unit, the Risk Management system, customers with a debit balance or insufficient funds are monitored by the Risk Department, which analyses customer accounts, sends out reminders and, where appropriate, unwinds customers' positions if the situation persists.

The Risk Department at each branch or subsidiary submits a daily report to Boursorama's management and head of risk. Each branch holds a Risk Committee meeting on a monthly basis.

Doubtful receivables are analysed on a case-by-case basis, and reminders are sent out. After 30 days, they are fully provisioned.

### 4.4.2 Market risk

BOURSORAMA invests part of customer deposits in moneymarket funds, which represents a total amount of € 82 million.

These investments are made under the supervision of BOURSORAMA's finance department.

### 4.4.3 Operational risk

Collecting data on operating losses has become an essential requirement of Basel II regulations regarding operational risk management systems.

BOURSORAMA has introduced a Group-wide process for collecting and reporting on operating losses.

Operating losses amounting to more than € 10,000 are reported (via an operating loss sheet) as soon as they are entered in the accounts. The notion of loss includes losses recorded as fixed amounts as well as provisions booked as operational risk factors for which the amount of the loss remains uncertain.

In each BOURSORAMA entity, the Head of Risk has been appointed as the Operating Risk Representative and oversees the collection of data on losses and reports to the Group's Risk Department.

The Group's Risk Department monitors the causes and solutions implemented in the short and long term to avoid a reoccurrence of these risks.

### 4.4.4 Risks associated with the economic environment

In the short-term, a stock market crash would probably result in an immediate increase in demand for brokerage services, well above "ordinary" trading volumes, as customers rush to place urgent orders:

- the number of simultaneous users of the servers hosted by Atos Origin could rise sharply;
- the burden on technical resources (communication links, non-transactional systems, etc.) could increase accordingly;
- a large number of customers could connect to the GTS in an attempt to limit their losses, rendering access difficult for other customers waiting for connection, and telephone traffic could overload call centres.

In order to avoid the resulting drop in performance, an interruption of services or delays in connection times, the information systems have sufficient capacity to carry 1.5 time the highest volume of traffic over the year.

#### 4.4.5 Structural risk

The volume of Boursorama's activity depends on the buoyancy and volatility of the stock markets and on the company's ability to attract and retain new customers.

For the 2004 financial year, the proportion of Group earnings directly exposed to the stock market environment (brokerage fees) was 70%.

BOURSORAMA has continued to diversify its sources of revenue by adding new online savings products (UCITS, life assurance), which now account for 18% of Group earnings, and developing its online advertising business (Media division), which represents more than 7%.

#### 4.4.6 - Other risks

##### 4.4.6.1 Competition

Over the past few years, retail banks have begun to develop their own online brokerage business for individual customers. These players do not pose a major threat to BOURSORAMA's business as they do not offer the same services as pure online brokers, such as deferred settlement services (in France), margin trading, derivatives trading, customised service etc.

Individual investors who are genuinely interested in actively managing their own savings online turn to players such as BOURSORAMA.

##### 4.4.6.2 Brand name and domain name risk

The company has registered the BOURSORAMA brand name and BOURSORAMA's FIMATEX and Self Trade Bank brand names in the European countries where it operates or intends to operate.

In addition, Boursorama actively protects its recognised brands, notably by registering other, similar brand names and by legally opposing the registration of brands that could infringe Boursorama's rights because of their similarity with its brand name.

With regard to domain names, BOURSORAMA buys geographic domain names for FIMATEX and BOURSORAMA

for all targeted European countries (e.g. fimatex.de, boursorama.fr), or all generic domain names (.com, .biz, .info, .net, etc.). The Company then implements the domain names in accordance with the conditions for keeping them.

French law on trademarks and jurisprudence in France and other European countries considerably reduce the risk of unlawful use of a domain name belonging to BOURSORAMA by a third party, especially if its intention to harm is evident. There is still a risk that similar addresses could be adopted by companies that are not competitors of BOURSORAMA. However, the economic risk is relatively small, since infringement of copyright by direct competitors is covered, in principle, by the laws governing trademarks.

BOURSORAMA currently owns all of its brands and domain names (155 registered brands and around 180 registered domain names). Its most important trade names and domain names have been registered worldwide and are monitored both nationally and internationally. As the owner of its brand and domain names, Boursorama does not pay or receive any royalties. A company acts as service provider on behalf of BOURSORAMA.

##### 4.4.6.3 Industrial and environmental risks

None.

##### 4.4.6.4 Risk relating to off-balance sheet

"Off-balance sheet items" relates to commitments granted and received by the Spanish subsidiary as part of its margin trading business:

- commitments received: securities purchased by customers using loans granted by BOURSORAMA are pledged as collateral;
- commitments given: this is the difference between the total amount of loans granted to customers at December 31st, 2004 ((€ 20.5 million) and the maximum loan amount to which customers are entitled.

It also includes guarantees received in connection with security pledges, and totalled € 3,000 at 31/12/2004.

Boursorama has not omitted from the present document any off-balance sheet commitments which are significant or could pose a significant risk in the future. BOURSORAMA is not directly exposed to either liquidity risk (borrowing) or foreign exchange risk.

#### 4.4.6.6 – Money laundering risk

The prevention of money laundering always represents a major challenge for financial institutions. BOURSORAMA continued to develop anti-money laundering strategies around four key areas:

- training: every new BOURSORAMA employee receives training on the prevention of money laundering;
- prevention: we ensure that new customers have all the documents required to enable us to check their identity and address and that these documents are consistent;
- vigilance: certain types of transactions are examined by the internal control team;
- regular controls: these are carried out on customer transactions.

#### 4.4.6.7 Business continuity plan

Boursorama has two main service providers for its online brokerage business: ATOS ORIGIN for transactions and SOCIETE GENERALE for execution and custody. These two service providers have implemented disaster recovery plans for the business processes under their responsibility.

A business continuity plan has been introduced for the processes taken charge of directly by Boursorama.

The plan was completely revised in 2004, just after the merger between BOURSORAMA and Selftrade, which substantially altered the structure of the teams in place.

The review involved listing all the company's business processes. Each department drew up a comprehensive list of its activities, its requirements for carrying them out and the backup solutions already set up or to be introduced. The RSSI also met with each head of department to explain the procedure and the results they hoped to achieve.

This information was subsequently compiled and transmitted to the IT department and the administrative departments to ensure that users are able to work from the backup site by following the requirements specified by the operators.

The business continuity plan at BOURSORAMA Paris was then drafted and distributed to the plan's key personnel.

#### Description of the business continuity plan

BOURSORAMA's head office is located at 18, quai du point du jour, Boulogne Billancourt (92). BOURSORAMA also has a separate backup site to ensure business activities can be resumed as soon as possible if the main premises are unavailable. If the emergency plan is activated, users can access the main IT tools via a dedicated site, enabling them to continue with their normal activity. This backup system is constantly tested and improved.

Moreover, BOURSORAMA's transactional site (front office) is hosted at two different locations (main and backup site). The hardware is divided between both sites and is all used as part of day-to-day operations, which means it is up to date and operational.

This physical backup site was set up by ATOS ORIGIN at the end of 2000 to enable BOURSORAMA to resume its online transaction services if the principal host system is down. Only the main site has the capacity to receive all the connections from BOURSORAMA customers.

BOURSORAMA's Internet portal is hosted by the company Verio in Paris but is managed and operated by BOURSORAMA. A second disaster recovery site is in the process of being established in other premises managed by Verio in the United Kingdom.

#### Results of the tests conducted to ensure business continuity in the event of a crisis

Boursorama's business continuity plan is tested twice a year. An internal report and continuous business improvement plan are drawn up after each test. The most recent tests took place in October 2004.

#### 4.5 Exceptional events and litigation

In France, BOURSORAMA is currently involved in legal proceedings with eight of its customers. A provision of € 496,000 at 31/12/2004 is booked under "customer risks". The provision for the debit balances of customers involved in legal proceedings, where appropriate, is booked under "provisions for doubtful receivables" and totalled € 3,295,000.

In Germany, BOURSORAMA is currently involved in legal proceedings with two of its customers. A provision of € 100,000 at 31/12/2004 is booked under "customer risks". The provision for the debit balances of customers involved in legal proceedings is booked under "provisions for doubtful receivables" and totalled € 214,000.

BOURSORAMA is not involved in any legal proceedings with customers in Spain. The provision for the debit balances of customers involved in legal proceedings is booked under "provisions for doubtful receivables" and totalled € 114,000.

The BOURSORAMA subsidiary in the United Kingdom is not involved in any legal proceedings with customers, and no provision for the debit balances of customers involved in legal proceedings is booked under "provisions for doubtful receivables".

The accounting methods for treating risks and legal proceedings are described in chapter 5 (notes to the Consolidated Financial Statements/Accounting methods and principles - page 51). Provisions for customer disputes are assessed on a case-by-case basis by the Risk Department. For customers with debit account balances, Boursorama books a provision after 30 days which covers the full balance less 50% of the value of the customer's security portfolio.

The other provisions for risks and charges mainly include a provision for tax risk in France (€ 2.7 million) following tax audits on SelfTrade and Boursorama, and a restructuring provision for the German branch (€ 0.6 million).

To the company's knowledge, there is no other litigation, arbitration proceedings or exceptional events that are likely to have, or have had in the recent past, a significant impact on the financial structure, earnings, business and assets of the company.

#### 4.6 Focuses for development and outlook

BOURSORAMA aims to become one of Europe's leading distributors of online savings products.

In France, the Group will develop its clearly identified growth potential:

- online brokerage: return to its development and communication with traditional market players, which represent 94% of new accounts;
- savings: stepping up the receipt of savings by capitalising on its offer of free access to online savings: the Boursorama Vie 0% account (34% of new prospects) and the BOURSORAMA 0% Sicav (still only 13% of new prospects);
- media: BOURSORAMA's leading position in financial information will enable it to capitalise on the favourable e-advertising market (+78% in 2004 – Source: TNS Media Intelligence-IAB 2004). In a move to enlarge its audience, BOURSORAMA launched a new website, Boursorama Patrimoine, on January 25th, 2005. It aims to become a leading portal for the general public in France.

In Germany, BOURSORAMA intends to branch out into the savings business in 2005, following the acquisition of Veritas. Boursorama and SG Asset Management have confirmed the acquisition of SG Asset Management's entire stake in Veritas (65% of the capital) for a cash payment of € 9.75 million. BOURSORAMA has also announced that it is in exclusive negotiations with the owners of the remaining 35% of the capital.

The purpose of this acquisition is to create a unique structure which:

- offers a full range of investment and savings products,
- supplies high-performance tools for the monitoring and management of online accounts.
- increases the investments in products and services by capitalising on VERITAS' network of asset management advisors.

Full-year synergies are expected to amount to € 2.2 million, including € 1.2 million of cost synergies.

The new Group will manage 4.5 times more accounts directly (representing 115,000 accounts compared with 24,800 accounts currently managed by Fimatex) for total deposits of over € 1 billion.

This acquisition allows Boursorama to balance out its activity more evenly in Germany and diversify its sources of income to include the distribution of long-term savings products.

More generally, BOURSORAMA's strategic ambition is to become a leading distributor of financial savings products in Europe. BOURSORAMA must therefore consolidate its positions where it considers this to be not only possible but also necessary. Although BOURSORAMA has a perfectly

respectable ranking among online brokers abroad (third in Spain and fourth in Germany and the United Kingdom) and pursues its organic growth while maintaining profitability, it does not have critical mass and has decided to make a number of structural acquisitions in order to strengthen its local positioning.

The Boursorama Group is now a fast-growing European player in the distribution of savings products. And with net cash of € 69.8 million, Boursorama has the resources necessary to boost its market share.

For 2005, the Group is forecasting double-digit business growth and an improved cost to income ratio with activity levels comparable to those recorded in 2004.

## ▶▶▶ 5. Financial position - results

### 5.1. Consolidated financial statements at december 31st, 2004

#### 5.1.1 : Report of the Statutory Auditors on the consolidated financial statements at December 31st 2004

To the Shareholders,

In our capacity as Statutory Auditors, we have audited the accompanying consolidated accounts of BOURSORAMA for the financial year ending December 31, 2004. These consolidated accounts are the responsibility of the Company's Board of Directors. The consolidated financial statements were drawn up by the Board of Directors. Our responsibility is to express an opinion on these annual accounts based on our audit.

#### I. Opinion on the consolidated financial statements

We conducted our audit in accordance with French professional standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in these accounts. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall annual account presentation. We believe that our audit provides a reasonable basis for our opinion.

We hereby certify that the consolidated financial statements give a true and fair view of the financial position, assets, liabilities and results of the group companies included in the consolidation, in accordance with French accounting principles and regulations.

#### II. Justification for our assessment

In accordance with article L. 225-235 of the French Commercial Code relating to the justification of our assessment, we are required to inform you of the following:

- The notes to the consolidated financial statements on the accounting principles and methods describe the methods used by your Company to value brands, goodwill and deferred tax. We have examined the assumptions used and verified that these estimates are based on methods in line with the principles described in the notes to the financial statements.

On this basis, we assessed whether the estimates used were reasonable.

These assessments were an integral part of our audit of the overall consolidated financial statements and therefore contributed to the appraisal set out in the first part of this report.

#### III. Specific procedures prescribed by law

We have also verified the information concerning the Group provided in the management report in accordance with the standards of the accounting profession in France. We have nothing to report with respect to the fairness of such information and its consistency with the consolidated accounts.

Paris – La Défense and Neuilly sur Seine on April 20th 2005  
Statutory Auditors

Ernst & Young Audit  
Christian MOUILLON

Deloitte & Associés  
José-Luis GARCIA

## 5.1.2 Consolidated financial statements at 31/12/04

### Consolidated balance sheet and off-balance sheet items at december 31st, 2004

|   |         | In thousands<br>of euros |                     | In thousands<br>of euros | In thousands<br>of euros |
|---|---------|--------------------------|---------------------|--------------------------|--------------------------|
| ASSETS  |         | 31/12/2004               | 31/12/2003          | 31/12/2003               | 31/12/2002               |
|   |         |                          | 12 months pro-forma |                          |                          |
| Cash due from central banks                                 | Note 1  | 1,617                    | 1,578               | 1,578                    | 1,015                    |
| Receivables from credit institutions                        | Note 2  | 408,408                  | 413,918             | 413,918                  | 316,762                  |
| Customer loans  | Note 3  | 27,046                   | 18,951              | 18,951                   | 2,987                    |
| Shares, bonds and other variable income securities          | Note 4  | 84,846                   | 82,492              | 82,492                   | 1,706                    |
| Investments in non-consolidated subsidiaries and affiliates | Note 5  | 28,480                   | 50,145              | 53,806                   | 6,342                    |
| Goodwill  | Note 6  | 40,431                   | 40,519              | 40,519                   | 36,019                   |
| Intangible assets   | Note 6  | 1,968                    | 3,933               | 3,933                    | 2,872                    |
| Tangible assets   | Note 7  | 170,557                  | 171,850             | 171,850                  | 39,830                   |
| Other assets  | Note 8  | 3,653                    | 4,427               | 4,427                    | 2,592                    |
| <b>Total assets</b>   |         | <b>767,005</b>           | <b>787,814</b>      | <b>791,475</b>           | <b>410,124</b>           |
| LIABILITIES   |         | 31/12/2004               | 31/12/2003          | 31/12/2003               | 31/12/2002               |
|   |         |                          | 12 months pro-forma |                          |                          |
| Total debts to credit institutions                          | Note 9  | 72                       | 44,314              | 44,314                   | 19,232                   |
| Customer deposits   | Note 10 | 426,554                  | 384,703             | 384,703                  | 174,474                  |
| Other liabilities   | Note 11 | 178,520                  | 209,795             | 209,795                  | 64,225                   |
| Accruals  | Note 12 | 1,510                    | 3,637               | 3,637                    | 602                      |
| Provisions for risks and charges                            | Note 13 | 4,880                    | 5,900               | 5,900                    | 3,177                    |
| <b>Shareholders' equity</b>                                 |         | <b>155,468</b>           | <b>139,465</b>      | <b>143,126</b>           | <b>148,413</b>           |
| Subscribed capital  | Note 15 | 27,317                   | 27,307              | 27,307                   | 27,307                   |
| Additional paid-in capital                                  | Note 15 | 219,051                  | 219,018             | 219,018                  | 219,018                  |
| Legal reserve   | Note 15 | 2,731                    | 2,731               | 2,731                    | 2,731                    |
| Translation reserve   | Note 15 | 65                       | 73                  | 73                       |                          |
| Consolidated reserves and retained earnings                 | Note 15 | (106,003)                | (99,422)            | (99,226)                 | (94,945)                 |
| Profit (loss) for the period                                | Note 15 | 12,307                   | (10,243)            | (6,777)                  | (5,698)                  |
| <b>Total liabilities</b>                                    |         | <b>767,005</b>           | <b>787,814</b>      | <b>791,475</b>           | <b>410,124</b>           |
| OFF-BALANCE SHEET ITEMS                                     |         | 31/12/2004               | 31/12/2003          | 31/12/2003               | 31/12/2002               |
| Financing commitments given                                 | Note 16 | 35,598                   | 22,625              | 22,625                   |                          |
| Commitments received: Pledged securities                    | Note 16 | 32,326                   | 24,014              | 24,014                   | 3                        |

## Consolidated income statement at december 31st, 2004

|  |         | In thousands<br>of euros |                | In thousands<br>of euros | In thousands<br>of euros |
|--|---------|--------------------------|----------------|--------------------------|--------------------------|
|  |         | 31/12/2004               | 31/12/2003     | 31/12/2003               | 31/12/2002               |
|  |         | 12 months pro-forma      |                |                          |                          |
| Net interest income                                    | Note 18 | 9,110                    | 8,417          | 7,947                    | 9,311                    |
| Net commission income                                  | Note 19 | 51,004                   | 48,408         | 45,726                   | 22,153                   |
| Net income from financial transactions                 |         | 1,591                    | 2,022          | 2,117                    | (518)                    |
| Other net operating income                             | Note 20 | 16,278                   | 10,964         | 11,108                   | 9,323                    |
| <b>Net banking income</b>                              |         | <b>77,983</b>            | <b>69,811</b>  | <b>66,899</b>            | <b>40,269</b>            |
| Personnel expenses                                     | Note 21 | (27,346)                 | (30,078)       | (26,632)                 | (13,668)                 |
| Other operating expenses                               | Note 21 | (32,796)                 | (34,055)       | (31,912)                 | (25,924)                 |
| Depreciation of fixed assets                           |         | (2,836)                  | (6,399)        | (5,601)                  | (4,505)                  |
| <b>Gross operating income</b>                          |         | <b>15,005</b>            | <b>(720)</b>   | <b>2,754</b>             | <b>(3,828)</b>           |
| Cost of risk   | Note 22 | (107)                    | (453)          | (988)                    | (113)                    |
| <b>Net operating income</b>                            |         | <b>14,898</b>            | <b>(1,173)</b> | <b>1,766</b>             | <b>(3,942)</b>           |
| Gains/losses on fixed assets                           |         | (7)                      | 5              | (2)                      | (77)                     |
| <b>Profit (loss) on ordinary activities before tax</b> |         | <b>14,891</b>            | <b>(1,168)</b> | <b>1,764</b>             | <b>(4,019)</b>           |
| Extraordinary items                                    | Note 23 | (550)                    | (3,220)        | (3,414)                  | (1,514)                  |
| Income tax   | Note 24 | (469)                    | 0              | 0                        | (31)                     |
| Amortisation of goodwill                               |         | (1,565)                  | (3,952)        | (5,127)                  | (399)                    |
| <b>Net profit (loss)</b>                               |         | <b>12,307</b>            | <b>(8,341)</b> | <b>(6,777)</b>           | <b>(5,963)</b>           |
| Group income   |         | 12,307                   | (8,341)        | (6,777)                  | (5,963)                  |
| Minority interests                                     |         | 0                        | 0              | 0                        | 0                        |
| Earnings per share (in euros)                          |         | 0.180                    |                | (0.099)                  | (0.087)                  |
| Diluted earnings per share (in euros)                  |         | 0.165                    |                | (0.093)                  | (0.082)                  |

(1) earnings per share is calculated based on the average number of shares outstanding over the financial year after the deduction of treasury stock from shareholders' equity. Diluted earnings per share also accounts for the existence of stock options which have not yet been exercised.

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 5.1.3 Consolidation scope

#### ● Changes in consolidation scope during the year

On November 30, 2004, Selftrade Vie merged with BOURSORAMA, through a complete transfer of assets.

#### ● Scope at December 31st, 2004

At 31/12/04, the following companies were included in BOURSORAMA's consolidation scope:

- LORRAINE INTERNET
- AD PLAY
- EUROMIRABELLE
- SELFTRADE ESPAÑA
- TALOS HOLDING
- SELFTRADE SERVICES
- SELFTRADE MARKETING SERVICES
- TALOS SECURITIES

### 5.1.4 Rules for evaluating and presenting the consolidated financial statements

The consolidated financial statements of BOURSORAMA Group at December 31st, 2004 were drawn up in accordance with the provisions of regulation No. 99-07 of the CRC (Comité de la Règlementation Comptable), the French Accounting Regulation Committee, which sets out the consolidation rules for companies governed by the CRBF (Comité de la Règlementation Bancaire et Financière), the French Banking and Financial Regulation Committee.

The financial statements of the subsidiaries and foreign branches were drawn up in accordance with the regulations of the country where they are registered then restated in compliance with French accounting principles.

The financial statements are presented in accordance with the provisions of regulation No. 2000-04 of the CRC on the consolidated financial statements of companies governed by the CRBF.

Assets, liabilities and off-balance sheet items denominated in foreign currencies were converted into euros at the official exchange rate given in Paris on the last day of the financial year. Items in the income statement were converted using the average exchange rate for the financial year. Variations in the conversion of capital, retained earnings and income caused by exchange rate fluctuations were booked in a reserve in the consolidated statements entitled "translation differences".

### 5.1.5 Comparability of accounts

As a result of the changes in the consolidation scope over the year, pro-forma accounts were drawn up for December 31st, 2003 for the purpose of comparability. These statements were calculated on the assumption that Selftrade was acquired on January 1st, 2003.

### 5.1.6 Accounting methods and principles

#### ● Receivables and debts with credit institutions and customers

Receivables and debts with credit institutions and customers are broken down according to their initial duration or type: sight receivables and debts (ordinary accounts, sight deposits and overnight transactions) and term receivables and debts relating to credit institutions (ordinary accounts, other facilities, special savings accounts and other customer deposits).

The accrued interest is carried under related receivables and payables, with a corresponding contra entry in the income statement.

Customer receivables are analysed on a case-by-case basis and, where appropriate, are reclassified as doubtful receivables. If there is a risk that the customer may be unable to repay all or part of the debt, provisions for doubtful receivables are made. Provisions for risks are also made as a safeguard against litigation.

#### ● Tangible and intangible assets

Fixed assets are booked in the balance sheet at their historical acquisition cost. Depreciation is calculated on a straight-line basis over the normal useful life of the asset. The following depreciation periods are applied:

|                                |               |
|--------------------------------|---------------|
| Fixtures and fitting           | 5 or 10 years |
| Furniture and office equipment | 3 or 5 years  |
| Computer equipment             | 3 years       |
| Software purchased             | 1 or 3 years  |
| Start-up costs                 | 3 years       |

The Boursorama brand name, which is valued at € 31.5 million on the assets side of the balance sheet, and the Selftrade Espagne brand name, valued at € 6 million, are not amortised. The Selftrade brand name is not valued in France as the group operates there under the name Boursorama Invest. Similarly, the Selftrade name is not valued in the UK as the initial plan was to sell this UK subsidiary.

The value of the brand names is reviewed regularly using two methods: the royalty method and the additional income method. The royalty method consists in evaluating the royalties that the company would pay if it did not own the brand name. The additional income method involves evaluating the profit generated through the commercial use of the brand name, over and above the normal return on economic assets in the balance sheet.

If these analyses show a significant negative change in the value of the name, an exceptional depreciation is booked.

#### • Goodwill

Following the acquisition of Finance Net, an initial consolidation difference of € 25.6 million was booked. Taking into account the € 31.5 million valuation of the Boursorama brand name and corresponding deferred taxes of € 11.2 million, the residual goodwill totals € 5.3 million. This goodwill is amortised over a period of ten years.

Following the complete buy-out of Fimatex-SG, an initial consolidation difference of € 1.8 million was booked. No identifiable assets or liabilities were allocated to this item. This goodwill is amortised over a period of ten years.

Following the acquisition of the Selftrade group, an initial consolidation difference of € 36.9 million was booked. Taking into account the € 6 million valuation of the Selftrade Espagne brand name and corresponding deferred taxes of € 2.1 million, the residual goodwill totals € 33.0 million. This goodwill is amortised over a period of ten years.

The goodwill is reviewed regularly on the basis of a number of different criteria. The valuation is calculated on the basis of future cash flows and the multiples paid for comparable listed companies in recent transactions. If the analysis shows a significant negative change in the criteria used to establish the amortisation schedule, an exceptional amortisation is booked.

#### • Securities portfolios

Securities are classified according to:

- their type: public notes, bonds and other fixed income securities, equities and other variable income securities
- the purpose for which they were acquired: trading, short-term investment, long-term investment, investments in non-consolidated subsidiaries and affiliates.

The rules for valuation are as follows:

#### *Trading securities*

Trading securities are securities for which there exists a liquid market, and which are acquired with a view to rapid resale (within a maximum period of six months). They are valued at market price at year-end. Net unrealised gains or losses, together with net gains or losses on disposals, are booked in the income statement.

#### *Short-term investment securities*

Short-term investment securities are those intended to be held for more than six months, except for those classified as long-term investment securities.

Equities and other variable income securities are carried on the balance sheet at cost excluding acquisition expenses, or at contribution value.

Bonds and other fixed income securities are carried at cost excluding acquisition expenses and, in the case of bonds, excluding interest accrued but not yet due at the date of purchase. The positive or negative difference between cost and redemption value is amortised to income over the life of the securities concerned.

At year-end, cost is compared to realisable value or, in the case of listed securities, to the most recent market price. Unrealised capital gains are not recognised in the accounts but a provision for depreciation of portfolio securities is booked to cover unrealised capital losses, after recognising gains made on any related hedging transactions.

#### *Long-term investment securities*

Long-term investment securities are fixed income securities that the Group intends to hold on a long-term basis, in principle until maturity, and where the Group has the necessary means to:

- either permanently hedge its position against a possible depreciation in the securities due to interest rate fluctuations, using interest rate futures,
- or hold the securities on a long-term basis by obtaining funds, including available capital, which are matched and used to finance these securities.

When the interest rate or liquidity matching no longer complies with the regulations set by the French Banking Commission, the securities are reclassified as short-term investment securities.

Long-term investment securities are booked following the same principles as those applied to short-term investment securities, except that no provision is made for unrealised losses at the closing of the financial year, unless there is a strong probability that the securities will be sold in the

short-term, or unless there is a risk that the issuer will be unable to redeem them.

#### **Investments in non-consolidated subsidiaries and affiliates, and other long-term equity investments**

This category of securities covers shares held in non-consolidated subsidiaries and affiliates, when it is deemed useful to the business of the company to hold the said shares in the long term. The securities are carried at cost excluding acquisition expenses.

At year-end, investments in non-consolidated subsidiaries and affiliates are valued at their value in use, representing the price the company would agree to pay to obtain said securities if it had to acquire them in view of its investment objective. This value is estimated on the basis of various criteria, such as shareholders' equity, profitability, and the average share price over the last three months.

#### **• Boursorama shares held by the Group**

In accordance with the provisions of notice No. 00-05 of the French National Accounting Council relating to the accounting of treasury stock held by companies governed by the CRBF, Boursorama shares acquired for the purpose of allocation to employees under the applicable laws, are booked as short-term investment securities (treasury stock) on the assets side of the balance sheet.

Boursorama shares held for the purpose of underpinning the share price are booked under trading securities.

Other Boursorama shares are deducted from capital and reserves when determining shareholders' equity.

#### **• Provisions for risks and charges**

CRC regulation 2000-06 relating to liabilities applies to the accounts for all financial years starting on January 1st, 2002 and thereafter. Pursuant to this regulation, provisions for risk and charges are defined as liabilities whose maturity or amount are not precisely fixed; a liability represents an obligation on the part of the entity towards a third party that is likely to lead to an outflow of resources in favour of the third party without an at least equivalent inflow from that party.

#### **• Deferred taxes**

Deferred tax results from timing differences between financial and tax accounting. Tax liabilities are calculated according to a variable rate whereby deferred tax charges booked during previous financial years are modified when the tax rate is changed.

The tax rates applicable at 31/12/04 are:

|                |        |
|----------------|--------|
| France         | 34.93% |
| Germany        | 25%    |
| Spain          | 35%    |
| United Kingdom | 30%    |

At December 31st, 2004, a deferred tax asset of € 21.5 million was booked for Boursorama France. Tax losses were carried forward from both Selftrade (80%) and Boursorama (20%), 80% of which was booked against the goodwill of Selftrade (€ 17.3 million) and 20% against income (€ 4.2 million). The tax calculated on the taxable income of Boursorama France was deducted from this asset. A deferred tax asset was also booked Selftrade Espana in the amount of deferred tax liabilities, i.e. € 2.1 million, against the goodwill of Selftrade.

#### **• Provision for retirement indemnities**

Certain Group employees receive a final payment upon retirement calculated according to the provisions of the collective labour agreement by which they are covered. At December 31st, 2004, the provisions amounted to € 194,000 in France, € 99,000 in Germany, and € 28,000 in Spain.

Boursorama does not contribute to any insurance fund to cover these expenses, as they are not considered material given the low average age of staff.

#### **5.1.7 Key events after the closing date**

Boursorama acquired a 65% stake in Veritas AG's capital from SGAM on January 15th, 2005 (date the draft agreement was signed). The acquisition was finalised on February 14th, 2005. Boursorama is in negotiations for the remaining 35% stake.

At the end of 2005, the Boursorama portal launched a new site aimed at the general public, Boursorama Patrimoine. This website enhances the information available on the portal, targeting larger audiences and offering free and anonymous service which instantly calculates the value of the user's asset portfolio.

### 5.1.8 Notes to the consolidated financial statements

#### Note 1: Cash due from central banks and post office accounts

|   | 31/12/2004   | 31/12/2003   | 31/12/2002   |
|---|--------------|--------------|--------------|
| Cash  | 4            | 5            | 3            |
| Central banks   | 1,612        | 1,574        | 1,012        |
| <b>Total cash due from central banks and post office accounts</b> | <b>1,617</b> | <b>1,578</b> | <b>1,015</b> |

In compliance with local regulations, a compulsory reserve was created for customer loans and placed with the German Central Bank. This reserve represents 2% of non-financial customers before deductions. At December 31st, 2004, the compulsory reserve amounted to € 1,372,000.

#### Note 2: Receivables from credit institutions

|   | 31/12/2004     | 31/12/2003     | 31/12/2002     |
|---|----------------|----------------|----------------|
| <b>Receivables payable on demand:</b>             |                |                |                |
| Ordinary accounts                                 | 358,692        | 337,463        | 180,704        |
| Brokers   | 13,323         | 74,327         | 131,932        |
| Receivables relating to sight accounts            | 1,393          | 2,128          | 4,126          |
| <b>Term receivables:</b>                          |                |                |                |
| Term loans  | 35,000         | 0              | 0              |
| Receivables relating to term accounts             | 0              | 0              | 0              |
| <b>Total receivables from credit institutions</b> | <b>408,408</b> | <b>413,918</b> | <b>316,762</b> |

Receivables payable on demand from credit institutions essentially include deposits from Boursorama clients and Boursorama's treasury funds.

The maturity period for these receivables is less than one year.

Term receivables correspond to an investment of part of Boursorama's treasury funds.

|   | <1 year | 1 to 2 years | 2 to 5 years | > 5 years |
|---|---------|--------------|--------------|-----------|
| Term loans classified by remainder to maturity: | 5,000   | 9,000        | 9,000        | 12,000    |

### Note 3: Customer deposits

|                                       | 31/12/2004    | 31/12/2003    | 31/12/2002   |
|---------------------------------------|---------------|---------------|--------------|
| Ordinary account overdrafts           | 5,346         | 2,254         | 2,607        |
| Customer loans                        | 20,465        | 15,209        |              |
| Other customer loan facilities        | 1,189         | 1,169         | 361          |
| Related receivables                   | 9             | 11            | 0            |
| <b>Total sound receivables</b>        | <b>27,009</b> | <b>18,643</b> | <b>2,969</b> |
| Doubtful receivables                  | 3,243         | 4,846         | 3,941        |
| Provisions for doubtful receivables   | (3,206)       | (4,538)       | (3,922)      |
| <b>Total net doubtful receivables</b> | <b>36</b>     | <b>307</b>    | <b>19</b>    |
| <b>Total customer loans</b>           | <b>27,046</b> | <b>18,951</b> | <b>2,987</b> |

Customer loans relate to the margin trading activities of the Spanish branch

| Customer transactions classified by duration remaining: | <1 year | 1 to 2 years | 2 to 5 years | > 5 years |
|---|---------|--------------|--------------|-----------|
| Ordinary account overdrafts                             | 5,346   |              |              |           |
| Customer loans  | 20,465  | 1            |              |           |
| Other customer loan facilities                          |         |              | 1,189        |           |
| Doubtful receivables                                    | 3,243   |              |              |           |

### Note 4: Trading and short-term investment securities

|   | 31/12/2002   | 31/12/2003    | +              | -               | 31/12/2004    |
|---|--------------|---------------|----------------|-----------------|---------------|
| <b>Trading securities - value (in thousands of euros)</b> | <b>259</b>   | <b>104</b>    | <b>1,064</b>   | <b>(911)</b>    | <b>257</b>    |
| Treasury stock – number                                   | 107,035      | 21,212        | 210,169        | (178,002)       | 53,379        |
| <b>Short-term investment securities</b>                   | <b>2,163</b> | <b>82,981</b> | <b>329,111</b> | <b>-327,379</b> | <b>84,713</b> |
| Provisions for short-term investment securities           | (716)        | (593)         | (87)           | 556             | (124)         |
| <b>Book value of short-term investment securities</b>     | <b>1,447</b> | <b>82,388</b> | <b>329,024</b> | <b>-326,824</b> | <b>84,589</b> |
| <b>Total trading and short-term investment securities</b> | <b>1,706</b> | <b>82,492</b> | <b>330,088</b> | <b>-327,735</b> | <b>84,846</b> |

Boursorama owns 53,379 shares under its share buy-back programme.

A market making contract was signed with Société Générale, under which € 17,266,000 was paid out and 17,226 Boursorama shares were held. As with other shares held, the securities were provisioned to take account of the drop in their market value at December 31st, 2004.

Short-term investment securities correspond to the investment of customer deposits in money market mutual funds. These funds are sold and repurchased at the end of each quarter.

## Note 5: Goodwill

|                                    | 31/12/2004    | 31/12/2003    | 31/12/2002   |
|------------------------------------|---------------|---------------|--------------|
| Goodwill on Finance Net:           |               |               |              |
| Gross value                        | 5,272         | 5,272         | 4,611        |
| Amortisation                       | -1,460        | -933          | -346         |
| <b>Net goodwill</b>                | <b>3,812</b>  | <b>4,339</b>  | <b>4,265</b> |
| Goodwill on Fimatex-SG:            |               |               |              |
| Gross value                        | 1,842         | 2,130         | 2,130        |
| Amortisation                       | -414          | -266          | -53          |
| <b>Net goodwill</b>                | <b>1,428</b>  | <b>1,864</b>  | <b>2,077</b> |
| Ecart d'acquisition sur Selftrade: |               |               |              |
| Gross value                        | 28,458        | 51,931        | 0            |
| Amortisation                       | -5,217        | -4,328        | 0            |
| <b>Net goodwill</b>                | <b>23,241</b> | <b>47,603</b> | <b>0</b>     |
| <b>Total net goodwill</b>          | <b>28,481</b> | <b>53,806</b> | <b>6,342</b> |

At June 30th, 2004, the acquisition price for 50% of the shares in FSG in the second half of 2002 was set. The difference with the price initially recorded is booked against Goodwill.

In 2004, the change in the goodwill of Selftrade was principally due to tax-loss carry-forwards on Selftrade amounting to € 26.9 million in France and € 2.1 million in Spain (see note 23).

In all cases, goodwill is amortised over a period of ten years.

## Note 6: Tangible and intangible assets

The decrease in fixed assets corresponds to the sale of IT material in Germany and software and office supplies in the United Kingdom and France.

The 'Other flows' column records the impact of the write-off following the acquisition of Selftrade as well as exchange rate fluctuations on the assets of UK subsidiaries.

Other intangible assets notably include the Boursorama brand in France, worth € 31.5 million, and Selftrade in Spain, at € 6 million.

| Intangible assets                       | 31/12/2002      | 31/12/2003      | +            | -              | other flows | 31/12/2004      |
|---|-----------------|-----------------|--------------|----------------|-------------|-----------------|
| Start-up costs                          | 539             | 539             |              |                |             | 539             |
| Software applications                   | 18,806          | 21,775          | 801          | (5,955)        | (84)        | 16,537          |
| Other intangible assets                 | 33,711          | 39,807          | 116          |                |             | 39,923          |
| <b>Total gross value</b>                | <b>53,056</b>   | <b>62,122</b>   | <b>917</b>   | <b>(5,955)</b> | <b>(84)</b> | <b>56,999</b>   |
| Amortisation of start-up costs          | (539)           | (539)           |              |                |             | (539)           |
| Amortisation of software applications   | (16,107)        | (20,548)        | (693)        | 5,905          | 84          | (15,251)        |
| Amortisation of other intangible assets | (391)           | (516)           | (263)        |                |             | (778)           |
| <b>Total depreciation</b>               | <b>(17,038)</b> | <b>(21,602)</b> | <b>(956)</b> | <b>5,905</b>   | <b>84</b>   | <b>(16,568)</b> |
| <b>Total net book value</b>             | <b>36,019</b>   | <b>40,519</b>   |              |                |             | <b>40,431</b>   |

## Note 7: Other assets

|   | 31/12/2004     | 31/12/2003     | 31/12/2002    |
|---|----------------|----------------|---------------|
| Stock market receivables - deferred settlement market | 144,326        | 157,916        | 31,737        |
| Security deposits with brokers and markets            | 8,154          | 5,691          | 3,586         |
| Tax receivables                                       | 921            | 3,381          | 904           |
| Other receivables                                     | 6,962          | 4,862          | 3,604         |
| Deferred tax assets                                   | 10,194         |                |               |
| <b>Total other assets</b>                             | <b>170,557</b> | <b>171,850</b> | <b>39,830</b> |

The item "Stock market receivables – deferred settlement market" corresponds to customer commitments to Boursorama for transactions on the French deferred settlement market.

Deferred tax assets refer to Boursorama France and can be broken down as follows:

- deferred tax assets of € 21.4 million (see note 24)
- deferred tax on the Boursorama brand of (€ 11.2 million)

For Selftrade Spain, a deferred tax asset was booked against the deferred tax liability for the Selftrade Spain brand:

- deferred tax asset: 2,100
- deferred tax liability: 2,100

## Note 8: Accruals

|                                   | 31/12/2004   | 31/12/2003   | 31/12/2002   |
|-----------------------------------|--------------|--------------|--------------|
| Prepaid expenses                  | 1,590        | 1,508        | 932          |
| Miscellaneous accrued receivables | 1,541        | 2,624        | 1,516        |
| Other accruals                    | 521          | 295          | 143          |
| <b>Total accruals</b>             | <b>3,653</b> | <b>4,427</b> | <b>2,592</b> |

## Note 9: Total debts to credit institutions

|   | 31/12/2004 | 31/12/2003    | 31/12/2002    |
|---|------------|---------------|---------------|
| Term accounts and borrowings              | 23         | 38            |               |
| Ordinary accounts                         | 0          | 37,760        | 13,774        |
| Brokers                                   | 0          | 6,487         | 5,411         |
| Related payables                          | 49         | 29            | 47            |
| <b>Total debts to credit institutions</b> | <b>72</b>  | <b>44,314</b> | <b>19,232</b> |

Maturities for payables are less than one year.

## Note 10: Customer deposits

|                                | 31/12/2004     | 31/12/2003     | 31/12/2002     |
|--------------------------------|----------------|----------------|----------------|
| Creditor accounts              | 331,756        | 306,054        | 144,072        |
| Equity savings plan (PEA)      | 94,798         | 78,648         | 30,402         |
| Related payables               | 0              | 0              | 0              |
| <b>Total customer deposits</b> | <b>426,554</b> | <b>384,703</b> | <b>174,474</b> |

Maturities for payables are less than one year.

## Note 11: Other liabilities

|   | 31/12/2004     | 31/12/2003     | 31/12/2002    |
|---|----------------|----------------|---------------|
| Stock market debts - deferred settlement market | 144,639        | 157,205        | 30,960        |
| Customer security deposits                      | 8,058          | 5,350          | 5,183         |
| Tax and employee-related liabilities            | 8,874          | 9,654          | 6,384         |
| Group debts                                     | 0              | 37             | 43            |
| Other liabilities                               | 16,951         | 24,291         | 11,157        |
| Deferred tax liabilities                        | 0              | 13,260         | 10,500        |
| <b>Total other liabilities</b>                  | <b>178,520</b> | <b>209,795</b> | <b>64,225</b> |

The item "Stock market debts – deferred settlement market" corresponds to Boursorama's commitments in connection with customer transactions on the deferred settlement market.

"Customer security deposits" correspond to funds registered in the name of Boursorama customers trading on the derivatives markets.

"Other liabilities" primarily concerns payables to suppliers. At December 31st, 2003, this amount rose due to the considerable costs linked to the acquisition of Selftrade. These costs were paid off in 2004.

Tax-loss carry-forwards were booked in France and Spain at December 31st, 2004. The deferred tax liabilities were booked against the deferred tax assets (see note 7).

## Note 12: Accruals - liabilities

|                       | 31/12/2004   | 31/12/2003   | 31/12/2002 |
|-----------------------|--------------|--------------|------------|
| Prepaid income        | 634          | 563          | 395        |
| Accrued expenses      | 60           | 1,084        | 166        |
| Other accruals        | 816          | 1,989        | 41         |
| <b>Total accruals</b> | <b>1,510</b> | <b>3,637</b> | <b>602</b> |

### Note 13: Provisions for risks and charges

|   | 31/12/2002   | 31/12/2003   | +            | -              | other flows  | 31/12/2004   |
|---|--------------|--------------|--------------|----------------|--------------|--------------|
| Customer risks                                | 1,135        | 814          | 206          | (423)          |              | 597          |
| Other provisions for risks and charges        | 2,041        | 5,086        | 940          | (1,645)        | (417)        | 3,964        |
| Retirement Provisions                         |              |              | 220          |                | 99           | 319          |
| <b>Total provisions for risks and charges</b> | <b>3,177</b> | <b>5,900</b> | <b>1,366</b> | <b>(2,068)</b> | <b>(318)</b> | <b>4,880</b> |

### Note 14: Capital and additional paid-in capital

Following the exercise of options in 2004, 20,499 shares were created. At December 31st, 2004, the share capital was made up of 68,292,415 shares with a nominal value of € 0.40.

The 2003 net income was allocated in full to retained earnings.

|                                      | 31/12/2002     | 31/12/2003     | +            | -            | 31/12/2004     |
|--------------------------------------|----------------|----------------|--------------|--------------|----------------|
| Capital                              | 27,307         | 27,307         | 10           |              | 27,317         |
| Additional paid-in capital           | 219,018        | 219,021        | 33           |              | 219,054        |
| <b>Consolidated reserves:</b>        |                |                |              |              |                |
| Legal reserve                        | 2,731          | 2,731          |              |              | 2,731          |
| Translation reserve                  |                | 73             |              | (8)          | 65             |
| Other reserves and retained earnings | (94,945)       | (99,229)       | (6,777)      |              | (106,006)      |
| Profit (loss) for the period         | (5,698)        | (6,777)        | 12,307       | 6,777        | 12,307         |
| <b>Total shareholders' equity</b>    | <b>148,413</b> | <b>143,126</b> | <b>5,573</b> | <b>6,769</b> | <b>155,468</b> |

At 31/12/04 Boursorama owns 53,379 shares under its share buy-back programme.

#### Note 15: Off-balance sheet items

They also include commitments granted and received by the Spanish subsidiary as part of its margin trading business:

- commitments received: securities purchased by customers using loans granted by Boursorama are pledged as collateral;
- commitments given: this is the difference between the total amount of loans granted to customers at December 31st, 2004 (€ 20.5 million) and the maximum loan amount to which customers are entitled.

"Off-balance sheet items" relates exclusively to guarantees received in connection with security pledges, and totalled € 3,000.

An insurance policy has been taken out for Ad Play's lottery activities, covering losses in the event of a win.

#### Note 16: Operating income

|   | 31/12/2004   | 31/12/2003  | 31/12/2002  |
|---|--------------|-------------|-------------|
| <b>Operating income (in € millions)</b> | <b>101.1</b> | <b>88.9</b> | <b>53.5</b> |
| Of which Germany                        | 14.6         | 16.5        | 18.6        |
| Of which Spain                          | 5.2          | 3.4         |             |
| Of which UK                             | 5.2          | 3.4         |             |

#### Note 17: Net interest income

|                                  | 31/12/2004   | 31/12/2003   | 31/12/2002   |
|----------------------------------|--------------|--------------|--------------|
| Interest received                | 9,824        | 8,994        | 10,541       |
| Interest paid                    | (714)        | (1,046)      | (1,230)      |
| <b>Total net interest income</b> | <b>9,110</b> | <b>7,947</b> | <b>9,311</b> |

"Interest received" is the interest derived from the investment of customer deposits and Boursorama's treasury funds.

"Interest paid" is the interest paid on customer deposits.

#### Note 18: Net commission income

|                                    | 31/12/2004    | 31/12/2003    | 31/12/2002    |
|------------------------------------|---------------|---------------|---------------|
| Commissions received               | 73,774        | 67,233        | 34,897        |
| Commissions paid                   | (22,771)      | (21,507)      | (12,744)      |
| <b>Total net commission income</b> | <b>51,004</b> | <b>45,726</b> | <b>22,153</b> |

#### Note 19: Other net operating income

|  | 31/12/2004    | 31/12/2003    | 31/12/2002   |
|--|---------------|---------------|--------------|
| Other net operating income from banking activities (*) | 12,921        | 7,066         | 1,610        |
| Other net operating income from non-banking activities | 3,357         | 4,042         | 7,713        |
| <b>Total other net operating income</b>                | <b>16,278</b> | <b>11,108</b> | <b>9,323</b> |
| Of which custody fees and accruals (*)                 | 4,657         | 2,236         | 1,914        |

#### Note 20: Personnel expenses

|                                 | 31/12/2004      | 31/12/2003      | 31/12/2002      |
|---------------------------------|-----------------|-----------------|-----------------|
| Gross wages                     | (18,816)        | (17,862)        | (10,213)        |
| Employee profit-sharing         | (1,597)         | (868)           | 271             |
| Employers' contributions        | (6,712)         | (7,902)         | (3,726)         |
| Retirement provisions           | (220)           |                 |                 |
| <b>Total personnel expenses</b> | <b>(27,346)</b> | <b>(26,632)</b> | <b>(13,668)</b> |

At end-2004, Boursorama had 365 staff members, of which 27 were in Spain, 70 in Germany and 45 in the UK.

Other operating expenses primarily comprise costs incurred on external services.

#### Breakdown of workforce by category at 31/12/04 (year-end headcount)

|                         |            |
|-------------------------|------------|
| Executive employees     | 200        |
| Non-executive employees | 165        |
| <b>Total</b>            | <b>365</b> |

#### Note 21: Cost of risk

|  | 31/12/2004   | 31/12/2003   | 31/12/2002   |
|--|--------------|--------------|--------------|
| Net provision for loss on customer receivables | (1,135)      | (495)        | (498)        |
| Net provision/reversal for risks and charges   | 1,028        | (492)        | 385          |
| <b>Total cost of risk</b>                      | <b>(107)</b> | <b>(988)</b> | <b>(113)</b> |

#### Note 22: Extraordinary items

|                                  | 31/12/2004   | 31/12/2003     | 31/12/2002     |
|----------------------------------|--------------|----------------|----------------|
| Extraordinary income             | 0            | 6,800          | 9,123          |
| Extraordinary expenses           | (550)        | (10,215)       | (10,637)       |
| <b>Total extraordinary items</b> | <b>(550)</b> | <b>(3,414)</b> | <b>(1,514)</b> |

The extraordinary expenses correspond to the costs of restructuring the German branch.

## Note 23: Income tax and deferred tax

The tax-loss carry-forwards at 31/12/2004 can be broken down as follows:

| In thousands of euros | Income tax equivalent |   |  | TOTAL         |
|-----------------------|-----------------------|---|--|---------------|
|                       | Tax losses            | Tax at the rate applicable in the consolidating company | Tax resulting from differences in rates applied in foreign countries |               |
| France                | 72,606                | 25,361  | 0  | 25,361        |
| Germany               | 34,546                | 12,067  | -3,430   | 8,636         |
| Spain                 | 17,705                | 6,184   | 12   | 6,197         |
| United Kingdom        | 43,881                | 15,328  | -2,163   | 13,164        |
|                       | <b>168,738</b>        | <b>58,940</b>   | <b>(5,581)</b>   | <b>53,359</b> |

In accordance with the new rules applicable in France, there is no limit on French tax loss carry-forwards.

At December 31st, 2004, part of Boursorama's tax-loss carry-forwards were booked:

- € 21.8 million was booked against the goodwill of Selftrade (see note 5)
  - € 5.1 million was booked against income
  - (0.1) was adjusted in the income statement to account for the new tax rate.
- Amounting to total deferred tax liabilities of € 26.8 million.

In addition, as income at December 31st, 2004 was positive in France, the corresponding tax charge was booked against the deferred tax assets, equivalent to € 5.4 million.

The deferred tax assets were therefore worth € 21.4 million.

At December 31st, 2004 in Spain, part of the tax-loss carry-forwards were booked in the amount of deferred tax liabilities, i.e. € 2.1 million, against the goodwill of Selftrade.

### 5.1.9 Sector information

#### Net banking income by country

| In thousands of euros | 31/12/2004    | 31/12/2003    | 31/12/2002    |
|-----------------------|---------------|---------------|---------------|
| France                | 57,397        | 47,341        | 24,799        |
| Germany               | 11,936        | 13,650        | 15,469        |
| Spain                 | 4,158         | 2,820         |               |
| United Kingdom        | 4,493         | 3,088         |               |
| <b>Total</b>          | <b>77,983</b> | <b>66,899</b> | <b>40,269</b> |

### Net operating income by country

| In thousands of euros | 31/12/2004    | 31/12/2003   | 31/12/2002     |
|-----------------------|---------------|--------------|----------------|
| France                | 15,550        | 5,082        | (3,034)        |
| Germany               | (985)         | (947)        | (908)          |
| Spain                 | 170           | (336)        |                |
| United Kingdom        | 163           | (2,033)      |                |
| <b>Total</b>          | <b>14,898</b> | <b>1,766</b> | <b>(3,942)</b> |

### Fixed assets by country

| In thousands of euros | 31/12/2004    | 31/12/2003    | 31/12/2002    |
|-----------------------|---------------|---------------|---------------|
| France                | 40,623        | 42,509        | 36,645        |
| Germany               | 1,486         | 1,454         | 2,246         |
| Spain                 | 90            | 254           |               |
| United Kingdom        | 199           | 236           |               |
| <b>Total</b>          | <b>42,399</b> | <b>44,453</b> | <b>38,891</b> |

## 5.2. IFRS accounts

### Consolidated balance sheet under IFRS - BOURSORAMA Group (excluding IAS 32/39)

| <b>ASSETS</b>  |                   |                   |
|--|-------------------|-------------------|
| <b>In millions of euros</b>                          | <b>31.12.2004</b> | <b>01.01.2004</b> |
| Cash due from Central banks and post office accounts | 1,617             | 1,578             |
| Securities portfolio                                 | 84,589            | 82,388            |
| Loans and receivables from credit institutions       | 408,408           | 413,918           |
| Customer loans and receivables                       | 27,046            | 18,951            |
| Treasury stock                                       | 257               | 104               |
| Accruals and other assets                            | 174,210           | 176,277           |
| Tangible and intangible assets                       | 40,945            | 43,000            |
| Goodwill   | 25,732            | 53,806            |
| <b>Total</b>   | <b>762,804</b>    | <b>790,022</b>    |
| <b>LIABILITIES</b>                                   |                   |                   |
|  | <b>31.12.2004</b> | <b>01.01.2004</b> |
| Central banks  | -                 | -                 |
| Debts to credit institutions                         | 72                | 44,314            |
| Debts to customers                                   | 426,554           | 384,703           |
| Deferrals and other liabilities                      | 179,987           | 213,289           |
| Provisions for risks and charges                     | 5,085             | 6,197             |
| <b>Total debts</b>                                   | <b>611,698</b>    | <b>648,503</b>    |
| <b>SHAREHOLDERS' EQUITY</b>                          |                   |                   |
| <b>Group shareholders' equity</b>                    |                   |                   |
| Subscribed capital                                   | 27,317            | 27,307            |
| Additional paid-in capital                           | 219,051           | 219,018           |
| Consolidated reserves                                | (104,270)         | (98,030)          |
| Profit (loss) for the period                         | 9,008             | (6,777)           |
| <b>Total shareholders' equity</b>                    | <b>151,106</b>    | <b>141,519</b>    |
| <b>Total</b>   | <b>762,804</b>    | <b>790,022</b>    |

## Consolidated results under IFRS - BOURSORAMA Group (Excluding IAS 32/39)

| In millions of euros  | 31.12.2004    |
|---|---------------|
| Net interest income   | 9,024         |
| Net commission  | 51,004        |
| Net income from financial transactions  | 1,591         |
| Other net operating income  | 16,278        |
| <b>Net banking income</b>   | <b>77,897</b> |
| Personnel expenses  | (28,261)      |
| Other operating expenses  | (32,796)      |
| Provision for depreciation and amortisation of tangible and intangible assets | (2,836)       |
| <b>Gross operating income</b>   | <b>14,004</b> |
| Cost of risk  | (207)         |
| <b>Net operating income</b>   | <b>13,797</b> |
| Net gains and losses on other assets  | (7)           |
| <b>Operating income before tax</b>  | <b>13,790</b> |
| Income tax  | 23,454        |
| Impairment of goodwill  | (28,236)      |
| <b>Net income</b>   | <b>9,008</b>  |
| Minority Interests  | -             |
| <b>Group net income</b>   | <b>9,008</b>  |
| <b>Earnings per share</b>   | <b>0.132</b>  |
| <b>Diluted earnings per share</b>   | <b>0.121</b>  |

## Shareholders' equity under IFRS at 31/12/2004 (Excluding IAS 32/39)

|   | Share capital and linked reserves |                 | Consolidated reserves |                  | Group shareholders' equity | Minority interests in shareholders' equity | Total consolidated shareholders' equity |
|---|-----------------------------------|-----------------|-----------------------|------------------|----------------------------|--|---|
|   | Share capital                     | Linked reserves | Consolidated reserves | Group net income |                            |  |   |
| <b>Shareholders' equity under IAS at January 1st, 2004</b>  | <b>27,307</b>                     | <b>219,018</b>  | <b>-98,030</b>        | <b>-6,777</b>    | <b>141,519</b>             |  | <b>141,519</b>                          |
| Capital increase  | 10                                | 33              |                       |                  | 43                         |  | 43                                      |
| Elimination of treasury stock   |                                   |                 |                       |                  |                            |  |   |
| Issuance of preferred shares  |                                   |                 |                       |                  |                            |  |   |
| Amount of shareholders' equity in equity-based plans  |                                   |                 | 544                   |                  | 544                        |  | 544                                     |
| Appropriation on income   |                                   |                 | -6,777                | 6,777            |                            |  |   |
| 2004 Income   |                                   |                 |                       | 9,008            | 9,008                      |  | 9,008                                   |
| Change in accounting methods  |                                   |                 |                       |                  |                            |  |   |
| Variation in currency reserves  |                                   |                 | -7                    |                  | -7                         |  | -7                                      |
| Share in shareholders equity of associated companies and companies accounted for by the equity method |                                   |                 |                       |                  |                            |  |   |
| <b>Shareholders equity under IAS at December 31st, 2004</b>   | <b>27,317</b>                     | <b>219,051</b>  | <b>-104,270</b>       | <b>9,008</b>     | <b>151,107</b>             |  | <b>151,107</b>                          |

## Reconciliation of the balance sheet under French standards - under IFRS 2004 - at January 1st, 2004

|  | Balance 01/01/04<br>under French standards | Total restatements | Balance 01/01/04<br>under IAS |
|--|--|--------------------|-------------------------------|
| <b>ASSETS</b>                                  |  |                    |                               |
| Due from Central banks                         | 1,578                                      | 0                  | 1,578                         |
| Securities portfolio                           | 82,388                                     | 0                  | 82,388                        |
| Loans and receivables from credit institutions | 413,918                                    | 0                  | 413,918                       |
| Customer loans and receivables                 | 18,951                                     | 0                  | 18,951                        |
| Treasury stock                                 | 104  | 0                  | 104                           |
| Accruals and other assets                      | 176,277                                    |                    | 176,277                       |
| Tangible and intangible assets (1)             | 44,453                                     | -1,453             | 43,000                        |
| Goodwill                                       | 53,806                                     | 0                  | 53,806                        |
| <b>Total</b>                                   | <b>791,475</b>                             | <b>-1,453</b>      | <b>790,022</b>                |
| <b>LIABILITIES</b>                             |  |                    |                               |
| Central banks and post office accounts         |  | 0                  | 0                             |
| Debts to credit institutions                   | 44,314                                     | 0                  | 44,314                        |
| Debts to customers                             | 384,703                                    | 0                  | 384,703                       |
| Deferrals and other liabilities (2)            | 213,432                                    | -143               | 213,289                       |
| Provisions for risks and charges (3)           | 5,900                                      | 297                | 6,197                         |
| <b>Total debts</b>                             | <b>648,349</b>                             | <b>154</b>         | <b>648,503</b>                |
| <b>SHAREHOLDERS' EQUITY</b>                    |  |                    |                               |
| <b>Group shareholders' equity</b>              |  |                    |                               |
| Subscribed capital                             | 27,307                                     | 0                  | 27,307                        |
| Additional paid-in capital                     | 219,018                                    | 0                  | 219,018                       |
| Consolidated reserves (4)                      | -96,423                                    | -1,607             | -98,030                       |
| Profit (loss) for the period                   | -6,777                                     | 0                  | -6,777                        |
| <b>Minority interests</b>                      |  | <b>0</b>           | <b>0</b>                      |
| <b>Total Shareholders Equity</b>               | <b>143,126</b>                             | <b>-1,607</b>      | <b>141,519</b>                |
| <b>Total</b>                                   | <b>791,475</b>                             | <b>-1,453</b>      | <b>790,022</b>                |

(1) Restatement of goodwill

(2) Reclassification of provisions for employee benefits

(3) Provisions for employee benefits (reclassification and actuarial losses or gains : 546) and discounting of provisions (-249)

(4) The impact of these adjustments on shareholders' equity is: -1,607

Reconciliation of the consolidated balance sheet under french standards and under ifrs 2004 (excl. 32/39) at 31/12/2004

|  | Balance 01/01/04 under<br>French standards | Total restatements | Balance 01/01/04<br>under IAS |
|--|--|--------------------|-------------------------------|
| <b>ASSETS</b>                                  |  |                    |                               |
| Due from Central banks                         | 1,617                                      |                    | 1,617                         |
| Securities portfolio                           | 84,589                                     |                    | 84,589                        |
| Loans and receivables from credit institutions | 408,408                                    |                    | 408,408                       |
| Customer loans and receivables                 | 27,046                                     |                    | 27,046                        |
| Treasury stock                                 | 257  |                    | 257                           |
| Accruals and other assets                      | 174,210                                    |                    | 174,210                       |
| Tangible and intangible assets (1)             | 42,398                                     | -1,453             | 40,945                        |
| Goodwill (4)                                   | 28,480                                     | -2,748             | 25,732                        |
| <b>Total</b>                                   | <b>767,005</b>                             | <b>-4,201</b>      | <b>762,804</b>                |
| <b>LIABILITIES</b>                             |  |                    |                               |
| Central banks and post office accounts         | 0  |                    | 0                             |
| Debts to credit institutions                   | 72   |                    | 72                            |
| Debts to customers                             | 426,554                                    |                    | 426,554                       |
| Deferrals and other liabilities (2)            | 180,031                                    | -44                | 179,987                       |
| Provisions for risks and charges (3)           | 4,880                                      | 205                | 5,085                         |
| <b>Total debts</b>                             | <b>611,537</b>                             | <b>161</b>         | <b>611,698</b>                |
| <b>SHAREHOLDERS' EQUITY</b>                    |  |                    |                               |
| <b>Group shareholders' equity</b>              |  |                    |                               |
| Subscribed capital                             | 27,317                                     |                    | 27,317                        |
| Additional paid-in capital                     | 219,051                                    |                    | 219,051                       |
| Consolidated reserves (5)                      | -103,207                                   | -1,063             | -104,270                      |
| Profit (loss) for the period (6)               | 12,307                                     | -3,299             | 9,008                         |
| <b>Minority interests</b>                      | <b>155,468</b>                             | <b>-4,362</b>      | <b>151,106</b>                |
| <b>Total Shareholders Equity</b>               | <b>767,005</b>                             | <b>-4,201</b>      | <b>762,804</b>                |

(1) Restatement of goodwill

(2) Reclassification of provisions for employee benefits

(3) Provisions for employee benefits (reclassification and actuarial losses or gains) and discounting of provisions

(4) Restatement of the amortisation of goodwill and booking of tax-loss carry-forwards

(5) The impact of these adjustments on shareholders equity is: -1,063

(6) The impact of these adjustments on shareholders equity is: -3,299

## Reconciliation consolidated income statement under French standards => IAS/IFRS 2004 (excl. 32/39)

|   | 2004<br>income<br>under FR<br>standards | Restatements  |   |                      |               | Total<br>restatemetns | 2004<br>income<br>under IAS |
|---|---|---|---|----------------------|---------------|-----------------------|-----------------------------|
|   |   | Reclassifications<br>under fully<br>consolidated<br>companies | Discounting<br>of provisions<br>on risks<br>and charges | Employee<br>benefits | goodwill      |                       |                             |
| Net interest income (1)   | 9,110                                   |   | -86   |                      |               | -86                   | 9,024                       |
| Net commission  | 51,004                                  |   |   |                      |               | 0                     | 51,004                      |
| Net income from financial transactions  | 1,591                                   |   |   |                      |               | 0                     | 1,591                       |
| Other net operating income  | 16,278                                  |   |   |                      |               | 0                     | 16,278                      |
| <b>Net banking income</b>   | <b>77,983</b>                           | <b>0</b>  | <b>-86</b>  | <b>0</b>             | <b>0</b>      | <b>-86</b>            | <b>77,897</b>               |
| Personnel expenses (2)  | -27,346                                 | -450  |   | -465                 |               | -465                  | -28,261                     |
| Other operating expenses  | -32,796                                 |   |   |                      |               | 0                     | -32,796                     |
| Provision for depreciation<br>and amortisation of tangible<br>and intangible assets | -2,836                                  |   |   |                      | 0             | 0                     | -2,836                      |
| <b>Gross operating income</b>   | <b>15,005</b>                           | <b>-450</b>   | <b>-86</b>  | <b>-465</b>          | <b>0</b>      | <b>-551</b>           | <b>14,004</b>               |
| Cost of risk  | -107                                    | -100  |   |                      |               | 0                     | -207                        |
| <b>Net operating income</b>   | <b>14,898</b>                           | <b>-550</b>   | <b>-86</b>  | <b>-465</b>          | <b>0</b>      | <b>-551</b>           | <b>13,797</b>               |
| Net gains and losses on other assets  | -7                                      |   |   |                      |               | 0                     | -7                          |
| <b>Operating income before tax</b>  | <b>14,891</b>                           | <b>-550</b>   | <b>-86</b>  | <b>-465</b>          | <b>0</b>      | <b>-551</b>           | <b>13,790</b>               |
| Extraordinary income  | -550                                    | 550   |   |                      |               | 0                     | 0                           |
| Amortisation of goodwill (3)  | -1,565                                  |   |   |                      | 1,565         | 1,565                 | 0                           |
| Income tax (4)  | -469                                    |   |   | 0                    | 23,923        | 23,923                | 23,454                      |
| Impairment of goodwill (5)  |   |   |   |                      | -28,236       | -28,236               | -28,236                     |
| <b>Net income</b>   | <b>12,307</b>                           | <b>0</b>  | <b>-86</b>  | <b>-465</b>          | <b>-2,748</b> | <b>-3,299</b>         | <b>9,008</b>                |
| Minority Interests  |   |   |   |                      |               | 0                     | 0                           |
| <b>Group net income</b>   | <b>12,307</b>                           | <b>0</b>  | <b>-86</b>  | <b>-465</b>          | <b>-2,748</b> | <b>-3,299</b>         | <b>9,008</b>                |
| <b>Earnings per share</b>   | <b>0.180</b>                            |   |   |                      |               |                       | <b>0.132</b>                |
| <b>Diluted earnings per share</b>   | <b>0.165</b>                            |   |   |                      |               |                       | <b>0.121</b>                |

(1) Time effect of the discounting of provisions

(2) AVP and stock options

(3) Restatement of the amortisation of goodwill

(4) Deferred tax charge (EUR 5.4 million), booking of tax-loss carry-forwards in France (EUR 26.9 million) and Spain (EUR 2.1 million)

(5) Tax-loss carry-forwards of SelfTrade booked against goodwill (EUR 26.1 million in France and EUR 2.1 million in Spain)

### 5.2.2 Notice on compliance with IFRS at Boursorama

#### First-time adoption of IFRS

In accordance with European regulation No. 1606/2002 of July 19th 2002, Boursorama is required to present its consolidated financial statements for the year ended December 31st 2005 under IFRS in effect on December 31st 2005 as approved by the European Union.

The first financial statements published under IFRS will be for the 2005 financial year, which will be presented with a comparison with 2004 prepared under the same standards except for IAS 32/IAS 39 applied as of January 1st 2005. In view of the publication of these comparative financial statements for 2005 and in line with the recommendation issued

by the Autorité des Marchés Financiers (AMF) on financial communication during the transition period, Boursorama has prepared its 2004 financial data on the transition to IFRS with an overview of the impact expected from the switchover to IFRS on:

- the balance sheet on January 1st 2004, date at which the impact of the transition is recorded in shareholders' equity upon publication of the 2005 consolidated financial statements (the impact of the application of IAS 32 and IAS 39 will be recorded in shareholders' equity on January 1st 2005),
- the financial position on December 31st 2004 and income for 2004.

The 2004 financial data on the expected impact of the transition to IFRS was prepared by applying to 2004 data the IFRS interpretations that Boursorama plans to apply in preparing its comparative consolidated financial statements at December 31st 2005. The preparation of 2004 financial data is based on:

- mandatory IFRS and interpretations in effect on December 31st 2005 as currently defined;
- options and exemptions that the Group expects to apply in preparing its first consolidated financial statements under IFRS in 2005.

As such, the opening balance sheet presented may not be that used to prepare the 2005 consolidated financial statements.

First-time adoption at January 1st 2004

The international financial reporting standards were applied to Boursorama's consolidated financial statements at January 1st 2004 in compliance with IFRS 1. This standard requires the retrospective application of the standards and the recognition of the impact of changes resulting from the switchover from French accounting standards applied until December 31st 2003 under equity of the opening balance sheet at January 1st 2004. IFRS 1 offers specific options for first-time adoption in certain areas, in which Boursorama has made the following accounting treatment decisions:

- Business combinations (IFRS 3): Boursorama has decided not to restate business combinations prior to January 1st 2004 as provided for by IFRS 3.
- Revaluation of tangible assets at fair value (IAS 16 and 40): Boursorama has decided to keep tangible assets at their acquisition cost.

- Effects of Changes in Foreign Exchange Rates (IAS 21): Boursorama has decided not to transfer changes in foreign exchange rates arising from the translation of the financial statements of foreign entities at January 1st 2004 to "consolidated reserves".
- Share-based payment: for equity-settled share-based payment transactions, the Group has decided to apply IFRS 2 for grants after November 7th 2002 with rights that have not yet been acquired as at January 1st 2005. For cash-settled transactions, the Group has decided to apply IFRS 2 to plans that have not yet been settled as at January 1st 2005.

Presentation of 2004 comparative data

As IAS 32 and 39 on financial instruments were not applied in the preparation of the comparative data for the 2004 financial year, the presentation and valuation of financial instruments will differ between 2004 and 2005.

The format of the summary reports, in which 2004 comparative data is presented, was adapted to be comparable, in its structure, with the format of the summary reports described by the Conseil National de la Comptabilité (French National Accounting Council) recommendation No. 2004 R 03 of October 27th 2004 relating to the format of summary documents (balance sheet, income statement, changes in shareholders' equity and cash flow statement) of the companies as defined by the Comité consultatif de la législation et de la réglementation financières (CCLRF) under international accounting standards.

#### ***Main valuation and presentation rules for IFRS comparative data for the 2004 consolidated financial statements***

In line with the option provided for by IFRS 1 concerning the methods for the first-time adoption of IFRS, IAS 32 and 39 on financial instruments will be applied to the Group's consolidated financial statements as of 2005. For instruments and transactions falling within the scope of application of these standards, the IAS comparative data on the 2004 financial year was prepared in line with French accounting principles as described in the notes to the 2004 French consolidated financial statements.

Within the scope of instruments and transactions which do not fall under IAS 32 and 39, the paragraphs below outline the main differences with French accounting principles described in the notes to the consolidated financial statements for the 2004 financial year.

### ● Consolidation principles and procedures

The consolidated financial statements are prepared based on the individual annual financial statements from Boursorama, all the subsidiaries in which Boursorama holds a significant stake and equity affiliates. The subsidiaries that close their accounts during the financial year with a difference of over three months prepare interim financial statements at December 31st, with their results determined on a twelve-month basis.

The main differences that can affect the consolidation scope and methods include the assessment of control over a subsidiary, the consolidation criteria of ad hoc entities, the treatment of entities acquired for partial or total sale and the treatment of goodwill.

### ● Assessment of control and the consolidation scope

Companies controlled exclusively (i.e. power in determining financial and operating policies) are fully consolidated. According to international standards, as opposed to French standards, exclusive control may result from holding the majority of the subsidiary's voting rights directly or indirectly.

For companies over which the Group holds joint control (contractual agreement between partners in making operating, strategic and financial decisions), the proportionate consolidation or equity method may be used.

Companies over which the Group has a significant influence are accounted for by the equity method using the same terms as under French standards.

International standards extend the scope of voting rights taken into account to determine a company's control by including the existence and impact of potential voting rights that are presently exercisable or convertible. These potential voting rights may result, for example, from outstanding stock options or from the conversion of bonds into new ordinary shares.

#### Impact on the Group's accounts

The consolidation scope applied under French standards at December 31st 2004 remains unchanged under IFRS.

### ● Treatment of acquisitions and goodwill (IFRS 3 and IAS 36)

Under French standards, the assets, liabilities and identifiable off-balance sheet items of acquired entities are estimated at their market value or realisable value, as the residual goodwill is amortised based on the straight-line method over 10 years. As with all other fixed assets, goodwill is subject to an additional irreversible amortisation expense when the value in use

is shown to be consistently lower than the net book value. The value in use of goodwill is calculated based on discounted future cash flows.

Furthermore, goodwill can be recalculated up to December 31st of the year following the acquisition.

Under IFRS 3 - Business Combinations, goodwill can only be recalculated in the 12 months following the date of acquisition. Following this period, goodwill can be adjusted in specific cases relating to the tax-loss carry-forwards of the company acquired. Goodwill is not longer amortised but, under IAS 36 - Impairment of Assets, is subject to impairment tests as soon as any loss in value is apparent and at least once a year. For this test, goodwill and fixed assets are allocated to Cash Generating Units (CGU), which are defined as the smallest identifiable group of assets that generates cash inflows.

The value in use of these units is calculated according to discounted future cash flows. When this value is lower than the net book value of the CGU, an irreversible loss is booked for the difference and charged to goodwill.

For Boursorama, a CGU is equivalent to a geographical region: France, Germany, Spain or the United Kingdom.

#### Impact on the Group's accounts

The consolidated income statement no longer includes the expense for the amortisation of goodwill. Instead, it includes, where applicable, the charges corresponding to loss in value. As indicated in the notes to the 2004 consolidated financial statements under French standards, deferred tax was booked linked to tax-loss carry-forwards in France for the acquisition of Selftrade and Selftrade Espagne against the deferred tax booked for the brand Selftrade Espagne. Under IFRS, an adjustment in goodwill was booked as an expense on the income statement against the tax income linked to these entries. Unlike under French standards, the recognition of tax-loss carry-forwards was first booked under the tax-loss carry-forwards of Selftrade France before those of Boursorama France.

### ● Other intangible assets

Under IFRS certain items cannot be capitalised as under French standards. Therefore, customer base, qualified as an intangible asset under French standards, does not meet the requirements under IFRS 38.

#### Impact on the Group's accounts

Fimatex's customer base has been adjusted in the opening balance sheet at January 1st, 2004.

### ● Employee commitments

Certain Group employees receive a final payment upon retirement calculated according to the provisions of the collective labour agreement by which they are covered. Boursorama does not contribute to any insurance fund to cover these expenses, as they are not considered material given the low average age of staff.

Under French standards, at December 31st 2004, a provision was booked as a liability on the balance sheet under Provisions for risks and charges to cover these commitments. It is valued by independent actuaries based on the method of projected unit credit. This valuation method accounts for demographic assumptions, early retirement, salary increases and discount and inflation rates.

The accounting principles applied under French standards are similar to those applied by IFRS 19.

### ● Stock options

Under French standards, stock option plans that entitle their beneficiaries to buy existing stocks or to subscribe to a capital increase at a fixed price are not booked in the Group's accounts. Details of stock option plans are available in Boursorama's registration document.

Under IFRS 2, share-based payments systematically give rise to a personnel expense, estimated at fair value at the grant date and spread over the period of acquisition of rights under expenses against additional paid-in capital under shareholders' equity, before the vesting conditions necessary for their allocation are met and the beneficiaries exercise their options. When accounts are closed, the number of stock options expected to be exercised is revised to adjust the initially determined total cost of the plan. The expense booked since the grant is then adjusted accordingly.

The main assumptions for the valuation of stock options are:

- expected lifespan of 6.5 years (qualified holding period, i.e. 3 years, plus half of the average residual life of the option, i.e. 3.5 years)
- dividend rate: 0%
- volatility: 33%

Impact on the Group's accounts

The application of IFRS had no effect on the opening balance sheet at January 1st, 2004 or on shareholder's equity.

The booking of the fair value of the options granted as expenses

increased personnel expenses, which were included in the Group's operating margin, and directly impacted to shareholders' equity.

### ● Provisions for risks and charges

Under French standards provisions are assessed to the best estimate of the expenditure required to settle the obligation, regardless of the projected expiry of the obligation.

Under IFRS 37, for expenses which will be incurred in more than one year, the discounted value must be applied if the provision is significantly impacted by the discount.

Discount rates are the current market estimates over time on the investment (zero risk investment rates).

Impact on the Group's accounts

If the provision is discounted, adjustments due to the passage of time are recorded in a specific provision account, under interest margin.

### *Presentation of the standards applicable in 2005*

The standards applicable in 2005 include those described above and the provisions that apply to financial instruments and transactions covered by IAS 32 and IAS 39, as outlined in these notes.

As specified above, financial instruments are booked based on the French accounting principles applied by the Group for the 2004 comparative data, in compliance with regulations 1999-07 and 2000-04 of the Comité de la Réglementation Comptable, and described in detail in the notes to the 2004 consolidated financial statements.

The principles for these transactions differ in certain respects from those used to prepare the data for 2005 and onwards under IAS 32 and IAS 39 on financial instruments, as adopted by the European Union. The main differences identified for financial instruments held by the Group are as follows:

### ● Classification and valuation of shares held

Shares held by the company are classified differently under IAS 39. Shares previously recognised in short-term investment or trading portfolios and with shares held for portfolio activities, investments in non-consolidated companies, stakes in equity affiliates and other long-term equity investments must be classified into one of the following four categories:

- Financial assets estimated at fair value through profit or loss. These financial assets are held for trading and are estimated at fair value, with any revaluation differences booked under income for the period.

- Financial assets held to maturity are non-derivative, fixed-income and fixed-maturity financial assets that the Group intends and has the means to hold until they mature. Unlike under French accounting rules, these investments are not hedged against interest rate risks. They are valued at amortised cost including premiums, discounts and other items such as acquisition expenses.
- Financial assets available for sale are non-derivatives held for an indefinite period that the Group may sell at any time. By default, these are financial assets that cannot be classified in either of the preceding categories. These assets are booked at fair value on the balance sheet, with accrued or realised earnings recorded under income, while revaluation differences excluding earnings are booked separately under shareholders' equity. Revaluation differences are only booked under income in the event of sale or significant loss in value. Any loss in value of a security is permanent.
- The financial instruments held by the Group at fair value, as allowed by the option under IAS 39, are also included with short-term investment securities. The use of this option was restricted to financial assets when the European Union adopted IAS 39 pending the publication by the IASB of an amendment to the standard that will specify the terms under which this option can be applied.

#### • Loans and receivables

Compared with French standards, loans and receivables which are not held for trading are initially booked at fair value including acquisition expenses. They are subsequently valued at amortised cost based on the effective interest rate accounting for the financial impact arising from any contractual terms attached to the financial instrument.

#### • Derivatives and hedging transactions

IAS 39 requires all derivatives to be booked at fair value. These instruments are considered short-term investment instruments revalued against income unless they can be qualified as hedging instruments, in which case they must be documented to attest to their expected effectiveness, which is subsequently verified, of the hedging relationship between the derivatives and the items covered.

Boursorama does not use derivatives or hedging instruments in its activities.

#### • Embedded derivatives

An embedded derivative is a component of a hybrid instrument. If hybrid instruments are not booked at fair value through profit or loss, unlike under French standards, the embedded derivative must be separated from its host contract if the economic conditions and related risks are not closely linked to the conditions and risks of the host contract if it meets the criteria of a derivative.

#### • Fair value

The fair value to be used for financial instruments if above all the market value where the instrument is listed on an active market. Otherwise, it must be determined using valuation models and observable market parameters.

#### • Provisions for credit risk

The criteria to determine whether or not a credit risk is genuine on individual accounts are similar to those used by French regulations to determine the doubtful nature of a loan or commitment.

However, the amount of the provisions for amortisation is now determined based on the estimated recoverable amount discounted using the original effective interest rate of the instrument. Allowances and writebacks on provisions are booked under Cost of risk, while the effects of discounting represents the proceeds on amortised receivables recorded under Interest income.

Moreover, a provision will be booked for a proven credit risk in a homogeneous portfolio on a set of financial instruments before the risk has actually affected one or more receivables. Part of the provisions for country risks, as documented in the French financial statements, must be restated in compliance with IFRS.

#### • Treasury stock

Group-held Boursorama shares are deducted from consolidated shareholders' equity regardless of the purpose for which they are held, and any related impact is eliminated from the consolidated income statement. Under French standards, treasury stock held for allocation to employees in order to regulate the share price was booked under assets on the consolidated balance sheet.

## **5.3. Parent company financial statements at December 31st, 2004**

### **5.3.1. Report of the Statutory Auditors on the parent company financial statements**

#### **Report of the Statutory Auditors' on the financial statements**

Financial year ending December 31st, 2004

To the Shareholders,

As instructed by the Shareholders' Meeting, we hereby present our report on the year ended December 31, 2004, concerning:

- the accompanying annual financial statements of BOURSORAMA in accordance with French accounting principles,
- the justification for our assessment,
- the specific procedures and disclosures prescribed by law.

The annual financial statements were drawn up by the Board of Directors. Our responsibility is to express an opinion on these annual accounts based on our audit.

#### ***I. Opinion on the annual financial statements***

We conducted our audit in accordance with French professional standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall annual account presentation. We believe that our audit provides a reasonable basis for our opinion.

We hereby certify that the annual financial statements give a true and fair view of the financial position, assets, liabilities and results of the company at the year end.

#### ***II. Justification for our assessment***

In accordance with article L. 225-235 of the French Commercial Code relating to the justification of our assessment, we are required to inform you of the following:

- The notes to the consolidated financial statements on the accounting principles and methods describe the methods used by your Company to value businesses. We have examined the assumptions used and verified that these estimates are based on methods in line with the principles described in the notes to the financial statements.

On this basis, we assessed whether the estimates used were reasonable.

These assessments were an integral part of our audit of the overall annual financial statements and therefore contributed to the appraisal set out in the first part of this report.

#### ***III. Specific procedures and disclosures prescribed by law***

We have also carried out, in accordance with French professional standards, the specific procedures prescribed by French law.

We have nothing to report with respect to the fairness of information contained in the Board of Directors' report and its consistency with the annual accounts and other information presented to shareholders concerning the financial position and annual financial statements.

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names and voting rights of the principal shareholders has been properly disclosed in the Board of Directors' report.

Paris – La Défense and Neuilly sur Seine on April 20th 2005

Statutory Auditors

ERNST & YOUNG Audit  
Christian MOUILLON

Deloitte & Associés  
José-Luis GARCIA

### 5.3.2 Special report of the Statutory Auditors on regulated agreements – year ending December 31st, 2004

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present our report on the regulated agreements.

In accordance with article L. 225-40 of the French Commercial Code, we have been informed of an agreement which was subject to approval by the Board of Directors.

It is not our duty to ascertain whether any contractual agreements exist, but to inform you of the basic terms of any agreements brought to our attention, based on the information provided to us, without any statements expressing an opinion as to their usefulness or relevance. Under the provisions of article 92 of the French decree of March 23rd 1967, it is your responsibility to determine the purpose and usefulness of this agreement for its approval.

We conducted our work in accordance with French professional standards. These standards require that we perform the necessary procedures to verify the consistency of the information provided along with the documents on which it is based.

With SGAM  
Director concerned  
Philippe COLLAS  
Purpose

Authorisation granted at the Board meetings on November 2nd and December 13th 2004 to acquire a 65% stake in Véritas from Société Générale Asset Management for EUR 9,750 million.

Terms

A draft agreement was signed on January 15th 2005.

Paris – La Défense and Neuilly sur Seine on April 20th 2005

Statutory Auditors

ERNST & YOUNG Audit  
Christian MOUILLON

Deloitte & Associés  
José-Luis GARCIA

### 5.3.3 Financial Statements at December 31st, 2004

#### BOURSORAMA

Parent company balance sheet and off-balance sheet items at December 31st, 2004

|   |         | In thousands of euros | In thousands of euros | In thousands of euros |
|---|---------|-----------------------|-----------------------|-----------------------|
| ASSETS                                      |         | 31/12/2004            | 31/12/2003            | 31/12/2002            |
| Cash due from central banks                 | Note 1  | 1,616                 | 1,578                 | 1,015                 |
| Receivables from credit institutions        | Note 2  | 358,051               | 365,843               | 314,689               |
| Customer loans                              | Note 3  | 27,046                | 18,938                | 2,987                 |
| Shares and other variable income securities | Note 4  | 84,662                | 82,492                | 1,706                 |
| Interests in associates                     | Note 5  | 12,483                | 12,483                | 5,229                 |
| Intangible assets                           | Note 6  | 53,638                | 53,683                | 4,440                 |
| Tangible assets                             | Note 6  | 1,816                 | 3,805                 | 2,844                 |
| Other assets                                | Note 7  | 158,664               | 170,730               | 39,488                |
| Accruals                                    | Note 8  | 3,580                 | 4,121                 | 2,584                 |
| <b>Total assets</b>                         |         | <b>701,556</b>        | <b>713,673</b>        | <b>374,981</b>        |
| LIABILITIES                                 |         | 31/12/2004            | 31/12/2003            | 31/12/2002            |
| Debts to credit institutions                | Note 9  | 72                    | 44,314                | 19,232                |
| Customer deposits                           | Note 10 | 381,273               | 344,118               | 174,474               |
| Other liabilities                           | Note 11 | 177,474               | 195,243               | 53,238                |
| Accruals                                    | Note 12 | 786                   | 1,586                 | 408                   |
| Provisions for risks and charges            | Note 13 | 4,842                 | 5,821                 | 3,153                 |
| <b>Shareholders' equity</b>                 |         | <b>137,108</b>        | <b>122,591</b>        | <b>124,476</b>        |
| Subscribed capital                          | Note 15 | 27,317                | 27,307                | 27,307                |
| Additional paid-in capital                  | Note 15 | 234,630               | 248,048               | 234,441               |
| Legal reserve                               | Note 15 | 2,731                 | 2,731                 | 2,731                 |
| Retained earnings                           | Note 15 | (142,044)             | (138,588)             | (94,947)              |
| Profit (loss) for the period                | Note 15 | 14,475                | (16,907)              | (45,056)              |
| <b>Total liabilities</b>                    |         | <b>701,556</b>        | <b>713,673</b>        | <b>374,981</b>        |
| OFF-BALANCE SHEET ITEMS                     |         | 31/12/2004            | 31/12/2003            | 31/12/2002            |
| Financing commitments given                 | Note 16 | 35,598                | 22,625                |                       |
| Commitments received: Pledged securities    | Note 16 | 32,326                | 24,014                | 3                     |

## Parent company income statement at December 31st, 2004

|  |         | In thousands of euros | In thousands of euros | In thousands of euros |
|--|---------|-----------------------|-----------------------|-----------------------|
|  |         | 31/12/2004            | 31/12/2003            | 31/12/2002            |
| Net interest income                                    | Note 17 | 7,610                 | 7,871                 | 8,584                 |
| Net commission income                                  | Note 18 | 48,465                | 46,677                | 18,841                |
| Net income from financial transactions                 |         | 1,735                 | 2,018                 | (545)                 |
| Other net operating income                             | Note 19 | 15,700                | 11,290                | 10,431                |
| <b>Net banking income</b>                              |         | <b>73,510</b>         | <b>67,856</b>         | <b>37,311</b>         |
| Personnel expenses                                     | Note 20 | (24,546)              | (27,352)              | (12,330)              |
| Other operating expenses                               | Note 20 | (31,872)              | (38,982)              | (23,967)              |
| Depreciation and provisions                            |         | (2,588)               | (6,132)               | (4,388)               |
| <b>Gross operating income</b>                          |         | <b>14,504</b>         | <b>(4,609)</b>        | <b>(3,374)</b>        |
| Cost of risk   | Note 21 | 304                   | (1,093)               | (46)                  |
| <b>Net operating income</b>                            |         | <b>14,808</b>         | <b>(5,702)</b>        | <b>(3,420)</b>        |
| Losses on fixed assets                                 |         | (7)                   | (241)                 | (54)                  |
| <b>Profit (loss) on ordinary activities before tax</b> |         | <b>14,802</b>         | <b>(5,944)</b>        | <b>(3,474)</b>        |
| Extraordinary items                                    | Note 22 | (327)                 | (10,963)              | (41,581)              |
| Income tax   |         | 0                     | 0                     | 0                     |
| <b>Net profit (loss)</b>                               |         | <b>14,475</b>         | <b>(16,907)</b>       | <b>(45,056)</b>       |
| <b>Earnings per share (in euros)(1)</b>                |         | <b>0.212</b>          | <b>(0.248)</b>        | <b>(0.660)</b>        |
| <b>Diluted earnings per share (in euros)(1)</b>        |         | <b>0.194</b>          | <b>(0.231)</b>        | <b>(0.617)</b>        |

(1) earnings per share is calculated based on the average number of shares outstanding over the financial year after the deduction of treasury stock from shareholders' equity. Diluted earnings per share also accounts for the existence of stock options which have not yet been exercised.

### 5.3.4 Notes to the parent company financial statements

BOURSORAMA acts as a broker for individual investors on the financial markets.

On March 5th, 2003, Boursorama acquired 99.9% of Selftrade SA's capital for € 63.6 million in cash. At that date, Selftrade SA had two branches in the UK and Spain. On May 31st, 2003, the UK branch became a subsidiary.

On October 1st, 2003, Boursorama and Selftrade merged retroactively as of January 1st, 2003.

At December 31st, 2004, the consolidated statements included the results of the German and Spanish branches.

Boursorama is 71% held by Société Générale. Boursorama's results are included in Société Générale's consolidated financial statements.

#### Accounting methods and principles

Boursorama's financial statements for the 2004 financial year were established in compliance with the accounting principles applicable to French credit institutions.

The financial statements of the foreign branches were drawn up in accordance with the regulations of the country of origin then restated in compliance with French accounting principles.

#### ● Receivables and debts with credit institutions and customers

Receivables and debts with credit institutions and customers are broken down according to their initial duration or type: sight receivables and debts (ordinary accounts, sight deposits and overnight transactions) and term receivables and debts relating to credit institutions (ordinary accounts, other facilities, special savings accounts and other customer deposits).

The accrued interest is carried under related receivables and payables, with a corresponding contra entry in the income statement.

Customer receivables are analysed on a case-by-case basis and, where appropriate, are reclassified as doubtful receivables. If there is a risk that the customer may be unable to

repay all or part of the debt, provisions for doubtful receivables are made. Provisions for risks are also made as a safeguard against litigation.

#### ● Tangible and intangible assets

Fixed assets are booked in the balance sheet at their historical acquisition cost. Depreciation is calculated on a straight-line basis over the normal useful life of the asset. The following depreciation periods are applied:

|                                |               |
|--------------------------------|---------------|
| Fixtures and fittings          | 5 or 10 years |
| Furniture and office equipment | 3 or 5 years  |
| Computer equipment             | 3 years       |
| Software purchased             | 1 or 3 years  |
| Start-up costs                 | 3 years       |

Selftrade's customer base, acquired as a result of the merger-absorption, is not amortised. However, a provision for depreciation is booked if the value in use of this customer base falls to less than its book value.

#### ● Portfolios

Securities are classified according to:

- their type: public notes, bonds and other fixed income securities, equities and other variable income securities
- the purpose for which they were acquired: trading, short-term investment, long-term investment, investments in non-consolidated subsidiaries and affiliates.

The rules for valuation are as follows:

#### *Trading securities*

Trading securities are securities for which there exists a liquid market, and which are acquired with a view to rapid resale (within a maximum period of six months). They are valued at market price at year-end. Net unrealised gains or losses, together with net gains or losses on disposals, are booked in the income statement.

#### *Short-term investment securities*

Short-term investment securities are those intended to be held for more than six months, except for those classified as long-term investment securities.

Equities and other variable income securities are carried on the balance sheet at cost excluding acquisition expenses, or at contribution value.

Bonds and other fixed income securities are carried at cost excluding acquisition expenses and, in the case of bonds, excluding interest accrued but not yet due at the date of purchase. The positive or negative difference between cost and redemption value is amortised to income over the life of the securities concerned.

At year-end, cost is compared to realisable value or, in the case of listed securities, to the most recent market price. Unrealised capital gains are not recognised in the accounts but a provision for depreciation of portfolio securities is booked to cover unrealised capital losses, after recognising gains made on any related hedging transactions.

#### **Long-term investment securities**

Long-term investment securities are fixed income securities that the Group intends to hold on a long-term basis, in principle until maturity, and where the Group has the necessary means to:

- either permanently hedge its position against a possible depreciation in the securities due to interest rate fluctuations, using interest rate futures,
- or hold the securities on a long-term basis by obtaining funds, including available capital, which are matched and used to finance these securities.

When the interest rate or liquidity matching no longer complies with the regulations set by the French Banking Commission, the securities are reclassified as short-term investment securities.

Long-term investment securities are booked following the same principles as those applied to short-term investment securities, except that no provision is made for unrealised losses at the closing of the financial year, unless there is a strong probability that the securities will be sold in the short-term, or unless there is a risk that the issuer will be unable to redeem them.

#### **Investments in non-consolidated subsidiaries and affiliates, and other long-term equity investments**

This category of securities covers shares held in non-consolidated subsidiaries and affiliates, when it is deemed useful to the business of the company to hold the said shares in the long term.

- shares in companies that share directors or senior managers with the holding company, under circumstances where an influence can be exercised over the company in which the shares are held;
- shares in companies that belong to the same group controlled by individuals or legal entities, where the said persons or entities exercise control over the Group and ensure that decisions are taken in unison;
- shares representing more than 10% of the voting rights in the capital issued by a credit institution or a company whose business is directly linked to that of the Group.

The securities are carried at cost excluding acquisition expenses.

At year-end, investments in non-consolidated subsidiaries and affiliates are valued at their value in use, representing the price the company would agree to pay to obtain said securities if it had to acquire them in view of its investment objective. This value is estimated on the basis of various criteria, such as shareholders' equity, profitability, and the average share price over the last three months.

#### **• Treasury stock**

In accordance with the provisions of notice No. 00-05 of the French National Accounting Council relating to the accounting of treasury stock held by companies governed by the CRBF, Boursorama shares acquired for the purpose of allocation to employees under the applicable laws, are booked as short-term investment securities (treasury stock) on the assets side of the balance sheet.

Boursorama shares held for the purpose of underpinning the share price are booked under trading securities.

Other Boursorama shares are booked under fixed assets. They are carried at the lower of their value in use (or market value) or cost. Securities held as part of a capital reduction

are valued at cost. They are not depreciated and continue to be carried at cost until they are cancelled.

- **Provisions for risks and charges**

These provisions are determined on the basis of a case-by-case analysis of the risks and charges that the company can reasonably bear.

CRC regulation 2000-06 relating to liabilities applies to the accounts for all financial years starting on January 1st, 2002 and thereafter. Pursuant to this regulation, provisions for risk and charges are defined as liabilities whose maturity or amount are not precisely fixed; a liability represents an obligation on the part of the entity towards a third party that is likely to lead to an outflow of resources in favour of the third party without an at least equivalent inflow from that party.

- **Corporate tax**

The standard rate of corporate tax is 33.3%. However, long-term capital gains on investments in non-consolidated companies are taxed at 19%. Furthermore, since 1995, companies have been liable for an additional 3% tax contribution, which was reduced to 1.5% in 2005, and, since 2000, for a 3.3% social solidarity contribution.

- **Provision for retirement indemnities**

Certain Group employees receive a final payment upon retirement calculated according to the provisions of the collective labour agreement by which they are covered.

At December 31st, 2004, the provisions amounted to € 194,000 in France, € 99,000 in Germany, and € 28,000 in Spain.

Boursorama does not contribute to any insurance fund to cover these expenses, as they are not considered material given the low average age of staff.

#### **Key events after the closing date**

Boursorama acquired a 65% stake in Veritas AG's capital from SGAM on January 15th, 2005 (date the draft agreement was signed). The acquisition was finalised on February 14th, 2005. Boursorama is in negotiations for the remaining 35% stake.

At the end of 2005, the Boursorama portal launched a new site aimed at the general public, Boursorama Patrimoine. This website enhances the information available on the portal, targeting larger audiences and offering free and anonymous service which instantly calculates the value of the user's asset portfolio.

### 5.3.5. Notes to the parent company financial statements

#### Note 1: Cash due from central banks

|  | 31/12/2004   | 31/12/2003   | 31/12/2002   |
|--|--------------|--------------|--------------|
| Cash                                     | 4            | 5            | 3            |
| Central banks                            | 1,612        | 1,574        | 1,012        |
| <b>Total cash due from central banks</b> | <b>1,616</b> | <b>1,578</b> | <b>1,015</b> |

In compliance with local regulations, a compulsory reserve was created for customer loans and placed with the German Central Bank. This reserve represents 2% of non-financial customers before deductions. At December 31st, 2004, the compulsory reserve amounted to € 1,372,000.

#### Note 2: Receivables from credit institutions

|   | 31/12/2004     | 31/12/2003     | 31/12/2002     |
|---|----------------|----------------|----------------|
| <b>Receivables payable on demand:</b>             |                |                |                |
| Ordinary accounts                                 | 308,335        | 289,387        | 178,642        |
| Brokers   | 13,323         | 74,327         | 131,932        |
| Receivables relating to sight accounts            | 1,393          | 2,128          | 4,114          |
| <b>Term receivables:</b>                          |                |                |                |
| Term loans  | 35,000         | 0              | 0              |
| Receivables relating to term accounts             | 0              | 0              | 0              |
| <b>Total receivables from credit institutions</b> | <b>358,051</b> | <b>365,843</b> | <b>314,689</b> |

Receivables payable on demand from credit institutions consist primarily of the investment Boursorama customer deposits and Boursorama's treasury funds.

The maturity period for these receivables is less than one year.

Term receivables correspond to an investment of part of Boursorama's treasury funds.

|   | <1 year | 1 to 2 years | 2 to 5 years | > 5 years |
|---|---------|--------------|--------------|-----------|
| Term loans classified by remainder to maturity: | 5,000   | 9,000        | 9,000        | 12,000    |

### Note 3: Customer deposits

|                                       | 31/12/2004    | 31/12/2003    | 31/12/2002   |
|---------------------------------------|---------------|---------------|--------------|
| Ordinary account overdrafts           | 5,346         | 2,253         | 2,607        |
| Customer loans                        | 20,465        | 15,209        |              |
| Other customer loan facilities        | 1,189         | 1,169         | 361          |
| Related receivables                   | 9             | 0             | 0            |
| <b>Total sound receivables</b>        | <b>27,009</b> | <b>18,631</b> | <b>2,969</b> |
| Doubtful receivables                  | 3,243         | 4,846         | 3,941        |
| Provisions for doubtful receivables   | (3,206)       | (4,538)       | (3,922)      |
| <b>Total net doubtful receivables</b> | <b>36</b>     | <b>307</b>    | <b>19</b>    |
| <b>Total customer loans</b>           | <b>27,046</b> | <b>18,951</b> | <b>2,987</b> |

Customer loans relate to the margin trading activities of the Spanish branch.

| Term loans classified by remainder to maturity: | <1 year | 1 to 2 years | 2 to 5 years | > 5 years |
|---|---------|--------------|--------------|-----------|
| Ordinary account overdrafts                     | 5,346   |              |              |           |
| Customer loans                                  | 20,465  |              |              |           |
| Other customer loan facilities                  |         |              | 1,189        |           |
| Doubtful receivables                            | 3,243   |              |              |           |

### Note 4: Shares and other equity securities

|   | 31/12/2002   | 31/12/2003    | +              | -               | 31/12/2004    |
|---|--------------|---------------|----------------|-----------------|---------------|
| <b>Trading securities - value (in thousands of euros)</b> | <b>259</b>   | <b>104</b>    | <b>1,064</b>   | <b>(911)</b>    | <b>257</b>    |
| Treasury stock – number                                   | 107,035      | 21,212        | 210,169        | (178,002)       | 53,379        |
| <b>Short-term investment securities</b>                   | <b>2,163</b> | <b>82,981</b> | <b>329,111</b> | <b>-327,379</b> | <b>84,529</b> |
| Provisions for short-term investment securities           | (716)        | (593)         | (87)           | 556             | (124)         |
| <b>Book value of short-term investment securities</b>     | <b>1,447</b> | <b>82,388</b> | <b>329,024</b> | <b>-326,824</b> | <b>84,405</b> |
| <b>Total customer loans</b>                               | <b>1,706</b> | <b>82,492</b> | <b>330,088</b> | <b>-327,735</b> | <b>84,662</b> |

Boursorama owns 53,379 shares under its share buy-back programme.

A market making contract was signed with Société Générale, under which € 17,266,000 was paid out and 17,226 Boursorama shares were held. As with other shares held, the securities were provisioned to take account of the drop in their market value at December 31st, 2004.

Short-term investment securities correspond to the investment of customer deposits in money market mutual funds. These funds are sold and repurchased at the end of each quarter.

## Note 5: Tangible and intangible assets

The decrease in fixed assets corresponds to the sale of IT material in Germany and software and office supplies in the United Kingdom and France.

The 'Other flows' column records the impact of the write-off following the acquisition of Selftrade as well as exchange rate fluctuations on the assets of UK subsidiaries.

Other intangible assets notably include the Boursorama brand in France, worth € 31.5 million, and Selftrade in Spain, at € 6 million.

| <b>Intangible assets</b>                | <b>31/12/2002</b> | <b>31/12/2003</b> | <b>+</b>     | <b>-</b>       | <b>Other flows</b> | <b>31/12/2004</b> |
|---|-------------------|-------------------|--------------|----------------|--------------------|-------------------|
| Start-up costs                          | 539               | 539               |              |                |                    | 539               |
| Software applications                   | 18,767            | 19,619            | 771          | (5,738)        | (91)               | 14,561            |
| Other intangible assets                 | 1,989             | 52,893            | 80           |                |                    | 52,973            |
| <b>Total gross value</b>                | <b>21,296</b>     | <b>73,052</b>     | <b>851</b>   | <b>(5,738)</b> | <b>(91)</b>        | <b>68,073</b>     |
| Amortisation of start-up costs          | (539)             | (539)             |              |                |                    | (539)             |
| Amortisation of software applications   | (16,079)          | (18,510)          | (593)        | 5,687          | 89                 | (13,326)          |
| Amortisation of other intangible assets | (238)             | (320)             | (251)        |                |                    | (570)             |
| <b>Total depreciation</b>               | <b>(16,855)</b>   | <b>(19,368)</b>   | <b>(843)</b> | <b>5,687</b>   | <b>89</b>          | <b>(14,435)</b>   |
| <b>Total net book value</b>             | <b>4,440</b>      | <b>53,683</b>     |              |                |                    | <b>53,638</b>     |

| <b>Tangible assets</b>                | <b>31/12/2002</b> | <b>31/12/2003</b> | <b>+</b>       | <b>-</b>       | <b>Other flows</b> | <b>31/12/2004</b> |
|---------------------------------------|-------------------|-------------------|----------------|----------------|--------------------|-------------------|
| Computer equipment                    | 4,800             | 6,969             | 363            | (2,092)        | (92)               | 5,148             |
| Office equipment and furniture        | 1,766             | 1,882             | 5              | (220)          | (544)              | 1,123             |
| Fixtures and fittings                 | 1,406             | 3,698             | 126            | (184)          | (896)              | 2,744             |
| <b>Total gross value</b>              | <b>7,972</b>      | <b>12,549</b>     | <b>495</b>     | <b>(2,496)</b> | <b>(1,532)</b>     | <b>9,015</b>      |
| Depreciation of computer equipment    | (4,076)           | (6,463)           | (588)          | 2,092          | 92                 | (4,867)           |
| Depreciation of office equipment      | (737)             | (1,035)           | (187)          | 193            | 276                | (752)             |
| Depreciation of fixtures and fittings | (315)             | (1,247)           | (792)          | 124            | 334                | (1,580)           |
| <b>Total depreciation</b>             | <b>(5,128)</b>    | <b>(8,745)</b>    | <b>(1,566)</b> | <b>2,410</b>   | <b>702</b>         | <b>(7,198)</b>    |
| <b>Total net book value</b>           | <b>2,844</b>      | <b>3,805</b>      |                |                |                    | <b>1,816</b>      |

## Note 6: Other assets

|   | <b>31/12/2004</b> | <b>31/12/2003</b> | <b>31/12/2002</b> |
|---|-------------------|-------------------|-------------------|
| Stock market receivables - deferred settlement market | 144,326           | 157,916           | 31,737            |
| Security deposits with brokers and markets            | 8,154             | 5,690             | 3,586             |
| Tax receivables                                       | 705               | 3,175             | 763               |
| Other receivables                                     | 5,479             | 3,948             | 3,402             |
| <b>Total other assets</b>                             | <b>170,557</b>    | <b>171,850</b>    | <b>39,830</b>     |

The item "Stock market receivables – deferred settlement market" corresponds to customer commitments to Boursorama for transactions on the French deferred settlement market.

#### Note 7: Accruals

|                                   | 31/12/2004   | 31/12/2003   | 31/12/2002   |
|-----------------------------------|--------------|--------------|--------------|
| Prepaid expenses                  | 1,149        | 1,507        | 924          |
| Miscellaneous accrued receivables | 1,912        | 2,342        | 1,516        |
| Other accruals                    | 519          | 272          | 143          |
| <b>Total accruals</b>             | <b>3,580</b> | <b>4,121</b> | <b>2,584</b> |

#### Note 8: Total debts to credit institutions

|   | 31/12/2004 | 31/12/2003    | 31/12/2002    |
|---|------------|---------------|---------------|
| Term accounts and borrowings              | 23         | 38            |               |
| Ordinary accounts                         | 0          | 37,760        | 13,774        |
| Brokers                                   | 0          | 6,487         | 5,411         |
| Related payables                          | 48         | 29            | 47            |
| <b>Total debts to credit institutions</b> | <b>72</b>  | <b>44,314</b> | <b>19,232</b> |

Maturities for payables are less than one year.

#### Note 9: Customer deposits

|                                | 31/12/2004     | 31/12/2003     | 31/12/2002     |
|--------------------------------|----------------|----------------|----------------|
| Creditor accounts              | 286,475        | 265,469        | 144,072        |
| Equity savings plan (PEA)      | 94,798         | 78,648         | 30,402         |
| Related payables               | 0              | 0              | 0              |
| <b>Total customer deposits</b> | <b>381,273</b> | <b>344,118</b> | <b>174,474</b> |

Maturities for payables are less than one year.

#### Note 10: Other liabilities

|   | 31/12/2004     | 31/12/2003     | 31/12/2002    |
|---|----------------|----------------|---------------|
| Stock market debts - deferred settlement market | 144,639        | 157,205        | 30,958        |
| Customer security deposits                      | 8,058          | 5,350          | 5,183         |
| Tax and employee-related liabilities            | 8,753          | 9,484          | 6,296         |
| Group debts                                     | 0              | 37             | 43            |
| Other liabilities                               | 16,026         | 23,169         | 10,758        |
| <b>Total other liabilities</b>                  | <b>177,474</b> | <b>195,243</b> | <b>53,238</b> |

The item "Stock market debts – deferred settlement market" corresponds to Boursorama's commitments in connection with customer transactions on the deferred settlement market.

"Customer security deposits" correspond to funds registered in the name of Boursorama customers trading on the derivatives markets.

"Other liabilities" primarily concerns payables to suppliers. At December 31st, 2003, this amount rose due to the considerable costs linked to the acquisition of Selftrade. These costs were paid off in 2004.

#### Note 11: Accruals - liabilities

|                       | 31/12/2004 | 31/12/2003   | 31/12/2002 |
|-----------------------|------------|--------------|------------|
| Prepaid income        | 603        | 535          | 344        |
| Accrued expenses      | 17         | 1,012        | 22         |
| Other accruals        | 167        | 39           | 41         |
| <b>Total accruals</b> | <b>786</b> | <b>1,586</b> | <b>408</b> |

#### Note 12: Provisions for risks and charges

|   | 31/12/2002   | 31/12/2003   | +            | -              | other flows  | 31/12/2004   |
|---|--------------|--------------|--------------|----------------|--------------|--------------|
| Customer risks                                | 1,135        | 814          | 206          | (423)          |              | 597          |
| Other provisions for risks and charges        | 2,018        | 5,007        | 959          | (1,624)        | (417)        | 3,926        |
| Retirement provisions                         |              |              | 220          |                | 99           | 319          |
| <b>Total provisions for risks and charges</b> | <b>3,153</b> | <b>5,821</b> | <b>1,385</b> | <b>(2,047)</b> | <b>(318)</b> | <b>4,842</b> |

#### Note 13: Capital and additional paid-in capital

Following the options raised in 2004, 20,499 shares were created. At December 31st, 2004, the share capital was composed of 68,292,415 shares with a nominal value of € 0.40.

In accordance with the decision at the General Shareholders' Meeting, 2003 income was impacted in the amount of € 13.4 million booked in the suspense account and € 3.5 million under retained earnings.

The amount remaining in the suspense account was allocated to additional paid-in capital.

|                                      | 31/12/2002     | 31/12/2003     | +             | -        | 31/12/2004     |
|--------------------------------------|----------------|----------------|---------------|----------|----------------|
| Capital                              | 27,307         | 27,307         | 10            |          | 27,317         |
| Additional paid-in capital           | 234,441        | 248,048        | 33            | (13,451) | 234,630        |
| Legal reserve                        | 2,731          | 2,731          |               |          | 2,731          |
| Translation reserve                  | 0              | 0              |               |          | 0              |
| Other reserves and retained earnings | (94,947)       | (138,588)      |               | (3,456)  | (142,044)      |
| Profit (loss) for the period         | (45,056)       | (16,907)       | 14,475        | 16,907   | 14,475         |
| <b>Total shareholders' equity</b>    | <b>124,475</b> | <b>122,591</b> | <b>14,518</b> | <b>0</b> | <b>137,108</b> |

#### Note 14: Off-balance sheet items

They also include commitments granted and received by the Spanish subsidiary as part of its margin trading business:

- commitments received: securities purchased by customers using loans granted by Boursorama are pledged as collateral
- commitments given: this is the difference between the total amount of loans granted to customers at December 31st, 2004 (€ 20.5 million) and the maximum loan amount to which customers are entitled.

"Off-balance sheet items" relate exclusively to guarantees received in connection with security pledges, and totalled € 3,000 at December 31st, 2003.

#### Note 15: Net interest income

|                                  | 31/12/2004   | 31/12/2003   | 31/12/2002   |
|----------------------------------|--------------|--------------|--------------|
| Interest received                | 8,325        | 8,978        | 9,811        |
| Interest paid                    | (714)        | (1,108)      | (1,227)      |
| <b>Total net interest income</b> | <b>7,610</b> | <b>7,871</b> | <b>8,584</b> |

"Interest received" is the interest derived from the investment of customer deposits and Boursorama's treasury funds.

"Interest paid" is the interest paid on customer deposits.

#### Note 16: Net commission income

|                                    | 31/12/2004    | 31/12/2003    | 31/12/2002    |
|------------------------------------|---------------|---------------|---------------|
| Commissions received               | 70,566        | 69,208        | 31,344        |
| Commissions paid                   | (22,102)      | (21,531)      | (12,503)      |
| <b>Total net commission income</b> | <b>48,465</b> | <b>46,677</b> | <b>18,841</b> |

#### Note 17: Other net operating income

|  | 31/12/2004    | 31/12/2003    | 31/12/2002    |
|--|---------------|---------------|---------------|
| Other net operating income from banking activities (*) | 12,381        | 6,904         | 1,306         |
| Other net operating income from non-banking activities | 3,319         | 4,386         | 9,124         |
| <b>Total other net operating income</b>                | <b>15,700</b> | <b>11,290</b> | <b>10,431</b> |
| Of which custody fees and accruals (*)                 | 4,113         | 2,236         | 1,706         |

#### Note 18: Personnel expenses

|                                 | 31/12/2004      | 31/12/2003      | 31/12/2002      |
|---------------------------------|-----------------|-----------------|-----------------|
| Gross wages                     | (16,968)        | (18,363)        | (9,416)         |
| Employee profit-sharing         | (1,597)         | (1,199)         | 275             |
| Employers' contributions        | (5,760)         | (7,790)         | (3,190)         |
| Retirement provisions           | (220)           |                 |                 |
| <b>Total personnel expenses</b> | <b>(24,546)</b> | <b>(27,352)</b> | <b>(12,330)</b> |

At the end of 2004, Boursorama had 365 employees, of which 27 were in Spain, 70 in Germany and 45 in the United Kingdom. Other operating expenses primarily comprise costs incurred on external services.

#### Breakdown of workforce by category at 31/12/04 (year-end headcount)

|                         |            |
|-------------------------|------------|
| Executive employees     | 198        |
| Non-executive employees | 122        |
| <b>Total</b>            | <b>320</b> |

## Remuneration of management – in euros

The table of the compensation of executive officers is in chapter 7.3 of the Report of the Board of Directors (p.102 of this document).

The table of the attendance fees for 2004, paid in 2005, is in chapter 6.3 (p 87 of this document).

## Note 19: Cost of risk

|  | 31/12/2004 | 31/12/2003     | 32/12/2002  |
|--|------------|----------------|-------------|
| Net provision for loss on customer receivables | (835)      | (543)          | (431)       |
| Net provision/reversal for risks and charges   | 1,139      | (550)          | 385         |
| <b>Total cost of risk</b>                      | <b>304</b> | <b>(1,093)</b> | <b>(46)</b> |

## Note 20: Extraordinary items

|                                  | 31/12/2004   | 31/12/2003      | 31/12/2002      |
|----------------------------------|--------------|-----------------|-----------------|
| Extraordinary income             | 288          | 10,461          | 9,119           |
| Extraordinary expenses           | (614)        | (21,424)        | (50,699)        |
| <b>Total extraordinary items</b> | <b>(327)</b> | <b>(10,963)</b> | <b>(41,581)</b> |

Extraordinary expenses mainly comprise the costs of restructuring the German branch.

Extraordinary income also includes the negative goodwill on the merger with Selftrade Vie and the goodwill on the merger with FSG.

## ▶▶▶ 6. Corporate governance

### 6.1. Members of the managing bodies and their functions

The role of the Board of Directors is to oversee the management of the Company's activities.

The Board of Directors currently has ten members.

#### 6.1.1 Board of Directors

|   | Date of first appointment | Current term of office expiring at the SM held to approve the financial statements for the period ending: | Main post held in the Company | Main post held outside the Company                 | Other mandates and posts held   |
|---|---------------------------|---|-------------------------------|--|---|
| <b>Chairman of the Board of Directors</b> |                           |   |                               |  |   |
| <b>Vincent Taupin</b>                     | 17/05/1999                | 31/12/2004  | Chairman                      |  | Director of:<br>EUROMIRABELLE<br><br>Chairman of the Board of Directors of AD PLAY                    |
| <b>Honorary Chairman</b>                  |                           |   |                               |  |   |
| <b>Patrice Legrand</b>                    | 28/06/2002                | 31/12/2007  | None                          |  |   |
| <b>Other directors:</b>                   |                           |   |                               |  |   |
| <b>Marc Breillout</b>                     | 17/11/1995                | 31/12/2009<br>Mandate renewed at the SM on 3/05/2004  | None                          | Director of Debt and Financing at SOCIETE GENERALE | Director of:<br>FIMAT Alternative Strategies<br>FIMAT Banque<br>FIMAT General Greece<br>FIMAT USA Inc |

|                       | <b>Date of first appointment</b>   | <b>Current term of office expiring at the SM held to approve the financial statements for the period ending:</b> | <b>Main post held in the Company</b> | <b>Main post held outside the Company</b>                                    | <b>Other mandates and posts held</b>   |
|-----------------------|--|--|--------------------------------------|--|--|
| <b>Alain Bozzi</b>    | 03/05/2009   | 31/12/2004   | None                                 | <b>Chief Executive Officer and Senior Manager for Europe</b> of FIMAT Banque | <p><b>Director of:</b><br/> FIMAT Banque<br/> FIMAT Singapor PTE Ltd.<br/> FIMAT Derivatives Hong Kong<br/> FIMAT Facilities Management Inc.<br/> FIMAT Canada Inc.<br/> FIMAT US LLC<br/> Pareli</p> <p><b>Chairman of:</b><br/> FIMAT Switzerland AG</p> <p><b>Chief Executive Officer and Chairman of:</b><br/> Parel</p> <p><b>Chief Executive Officer and Vice-Chairman of:</b><br/> FIMAT International Banque SA</p> <p><b>Senior Executive Officer of:</b><br/> Fimat Futures Ltd.</p> <p><b>Permanent Representative</b><br/> of Société Générale for:<br/> FIMAT SNC</p> <p><b>Permanent Representative</b><br/> of FIMAT International Banque SA for:<br/> Fimat Futures UK</p> |
| <b>Frédéric Oudéa</b> | Meeting of the Board of Directors on 9/10/2002<br>Ratified at the SM on 29/11/2002 | 31/12/2004   | None                                 | <b>Chief Financial Officer</b> of Société Générale                           | <p><b>Director of:</b><br/> GENEBANQUE<br/> GENEFINANCE<br/> SG Financial Services HLD</p> <p><b>Chairman and Chief Executive Officer of:</b><br/> GENEBANQUE<br/> GENEFINANCE<br/> SG Financial Services HLD</p> <p><b>Permanent Representative</b><br/> of SOCIETE GENERALE for:<br/> SALVEPAR</p>   |

|                         | <b>Date of first appointment</b> | <b>Current term of office expiring at the SM held to approve the financial statements for the period ending:</b> | <b>Main post held in the Company</b> | <b>Main post held outside the Company</b>                             | <b>Other mandates and posts held</b>  |
|-------------------------|----------------------------------|--|--------------------------------------|---|---|
| <b>Philippe Collas</b>  | 03/05/2004                       | 31/12/2009   | None                                 | Deputy Head of Société Générale                                       | <p>President of the Board of Directors of:<br/>SAGM Japan<br/>SGAM</p> <p>Director of:<br/>Barep<br/>SG Russell Asset Management<br/>SGAM (Asia) Pte Ltd<br/>SGBT Luxembourg<br/>TOW Group<br/>SGAM North Pacific Ltd</p> <p>Representative of SGAM on the Board of Directors of:<br/>Fimat Banque<br/>Barep Asset Management</p> <p>Member of the Supervisory Board of:<br/>Véritas SG</p> |
| <b>Stéphane Mathieu</b> | 28/06/2002                       | 31/12/2007   | None                                 | Manager of Specimo Tragesco   |   |
| <b>Loïc Le Meur</b>     | 16/03/2000                       | 31/12/2006   | None                                 | Chairman and Chief Executive Officer of SIX APART SA BUSINESS PACE SA |   |
| <b>Henri Cukierman</b>  | 16/03/2000                       | 31/12/2006   | None                                 |   | None  |
| <b>Patrick Soulard</b>  | 25/03/2003                       | 31/12/2008   | None                                 | Deputy Head, Corporate and Investment Banking at SOCIETE GENERALE     | <p>Director of:<br/>GENEVAL<br/>HAVAS advertising<br/>SG SECURITIES ASIA INT HLD (HK)</p>   |

## 6.1.2 Independent directors

BOURSORAMA has two independent directors:

- Henri CUKIERMAN
- Loïc LE MEUR

In accordance with the BOUTON Report, BOURSORAMA's independent directors "do not have any links with the company, its Group or its management liable to affect their unbiased judgement".

The current independent directors were appointed in 2000, when no specific procedures had been implemented to select independent administrators. No procedures have been defined for selecting future independent directors, as this is not considered urgent in the short term.

## 6.1.3 Additional information on the Board of Directors

BOURSORAMA has no directors elected by its employees, no appointed non-voting directors, and no directors co-opted subject to ratification by the Shareholders' Meeting (in accordance with article L.225-24 of the French Commercial Code).

Each director must hold at least one share in BOURSORAMA.

## 6.1.4 Evaluation by the Board of Directors

At present there is no formal procedure for the evaluation of the Company's managers by the Board of Directors. BOURSORAMA's Board of Directors met four times in 2003. On average, three quarters of the directors attend its meetings.

## 6.1.5 Role and functions of the Board of Directors

### 6.1.5.1 Internal regulations

#### 6.1.5.1.1 The Board of Directors

The Board of Directors meeting held on March 25, 2003 adopted internal regulations defining the organisation and operation of the Board of Directors in accordance with the principles of corporate governance set out in the 1995, 1999 and 2002 AFEP-MEDEF reports.

Boursorama's internal regulations define the powers of the Board of Directors, set the minimum number of meetings which must be held per year (3) and determine the information that must be reported to the directors.

The internal regulations include a code of ethics applicable to the directors, which defines the level of confidentiality required from each director and non-voting director and the steps to be taken in the event of a conflict of interest.

#### 6.1.5.1.2 Specific committees

The internal regulations approved by the Board of Directors on March 25, 2003 define the assignments, powers and operating methods of each committee.

### 6.1.5.2 Remuneration Committee

The role of this committee is to:

- propose to the Board the criteria for determining the remuneration of the corporate officers and principal managers, including the amount of this remuneration, benefits in kind, welfare and retirement benefits, and all types of remuneration received from companies within the Group. The Committee also ensures that these criteria are applied effectively, notably for the calculation of variable remuneration;
- propose to the Board the policy for allocating share subscription and purchase options and give an opinion on the list of beneficiaries;
- prepare the Board's decisions concerning the employee savings plan;
- prepare an annual activity report to be submitted to the Board for approval.

The Committee must comprise at least three Directors who are neither corporate officers nor linked to the Company or to any of its subsidiaries through an employment contract. At least one member of the Committee must be independent, as described in the Company's rules on corporate governance.

The composition of the Remuneration Committee was modified at the Board of Directors' meeting held on September 13th, 2004. Alain BOZZI resigned from his position on the Remuneration Committee to be replaced by Philippe COLLAS.

The members of the Committee are:

- Philippe COLLAS
- Marc BREILLOUT
- Henri CUKIERMAN (independent director)

The Remuneration Committee met in March and June 2004.

The Chief Executive Officer has the right to attend meetings on matters that do not directly concern him.

### 6.1.5.3 Audit and Accounting Committee

The role of this Committee is to:

- examine the draft financial statements to be submitted to the Board for approval, and notably to verify the relevance and consistency of the accounting principles used to prepare them;
- examine the consolidation method used by the company;
- examine the Group consolidation scope and supporting documents;
- verify the consistency of the internal control systems used to monitor procedures, risks and compliance;
- conduct the selection of the Statutory Auditors and submit an opinion to the Board of Directors on their appointment, the renewal of their mandate and their remuneration;
- verify the independence of the Statutory Auditors, notably by examining the breakdown of the fees paid to them by the Group and to the network to which they belong, and by approving in advance any assignments that are not strictly part of the control of the Company's financial statements but which may be required as a result of or in connection with this work, all other assignments being excluded;
- examine the Group's internal audit programme and the annual internal control report drawn up in accordance with banking regulations, and give an opinion on the organisation and operation of the internal control departments;

- examine follow-up letters sent by the Banking Commission and formulate an opinion on the draft responses to these letters;

- review the policy for managing risk and monitoring off-balance sheet commitments, notably on the basis of the reports prepared by the Finance Department, the Risk Department and the Statutory Auditors.

In order to fulfil these roles, the Committee may question, as it sees fit, the corporate officers, Statutory Auditors and managers in charge of the accounts, internal controls, risk control and compliance. The Statutory Auditors generally attend Audit and Accounting Committee meetings, unless otherwise decided by the Committee.

The Committee met on February 26th, May 18th, September 9th and October 28th, 2004. The Committee Chairman reports to the Board on the work carried out by the Committee. The Committee also prepares an annual activity report, which is submitted to the Board for approval.

The Audit and Accounting Committee must comprise at least three Directors appointed by the Board of Directors and who are neither corporate officers nor linked to the Company or to any of its subsidiaries through an employment contract. At least one member of the Committee must be independent, as described in the Company's rules on corporate governance.

The members of the Committee are:

- Alain BOZZI
- Stéphane MATHIEU
- Loïc LE MEUR (independent director)

The Audit and Accounting Committee meets at least four times a year.

## 6.2. Management bodies

Vincent TAUPIN  
Chief Executive Officer

Olivier LECLER  
Deputy Chief Executive Officer

## 6.3. Remuneration and benefits paid to corporate officers

### 6.3.1 – Remuneration of management

The table of the compensation of executive officers is in chapter 7.3 of the Report of the Board of Directors (p.102 of this document).

| Directors          | Attendance fees (EUR) |
|--------------------|-----------------------|
| Vincent Taupin*    | 9,968.60              |
| Société Générale** | 6,907.38              |
| Alain Bozzi**      | 15,855.57             |
| Philippe Collas**  | 9,968.60              |
| Frédéric Oudea**   | 5,886.97              |
| Patrick Soulard**  | 6,907.38              |
| Henri Cukierman    | 10,989.01             |
| Stéphane Mathieu   | 13,814.76             |
| Patrice Legrand    | 7,927.79              |
| Loïc Le Meur       | 11,773.94             |
|                    | <b>100,000</b>        |

\*Attendance fees paid to Vincent Taupin are directly rechanneled into Boursorama.

\*\*These directors and employees of Société Générale receive no attendance fees under their mandate as director of the Boursorama Group. These fees are rechanneled into Société Générale.

### 6.3.2 Assets belonging directly or indirectly to managers or members of their family

None.

### 6.3.3 Employee profit-sharing

As a result of the changes in the company structure, a new profit-sharing agreement, applicable for a period of three years (2004, 2005 and 2006), was signed on June 30, 2003, cancelling and replacing the previous agreement. This agreement, which was negotiated with the works council, is designed to give employees a vested interest in the successful operation of the Company and the results of its expansion. The total amount of profit to be distributed is calculated on the basis of financial and commercial criteria, such as the increase in the number of customers, quality of service, level of customer loyalty, the increase in economic activity and in the

number of orders executed and the company's net earnings.

In 2004, BOURSORAMA distributed a total of EUR 1,276,040 gross, while in 2003, BOURSORAMA distributed a total of EUR 847,104.

### 6.3.4 Stakes held by the management bodies in the capital of Boursorama SA and Société Générale

None.

### 6.3.5 Loans and guarantees granted or established in favour of members of the Board of Directors or management bodies

None.

### 6.3.6 Significant related party agreements

None.

## 6.4. Financial communication

### 6.4.1 Director of Communications

Xavier Prin  
BOURSORAMA  
18, quai du Point du Jour  
92659 Boulogne-Billancourt, France  
Tel: +33 (0)1 46 09 50 00  
Fax: +33 (0)1 46 09 54 70  
e-mail: investors@groupe.boursorama.fr

Website: <http://groupe.boursorama.fr>

### 6.4.2 Consultation of corporate documents

The bylaws, financial statements, reports, minutes of shareholders' meetings and all other corporate documents available to shareholders may be consulted at the Company's registered office:

BOURSORAMA  
18, quai du Point du Jour  
92659 Boulogne-Billancourt, France

### 6.4.3 Stock market information

ISIN code: FR0000075228  
Symbol: BRS  
Reuters code: FMTX.LN  
Bloomberg code: BRS FP.

The Company shares qualify for PEA (French personal equity savings plans) and are included in the MidCAC 100 Index  
Entity responsible for servicing the securities: Société Générale  
Market maker: SG Securities  
Boursorama is included in the Next Economy segment of Euronext.

### 6.4.4 Shareholders' diary

|                                    |                     |
|------------------------------------|---------------------|
| Results for 2004                   | February 15th, 2005 |
| Ordinary Shareholders' Meeting     | May 10th, 2005      |
| Results for the first quarter 2005 | May 12th, 2005      |
| Results for the first half 2005    | July 28th, 2005     |
| Results for the third quarter      | November 10th, 2005 |

### 6.4.5 Shareholders' Club

To foster interactive and close relations with its individual shareholders, BOURSORAMA has created an Online Shareholders' Club.

- By registering on the dedicated website (<http://groupe.boursorama.fr>), BOURSORAMA's shareholders-customers can take advantage of the special offer (*Offre Privilège*<sup>1</sup>) for the refund of brokerage fees on all purchase orders carried out on the customer's birthday.
- Shareholders can also receive press releases at the same time as financial professionals, along with invitations to open-days. They can also submit questions directly to the management through the website, and receive regular newflashes on BOURSORAMA.

<sup>1</sup> On the condition that they satisfy the general conditions governing membership of the BOURSORAMA's Online Shareholders' Club, which are available at <http://groupe.boursorama.fr>.

# APPENDICES - REPORT OF THE BOARD OF DIRECTORS FOR 2004

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# ▶▶▶ 1. The Group's activity

## 1.1. Overview of activity in 2004

2004 saw a slight improvement in brokerage, despite a highly unfavourable climate, the initial successes of our diversification into savings, and the confirmation of the growth potential of the boursorama.com web portal.

### Online Brokerage

Under the pro-forma figures (i.e. consolidating Selftrade over twelve months), the year saw a slight increase (+1%) in revenues from brokerage to € 71.2 million, versus € 70.1 million in 2003. The fall in the number of transactions (-6%), due to sluggish financial markets, was offset by an increase in gross commissions per order (€ 19.4 vs. € 17.9 in 2003). The trend was seen across all the Group's divisions. In contrast, the number of orders was up by 14% in the United Kingdom, confirming the growth potential of online brokerage market.

It was only in the fourth quarter that a significant pick-up in brokerage activities was observed, towards the end of the financial year, with renewed growth of 24% in the number of orders between the third and fourth quarters of 2004. Over the same period, the opening of accounts took off, with over 8,460 accounts opened, compared to 4,835 in the third quarter.

### Online Savings

In 2004, the Group achieved its first successes of its strategy to diversify revenue from online savings. At the end of the year, Boursorama's online savings business represented € 463 million in total assets under management (+84% over the year) of which € 345 million was invested in UCITS and € 118 million in life insurance.

In France, the life insurance policy launched by Boursorama

in March 2004, Boursorama Vie boasted 3,500 accounts by the end of December, of which 50% were new clients, with over € 102 million under management. The growth in deposits towards the end of the year, a fourfold increase in the space of 4 months, can be attributed to the successful launch of free access to online savings (0% entry fee on Boursorama Vie). In addition, assets under management in UCITS rose by over 42% in one year to more than € 285 million, of which € 41.3 million was in new deposits. To accelerate its expansion, BOURSORAMA introduced a dedicated, free access UCITS account on October 1st, 2004: 0% entry and exit fees on 300 UCITS, and no custody, account maintenance or brokerage fees.

Internationally, Boursorama and SGAM entered into exclusive negotiations for Boursorama's acquisition of SGAM's entire stake in Veritas, i.e. 65% of the share capital.

Veritas is a German asset management firm, founded in 1991. It manages 14 proprietary funds renowned for their performance and has 260,000 clients (90,000 direct accounts and 170,000 in employee savings) through an agreement with 270 asset management advisors. Veritas has the profile of an excellent partner to develop our online savings distribution model into Germany.

The new structure will include 4.5 times more direct accounts (115,000 accounts, as opposed to 25,400 currently at Fimatex) handling customer deposits totalling over € 1 billion. This acquisition allows Boursorama to balance out its activity in Germany more evenly and diversify its sources of income to include the distribution of long-term savings products.

### Media

Boursorama.com is a benchmark portal in terms of online financial information and benefits from a very large number of

highly qualified visitors, with 2.3 million unique visitors each month (source: SmartAdServer – Nov. 2004). With operating income of € 7.6 million, Media activities grew by 49% on the previous year. This growth is due not only to the steady increase in the financial communication of companies quoted on the Boursorama portal, but also to new commercial

advertisers (automobiles, IT, travel, etc.) and the creation of stock market websites for B2B customers (TF1, Investir, Les Echos, Crédit du Nord). This performance demonstrates Boursorama's ability to capitalise on the growth of online advertising markets.

The Group's activity in 2004 is summarised in the table below:

|  | 2004             |                |                |                |                  | 2003             |
|--|------------------|----------------|----------------|----------------|------------------|------------------|
|  | Total            | Q4             | Q3             | Q2             | Q1               |                  |
| <b>ONLINE BROKERAGE</b>                  |                  |                |                |                |                  |                  |
| <b>Number of orders executed</b>         |                  |                |                |                |                  |                  |
| France (Boursorama INVEST)               | 2,654,420        | 660,405        | 508,024        | 605,070        | 880,921          | 2,765,926        |
| Germany (Fimatex)                        | 710,925          | 147,752        | 140,513        | 184,651        | 238,009          | 846,809          |
| Spain (Selftrade by Boursorama)          | 168,900          | 41,174         | 33,784         | 42,928         | 51,014           | 176,657          |
| United Kingdom (Selftrade by Boursorama) | 161,849          | 38,565         | 33,671         | 36,144         | 53,469           | 142,315          |
| <b>Group total</b>                       | <b>3,696,094</b> | <b>887,896</b> | <b>715,992</b> | <b>868,793</b> | <b>1,223,413</b> | <b>3,931,707</b> |
| <b>Opening of new accounts (gross)</b>   |                  |                |                |                |                  |                  |
| France (Boursorama INVEST)               | 13,929           | 5,392          | 2,275          | 2,808          | 3,454            | 12,910           |
| Germany (Fimatex)                        | 715              | 151            | 124            | 180            | 260              | 905              |
| Spain (Selftrade by Boursorama)          | 2,869            | 804            | 386            | 618            | 1,061            | 3,121            |
| United Kingdom (Selftrade by Boursorama) | 10,294           | 2,113          | 2,050          | 1,983          | 4,148            | 15,750           |
| <b>Group total</b>                       | <b>27,807</b>    | <b>8,460</b>   | <b>4,835</b>   | <b>5,589</b>   | <b>8,923</b>     | <b>32,686</b>    |
| <b>Number of accounts</b>                |                  |                |                |                |                  |                  |
| France (Boursorama INVEST)               | 114,641          | 114,641        | 112,705        | 114,527        | 119,174          | 115,917          |
| Germany (Fimatex)                        | 24,830           | 24,830         | 25,364         | 25,864         | 26,381           | 27,161           |
| Spain (Selftrade by Boursorama)          | 13,929           | 13,929         | 13,201         | 12,924         | 12,401           | 11,344           |
| United Kingdom (Selftrade by Boursorama) | 73,203           | 73,203         | 72,607         | 72,652         | 73,458           | 71,150           |
| <b>Group total</b>                       | <b>226,603</b>   | <b>226,603</b> | <b>223,877</b> | <b>225,967</b> | <b>231,414</b>   | <b>225,572</b>   |
| Outstanding assets on commission         |                  |                |                |                |                  |                  |
| UCITS (€ millions)                       | 345              | 345            | 306            | 303            | 282              | 236              |
| Life Insurance (€ millions)              | 118              | 118            | 43.5           | 27             | 16.6             | 15.5             |
| Revenue from online media (€ millions)   | 7.6              | 2.1            | 1.6            | 2.3            | 1.6              | 5.1              |

## 1.2. Business indicators

### Analysis of the Consolidated income statement

For the year ending December 31st, 2004, the Group recorded net banking income of € 78.0 million, compared to € 66.9 million over the previous year, or an increase of 16.6%.

Operating expenses amounted to € 63.1 million, versus € 65.1 million in 2003, a drop of 3.1%.

The tax charge for the period came to € 469 thousand, which represents the difference between tax at the standard rate on Boursorama's profits in France (€ 5.4 million) and the share of Boursorama France's tax-loss carry-forwards recognised in 2004 in the income statement (€ 5.0 million). Boursorama France's tax-loss carry-forwards were recognised in the amount of € 26.8 million in 2004, against the goodwill of Selftrade and income for the period, depending on the origin of the tax-loss carry-forwards: 81% of the tax-loss carry-forwards were from Selftrade, so 81% of the

total recognised was booked under goodwill. The remainder of the tax-loss carry-forwards were from Boursorama and were booked against income.

2004 consolidated income recorded a profit of € 12.3 million as opposed to a loss of € 6.8 million in 2003. This performance is primarily due to the success of Boursorama's sales drive, combined with the full year effect of the synergies from the merger with SelfTrade.

### Analysis of Parent Company Income Statement

Over the year ending December 31st, 2004, the Company recorded a net banking income of € 73.5 million, compared to € 67.9 million over the previous year, equivalent to an increase of 8.3%.

Operating expenses amounted to € 58.7 million, versus € 73.8 million in 2003, a drop of 20.4%.

The Company results for the year reflect a profit of € 14.5 million versus a loss of € 16.9 million for the previous year.

## ▶▶▶ 2. Transition to IFRS

A detailed description of the accounting principles applied by the Group in accordance with regulation 99-07 of the Comité de la Réglementation Comptable (the French Accounting Regulation Committee) is available in the notes to the consolidated financial statements.

These principles differ in some aspects from those that must be applied by listed companies as of January 1st 2005, in compliance with the European regulation published by the European Commission on July 19th 2002.

Consequently, the differences identified to date between IFRS approved by ARC and the accounting principles applied in

preparing the Boursorama Group's consolidated financial statements are outlined in this annual report along with:

- a description of the accounting options for the first-time adoption of IFRS on January 1st 2004 as well as the principles used in preparing the 2004 financial statements, adjusted under the IFRS applicable in 2004;
- a special notice on the IFRS applicable in 2005, with a description of the main differences concerning the accounting treatment of financial instruments.

## ▶▶▶ 3. Outlook

Boursorama's strategy is to step up the development of its three businesses (brokerage, savings and media) one of Europe's leading distributors of online savings products. In France, Boursorama is maintaining its focus on two development areas: securities brokerage and savings products. In securities brokerage, the company continues to attract customers through [www.boursorama.com](http://www.boursorama.com), which is an invaluable source of qualified prospects. In online savings, Boursorama will continue and develop its strategy to generate business through its offer of free access to savings (Boursorama Vie and Boursorama UCITS).

In the Media division, Boursorama's goal is to become a leading portal for the general public. One of the leading providers of online financial information, the Boursorama portal launched a new site: Boursorama Patrimoine (Boursorama Assets), at the end of 2005. Boursorama Patrimoine reaches a wider audience, offering free and anonymous service which instantly calculates the value of the user's asset portfolio.

In Germany, the merger between FIMATEX and Veritas will enable Boursorama to balance out its activity more evenly in Germany and diversify its income to include the distribution of

long-term savings products. The purpose of this acquisition is to create a unique structure which:

- offers a full range of investment and savings products,
- supplies high-performance tools for the monitoring and management of online accounts,
- increases investments of products and services by capitalising on the CGP network of Veritas.

The new structure will include 4.5 times more direct accounts (115,000 accounts, as opposed to 25,400 currently at Fimatex) for customer deposits of over € 1 billion.

In Spain and the UK Boursorama plans to reinforce its position in these dynamic markets by relaunching its development projects after two years focused on achieving breakeven. Furthermore, BOURSORAMA is preparing to take part in the shift towards market concentration.

### ● Parent company results – allocations

The past year came out with a profit of € 14.5 million, which we move to allocate in full to retained earnings.

## ▶▶▶ 4. Dividends distributed over the last three years

The company has not paid out dividends in the last three years.

## 5. Information on the share capital

### 5.1. Shareholder structure

| SHAREHOLDERS                       | At 13/04/2005     |   | At 10/02/2004*    |   | At 14/04/2003*    |   |
|------------------------------------|-------------------|---|-------------------|---|-------------------|---|
|                                    | Number of shares  | Percentage of capital and voting rights | Number of shares  | Percentage of capital and voting rights | Number of shares  | Percentage of capital and voting rights |
| FIMAT SNC (1)                      | -                 | -                                       | -                 | -                                       | 7,507,040         | 11.00%                                  |
| SOCIETE GENERALE                   | 48,490,142        | 71.00%                                  | 48,479,014        | 71.01%                                  | 38,466,908        | 56.35%                                  |
| Free float                         | 13,680,424        | 20.03%                                  | 12,930,821        | 18.94%                                  | 12,029,384        | 17.62%                                  |
| Patrice LEGRAND(2)                 | 2,343,938         | 3.43%                                   | 2,343,938         | 3.43%                                   | 3,515,906         | 5.15%                                   |
| Former shareholders of Finance Net | 3,777,131         | 5.53%                                   | 4,514,543         | 6.61%                                   | 6,575,315         | 9.63%                                   |
| Treasury stock                     | 780               | 0.001%                                  | -                 | -                                       | 172,668           | 0.25%                                   |
| <b>TOTAL</b>                       | <b>68,292,415</b> | <b>100.00%</b>                          | <b>68,268,316</b> | <b>100.00%</b>                          | <b>68,267,221</b> | <b>100.00%</b>                          |

### 5.2. Changes in share capital

In 2004, the share capital increased from € 27,307,326.40 to € 27,316,966.00 following the exercise of stock options over the year recorded by the Board of Directors at its meeting held on February 14th, 2005.

Table of changes in capital

| Date                 | Transaction                             | Nominal | Additional paid-in capital | Shares created | Nominal value created | Total value of authorised capital | Total number of shares |
|----------------------|---|---------|----------------------------|----------------|-----------------------|-----------------------------------|------------------------|
| 7/06/1989            | Incorporation                           | FRF 100 | -                          | 2,500          | FRF 250,000           | FRF 250,000                       | 2,500                  |
| 18/09/1989           | Capital increase/shares issued for cash | FRF 100 | -                          | 97,500         | FRF 9,750,000         | FRF 10,000,000                    | 100,000                |
| 18/09/1989           | Capital increase/contribution in kind   | FRF 100 | -                          | 12,000         | FRF 1,200,000         | FRF 11,200,000                    | 112,000                |
| 20/03/1992           | Capital increase/shares issued for cash | FRF 100 | -                          | 30,000         | FRF 3,000,000         | FRF 14,200,000                    | 142,000                |
| 27/09/1995           | Capital increase/shares issued for cash | FRF 100 | -                          | 110,000        | FRF 11,000,000        | FRF 25,200,000                    | 252,000                |
| 17/11/1995           | Capital increase/contribution in kind   | FRF 100 | -                          | 116,000        | FRF 11,600,000        | FRF 36,800,000                    | 368,000                |
| 24/06/1996           | Capital increase/shares issued for cash | FRF 100 | -                          | 100,000        | FRF 10,000,000        | FRF 46,800,000                    | 468,000                |
| Shareholders'        |   |         |                            |                |                       |                                   |                        |
| Meeting of 30/06/99: | Capital increase/shares issued for cash | FRF 100 | -                          | 360,000        | FRF 36,000,000        | FRF 82,800,000                    | 828,000                |

| Date  | Transaction  | Nominal  | Additional paid-in capital | Shares created | Nominal value created | Total value of authorised capital | Total number of shares |
|---|--|----------|----------------------------|----------------|-----------------------|-----------------------------------|------------------------|
| Shareholders' Meeting of 27/12/99:                                      | Capital increase/shares issued for cash  | FRF 100  |                            | 262,400        | FRF 26,240,000        | FRF 109,040,000                   | 1,090,400              |
| 23/02/2000  | 40-for-1 stock split   | FRF 2.50 | -                          | 42,525,600     | -                     | FRF 109,040,000                   | 43,616,000             |
| Meeting of the Board of Directors of 21/03/00: (stock market flotation) | Capital increase/shares issued for cash (before exercise of green shoe option)                           | FRF 2.50 | FRF 1,306,308,237          | 13,000,000     | FRF 32,500,000        | FRF 141,540,000                   | 56,616,000             |
| Meeting of the Board of Directors of 04/05/00:                          | Capital increase/shares issued for cash (before exercise of green shoe option)                           | FRF 2.50 | FRF 156,859,317            | 1,560,000      | FRF 3,900,000         | FRF 145,440,000                   | 58,176,000             |
| Shareholders' Meeting of 29/05/01:                                      | Conversion of share capital into euros and capitalisation of a portion of the additional paid-in capital | € 0.40   | € -1,098,214               | -              | € 1,098,214           | € 23,270,400                      | 58,176,000             |
| Shareholders' Meeting of 28/06/02:                                      | Capital increase/contribution in kind  | € 0.40   | € 30,963,229.77            | 10,091,221     | € 4,036,488.40        | € 27,306,888.40                   | 68,267,221             |
| Shareholders' Meeting of 29/09/03:                                      | Capital increase/contribution in kind  | € 0.40   | € 2,975                    | 1,095          | € 438                 | € 27,307,326.40                   | 68,268,316             |
| Meeting of the Board of Directors of 01/03/04:                          | Exercise of stock options  | € 0.40   | € 598.47                   | 300            | € 120                 | € 27,307,446.40                   | 68,268,616             |
| Meeting of the Board of Directors of 14/02/05:                          | Exercise of stock options  | € 0.40   | € 32,128.94                | 23,799         | € 9,519.60            | € 27,316,966.00                   | 68,292,415             |

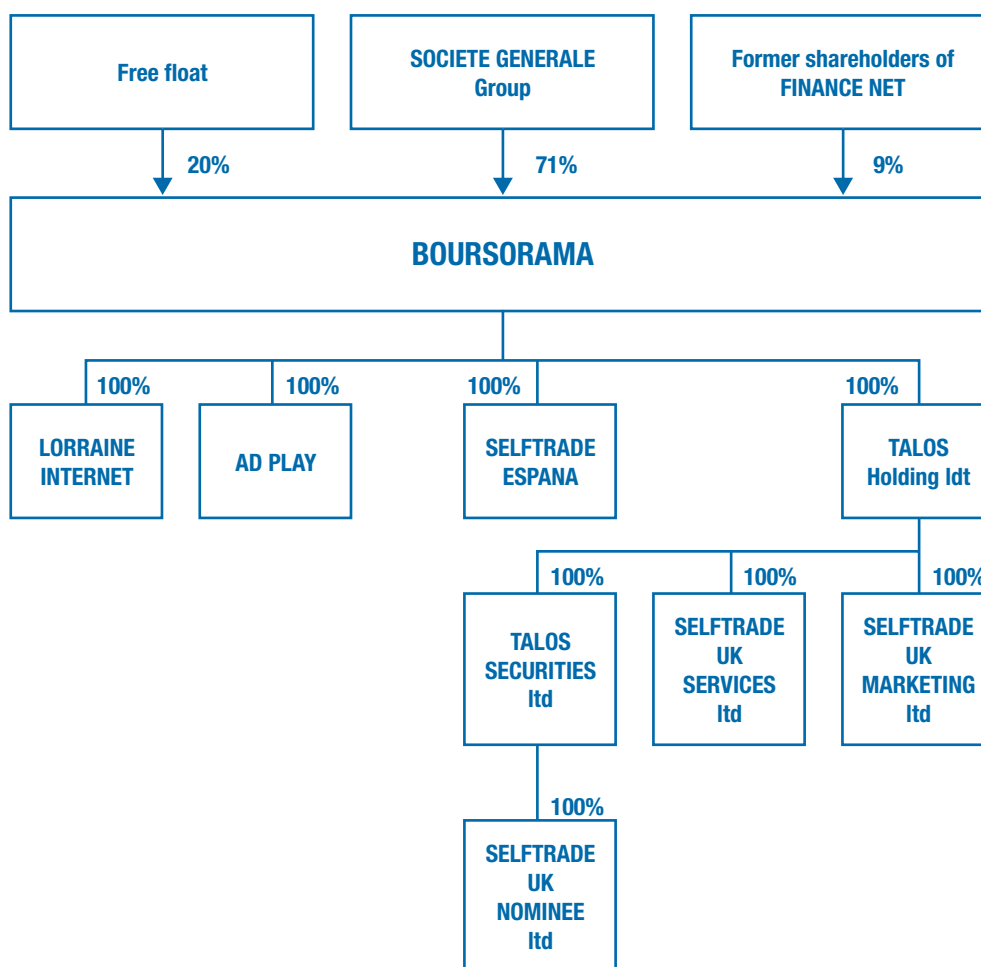
### 5.3. Transactions relating to treasury stock

At December 31st, 2004, the company owned 72,131 of its own shares.

#### Summary of transactions carried out in 2004

| 2004      | Purchase      |               |               | Sale          |               |               |
|-----------|---------------|---------------|---------------|---------------|---------------|---------------|
|           | No. of shares | Average price | Amount (in €) | No. of shares | Average price | Amount (in €) |
| January   | 14,454        | 5.36          | 77,489.80     | 31,519        | 5.50          | 173,490.40    |
| February  | 20            | 6.15          | 123           | 33,212        | 5.99          | 198,965       |
| March     | 49,050        | 5.83          | 285,791.72    | 35,822        | 5.96          | 213,640.30    |
| April     | 16,306        | 5.90          | 96,152.54     | 16,817        | 6.09          | 102,486.54    |
| May       | 30,828        | 5.82          | 179,322.18    | 6,483         | 5.80          | 37,583.40     |
| June      | 44,729        | 5.78          | 258,793.6     | 39,537        | 5.93          | 234,387.57    |
| July      | 109,628       | 4.77          | 523,085.99    | 12,538        | 4.59          | 57,518.46     |
| August    | 52,099        | 4.38          | 228,230.67    | 5,403         | 4.39          | 23,740.96     |
| September | 6,758         | 4.39          | 29,654.71     | 5,110         | 4.63          | 23,645        |
| October   | 20,119        | 4.82          | 96,975.09     | 135,032       | 4.65          | 628,413.94    |
| November  | 5,470         | 5.26          | 28,788.22     | 27,335        | 5.28          | 144,337.37    |
| December  | 21,595        | 5.17          | 111,757.69    | 16,990        | 5.25          | 89,195.76     |
| Total     | 371,056       | 5.16          | 1,916,165.2   | 365,798       | 5.27          | 1,927,404.7   |

## ▶▶▶ 6. Legal structure



As the parent company, Boursorama is responsible for the Group's main activities: online brokerage and media services. BOURSORAMA has five subsidiaries which were acquired with FINANCE NET in 2002 and SELFTRADE in 2003.

Euromirabelle, which is wholly-owned by Boursorama, is not included in the organisational chart as it does not generate any business.

- Talos Holding Ltd is a holding company with stakes in Talos Securities, Selftrade UK Services and Selftrade UK Marketing, and specialises in online savings in the United Kingdom.
- Selftrade España was set up in order to give the Selftrade website in Spain the domain extension “.es”.
- Ad Play specialises in direct marketing in France.
- Lorraine Internet specialises in the management of domain names.

## 7. Corporate governance

### 7.1. List of corporate officer mandates

The Board of Directors currently has ten members.

|   | Date of first appointment | Current term of office expiring at the SM held to approve the financial statements for the period ending: | Main post held in the Company | Main post held outside the Company                 | Other mandates and posts held   |
|---|---------------------------|---|-------------------------------|--|---|
| <b>Chairman of the Board of Directors</b> |                           |   |                               |  |   |
| <b>Vincent Taupin</b>                     | 17/05/1999                | 31/12/2004  | Chairman                      |  | Director of:<br>EUROMIRABELLE<br><br>Chairman of the Board of Directors of AD PLAY                    |
| <b>Honorary Chairman</b>                  |                           |   |                               |  |   |
| <b>Patrice Legrand</b>                    | 28/06/2002                | 31/12/2007  | None                          |  |   |
| <b>Other directors:</b>                   |                           |   |                               |  |   |
| <b>Marc Breillout</b>                     |                           |   |                               |  |   |
| Representative of SOCIETE GENERALE        | 17/11/1995                | 31/12/2009<br>Mandate renewed at the SM on 3/05/2004  | None                          | Director of Debt and Financing at SOCIETE GENERALE | Director of:<br>FIMAT Alternative Strategies<br>FIMAT Banque<br>FIMAT General Greece<br>FIMAT USA Inc |

|                       | <b>Date of first appointment</b>   | <b>Current term of office expiring at the SM held to approve the financial statements for the period ending:</b> | <b>Main post held in the Company</b> | <b>Main post held outside the Company</b>                                    | <b>Other mandates and posts held</b>  |
|-----------------------|--|--|--------------------------------------|--|---|
| <b>Alain Bozzi</b>    | 03/05/2009   | 31/12/2004   | None                                 | <b>Chief Executive Officer and Senior Manager for Europe</b> of FIMAT Banque | <p><b>Director of:</b><br/> FIMAT Banque<br/> FIMAT Singapor PTE Ltd.<br/> FIMAT Derivatives Hong Kong<br/> FIMAT Facilities Management Inc.<br/> FIMAT Canada Inc.<br/> FIMAT US LLC<br/> Pareli</p> <p><b>Chairman of:</b><br/> FIMAT Switzerland AG</p> <p><b>Chief Executive Officer and Chairman of:</b><br/> Pareli</p> <p><b>Chief Executive Officer and Vice-Chairman of:</b><br/> FIMAT International Banque SA</p> <p><b>Senior Executive Officer of:</b><br/> Fimat Futures Ltd.</p> <p><b>Permanent Representative</b><br/> of Société Générale for:<br/> FIMAT SNC</p> <p><b>Permanent Representative</b><br/> of FIMAT International Banque SA for:<br/> Fimat Futures UK</p> |
| <b>Frédéric Oudéa</b> | Meeting of the Board of Directors on 9/10/2002<br>Ratified at the SM on 29/11/2002 | 31/12/2004   | None                                 | <b>Chief Financial Officer</b> of Société Générale                           | <p><b>Director of:</b><br/> GENEBANQUE<br/> GENEFINANCE<br/> SG Financial Services HLD</p> <p><b>Chairman and Chief Executive Officer of:</b><br/> GENEBANQUE<br/> GENEFINANCE<br/> SG Financial Services HLD</p> <p><b>Permanent Representative</b><br/> of SOCIETE GENERALE for:<br/> SALVEPAR</p>  |

|                         | <b>Date of first appointment</b> | <b>Current term of office expiring at the SM held to approve the financial statements for the period ending:</b> | <b>Main post held in the Company</b> | <b>Main post held outside the Company</b>                                   | <b>Other mandates and posts held</b>  |
|-------------------------|----------------------------------|--|--------------------------------------|---|---|
| <b>Philippe Collas</b>  | 03/05/2004                       | 31/12/2009   | None                                 | Deputy Head of Société Générale   | <p>President of the Board of Directors of:<br/>SAGM Japan<br/>SGAM</p> <p>Director of:<br/>Barep<br/>SG Russell Asset Management<br/>SGAM (Asia) Pte Ltd<br/>SGBT Luxembourg<br/>TOW Group<br/>SGAM North Pacific Ltd</p> <p>Representative of SGAM on the Board of Directors of:<br/>Fimat Banque<br/>Barep Asset Management</p> <p>Member of the Supervisory Board of:<br/>Véritas SG</p> |
| <b>Stéphane Mathieu</b> | 28/06/2002                       | 31/12/2007   | None                                 | Manager of<br>Specimo<br>Tragesco   |   |
| <b>Loïc Le Meur</b>     | 16/03/2000                       | 31/12/2006   | None                                 | Chairman and Chief Executive Officer of<br>SIX APART SA<br>BUSINESS PACE SA |   |
| <b>Henri Cukierman</b>  | 16/03/2000                       | 31/12/2006   | None                                 |   | None  |
| <b>Patrick Soulard</b>  | 25/03/2003                       | 31/12/2008   | None                                 | Deputy Head, Corporate and Investment Banking at SOCIETE GENERALE           | <p>Director of:<br/>GENEVAL<br/>HAVAS advertising<br/>SG SECURITIES ASIA INT HLD (HK)</p>   |

## 7.2. Changes to composition of administrative, management, supervisory or control bodies

The appointment of Alain BOZZI and Philippe COLLAS as Directors was approved at the Shareholders' Meeting of May 3rd, 2004. Société Générale's mandate was also renewed at the Meeting of May 3rd, 2004.

## 7.3. Compensation of executives officers

In accordance with Article L 225-102-1 of the French Commercial code, the table below shows the remuneration

and benefits paid to each of Boursorama's corporate officers during the year. In the case of Boursorama corporate officers that are paid employees of Société Générale, only the remuneration and benefits paid by Boursorama are included.

As such, there is no compensation or benefits of executive officers to be mentioned.

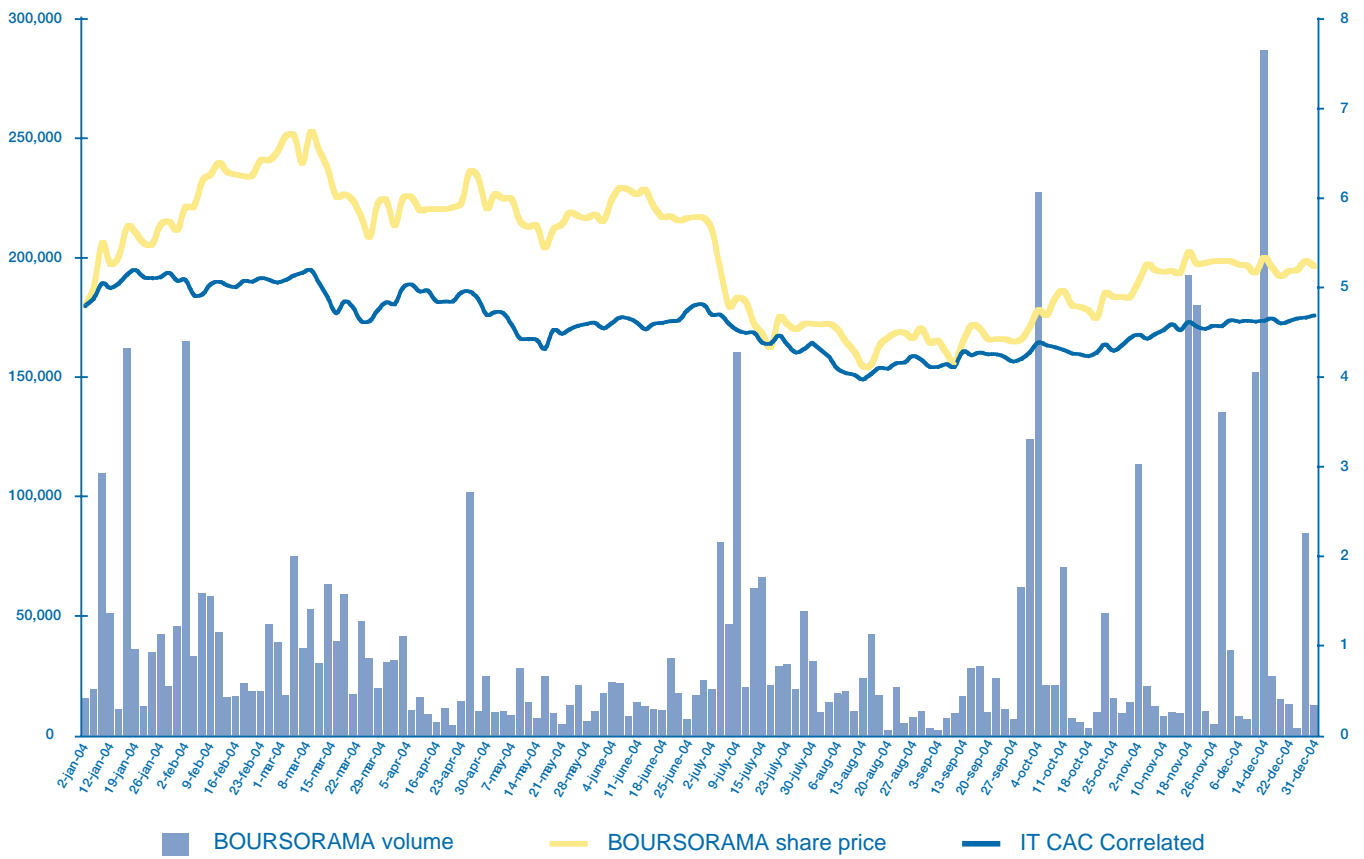
The Directors of Boursorama who are also employees of Société Générale are Messrs Marc BREILLOUT, Alain BOZZI, Frédéric OUDEA, Philippe COLLAS and Patrick SOULARD.

### BOURSORAMA

Remuneration and benefits paid to corporate officers 2004

| Corporate Officers |                | Fixed compensation received in 2004 | Variable compensation received in 2004 for 2003 | Variable compensation received in 2005 for 2004 | Benefits in kind |
|--------------------|----------------|-------------------------------------|---|---|------------------|
| Chairman           | Vincent TAUPIN | 152,449                             | 700,000   | 835,000   | 3,000            |

## 8. Share data



Source Euronext

## ▶▶▶ 9. Key events after the closing date

BOURSORAMA acquired a 65% stake in Veritas AG's capital from SGAM on January 15th, 2005 (date the draft agreement was signed). The acquisition was finalised on February 14th, 2005. Boursorama is in negotiations for the remaining 35% stake.

At the end of 2005, the Boursorama portal launched a new site aimed at the general public, Boursorama Patrimoine. This website enhances the information available on the portal, targeting larger audiences and offering free and anonymous service which instantly calculates the value of the user's asset portfolio.

# APPENDICES

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| ▶▶▶ <b>APPENDICES 3/4</b> | Special report - information on stock options .....   | <b>p.123</b> |
| ▶▶▶ <b>APPENDIX 5</b>     | Authorisations granted to the Board of Directors at the General Shareholders' Meeting .....   | <b>p.124</b> |

# ▶▶▶ APPENDIX 1

## ANNUAL CHAIRMAN'S REPORT ON THE PROCEDURES FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD AND ON THE INTERNAL CONTROL PROCEDURES

Introduction:

### A. Presentation of BOURSORAMA

### B. Internal control procedures

#### I. Conditions for the implementation of internal controls

- I.1 - Regulatory framework
- I.2 - Internal procedures

#### II. Internal control procedures

##### II.1 - First-level controls

- II.1.A - Day-to-day security, or control procedures carried out by operational staff*
- II.1.B - Formal supervision*

##### II.2 - Second-level controls

- II.2.A - Internal control resources (Finance Department, Risk Department, Company Secretariat, distribution of roles, hierarchy, role of the Board of Directors or relevant committees, delegation of powers, etc.)*
- II.2.B - The Internal Audit Department*
- II.2.C - Summary of the procedures implemented by the internal audit*
- II.2.D - The Risk Department*

##### **II.2.D.1 - Summary of the main business risks**

- II.2.D.1.1 - Counterparty risk
- II.2.D.1.2 - Market risk
- II.2.D.1.3 - Structural risk
- II.2.D.1.4 - Operating risk
- II.2.D.1.5 - Others risk

##### **II.2.D.2 - Role of the Risk Department**

### **III. Production and control of financial and accounting information**

#### **III.1 - Production of financial and management data**

*III.1.A - Roles and responsibilities*

*III.1.B - Accounting standards and principles*

*III.1.C - Procedures for the production of financial and accounting data (half-yearly accounts)*

*III.1.D - Information systems*

#### **III.2 - Internal accounting controls**

*III.2.A - Controls of day-to-day operations (verification of the economic reality of the reported information, management of suspense accounts and exchanges between the accounting department and management control division)*

*III.2.B - First-level controls carried out by the finance departments*

*III.2.C - Consolidation controls*

*III.2.D - Accounting controls (permanent accounting supervision, certification of accounts by auditors, auditing of finance departments)*

#### **III.3 - Liaison with the Statutory Auditors**

### **IV. Trends expected in 2005**

## **C. Preparation and organisation of the work of the board of directors**

### **I. Procedures for the preparation and organisation of the work of the Board of Directors**

#### **I.1 - Procedures for the preparation and organisation of the work of the Board of Directors**

*I.1.A - Legal structure*

*I.1.B - Rules for convening the Board of Directors*

*I.1.C - Existence of committees*

*I.1.D - Existence of internal regulations*

*I.1.E - Code of ethics applicable to directors*

### **II. Limitation of the powers of the Chief Executive Officer of a public limited company (société anonyme) with a Board of Directors**

## **ANNUAL CHAIRMAN'S REPORT ON THE PROCEDURES FOR PREPARING AND ORGANISING THE WORK OF THE BOARD AND INTERNAL CONTROL PROCEDURES**

### **Introduction:**

Pursuant to Article 117 of the French financial security law of August 1st, 2003, Articles L225-37 and L225-68 of the French Commercial Code require the Chairman of the Board of Directors of all public limited companies (*société anonyme*) registered in France, whether or not launching a public share offering, to disclose in an appendix to the Board of Directors' report "the procedures used for the preparation and organisation of the work of the Board and the internal control procedures".

### **A. Presentation of BOURSORAMA**

Established in 1995, Boursorama is a major operator in the field of online savings in Europe, with 228,000 accounts and 3.7 million order executions in 2004. Boursorama allows individual investors to manage their savings autonomously via the Internet, using a comprehensive range of financial products (shares, warrants, options, futures, UCITS, life assurance, tracker funds, bonds, depositary receipts, etc.) and services (access to the major international financial centres via the Internet, GTS, WAP, telephone and Minitel).

BOURSORAMA is the market leader in France, operating under two complementary brands, BOURSORAMA.com and Boursorama INVEST.

- Boursorama.com is the benchmark portal for online financial information. The website combines data from a variety of sources (AFP, AOF, Cercle Finance, Dow Jones, Reuters, etc.) with stock market prices, stock exchange indices, etc., to produce a simple, comprehensive and coherent interface. Due to its popularity and exceptional audience levels (2.3 million unique visitors per month – source: SmartAdServer), Boursorama is the ideal communication medium for commercial advertisers, listed companies and financial institutions seeking to target individual investors.
- Boursorama Invest is the leading online broker, with 116,200 accounts and 2.7 million order executions in 2004. This year Boursorama Invest enjoyed the initial

successes of its diversification strategy into online savings, with € 102 million in deposits on its new life insurance product, Boursorama Vie, and 42% growth in UCITS over one year to € 285 million.

The Group has operated in Germany since 1997 via Fimatex, where it is the fourth largest online broker thanks to a customer base of highly active individual investors (711,000 orders executed in 2004 for 25,000 accounts). At the end of the year, Boursorama and SGAM entered into exclusive negotiations for the Boursorama's acquisition of SGAM's entire stake in Veritas, i.e. 65% of the share capital. This merger has been finalised and will allow the Group to balance out its activity more evenly in Germany and diversify its revenue sources to include the distribution of long-term savings products.

In Spain, Boursorama operates under the name Selftrade by Boursorama and ranks No. 3 in this high-growth market (169,000 orders executed and 14,000 accounts at the end of 2004).

The Group also operates in the UK under the Selftrade by Boursorama. It is the UK's fourth largest online broker. The British branch recorded business growth of +14% in 2004 with 162,000 orders executed and 73,200 accounts.

Boursorama is 71% owned by Société Générale and is listed on Euronext's Eurolist Marché in Paris – Compartment B – included in the CACMid 100 - ISIN code: FR0000075228 (BRS) – Reuters code: FMTX.LN – Bloomberg code: BRS FP.

### **B. Internal control procedures**

#### ***I. Conditions for the implementation of internal controls***

##### **I.1 - Regulatory framework**

Boursorama is licensed by the CECEI (Comité des Etablissements de Crédit et Entreprises d'Investissement or Credit Institution Council of the Bank de France) as a bank and investment services provider. The implementation of internal controls is governed by CRBF Regulation 97-02 and the general regulations of the AMF (French Financial Markets Authority). It also takes into account the Group's internal compliance code.

Regulation 97-02 defines the internal control as a system designed to:

- verify that the procedures used by the companies in question to carry out their business activities comply with the relevant legislative and regulatory provisions, professional and ethical standards and usage and the instructions of the management;
- ensure that all procedures for decision-making and risk management are strictly observed;
- verify the quality of the accounting and financial information sent to the company's management and decision-making bodies, submitted to the regulatory and control authorities or appearing in documents intended for publication.

The regulation also specifies certain obligations with respect to the assessment of risk exposure by the company, and the procedures which the company's decision-making bodies must implement in order to assess the quality of their internal controls.

● **In France:**

- The CB ensures that credit institutions comply with the legal and regulatory provisions in effect and applies sanctions in the event of non-compliance. The provisions include the regulations established by the CRBF in accordance with Article 33 of French law 84-46 of January 24th, 1984 which defines "the rules applicable to accounting procedures, data processing supervision and security mechanisms and internal control procedures". Therefore, in compliance with CRBF regulation 97-02 of February 21st, 1997 (amended by regulation No. 2001-01 of June 26th, 2001) concerning the internal control of credit institutions and investment companies, an individual must be appointed by the Board of Directors of the credit institution to ensure the consistency and effectiveness of the internal control system ("the internal controller"). Every year the internal controller must prepare a report which is presented to the Board of Directors and sent to the CB. The CB may carry out onsite verifications or request copies of the Statutory Auditors' reports and all other documents deemed useful.

- In accordance with CRBF regulation 97-02 of February 21st, 1997, the Board of Directors of Boursorama appointed the Head of the Internal Audit Department as internal controller on March 1st, 2004. In accordance with

regulation 97-02, the 2003 annual report was presented in 2004 at the advisory board meeting of March 1st, 2004.

- The AMF, created under the financial security law of August 1st, 2003, verifies and controls Boursorama's programme of activities. In accordance with its general regulations, the AMF implements rules with which BOURSORAMA must comply (appointment of a compliance officer, framework of contractual relationships with customers, employee obligations, safeguarding of the interests of the market and customers, etc.). The AMF has a specific division which is responsible for monitoring investment service providers such as BOURSORAMA.

- In compliance with the rules set out by the AMF, the Chairman of Boursorama appointed a compliance officer and head of control for investment and related services (RCSI) and informed the Board of Directors of this appointment on March 1st, 2004. This role mainly consists in ensuring that employees who have access to the markets are fully aware of codes of good conduct in order to protect customers' interests. All BOURSORAMA employees receive the compliance code when they are hired. Each year the compliance officer and RCSI draw up two reports (one on compliance and one on the control of Investment Services) which are transmitted to the AMF.

- Each BOURSORAMA branch has appointed a compliance officer.

● **In Germany,** the activities of Boursorama's subsidiary, Fimatex, are governed by the supervisory body, BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht), which defines all rules for carrying out internal controls. The exact framework for internal controls is defined by the nationales aufsichtrecht capital I, 3 besondere Aufsichtsthemen, 3.1. rundschreiben zur internen revision § 25a cap. 1 KWG.

● **In Spain,** Selftrade's activities are controlled by the Comision Nacional del Mercado de Valores (CNMV). At the start of 2004, Boursorama France launched its banking activities in Spain, under the name Selftrade España, which will be governed by the Bank of Spain.

● **In the United Kingdom,** the activities of Talos, Boursorama's UK subsidiary, under the trade name Selftrade

UK, are governed by the FSA (Financial Services Authority). The FSA's statutory powers are set out in the Financial Services and Markets Act 2000. The internal control framework is defined in the FSA Handbook, Senior Management Arrangements, Systems & Controls, under section SYSC 3.

## I.2 - Internal procedures

- The conditions for carrying out internal controls within the Société Générale Group are governed by Directive 35A, as described in the report by the Chairman of the Board of Directors of Société Générale Group.
- Boursorama is subject to inspection by its own internal audit department and that of Société Générale, and by Société Générale's Inspection Générale department, which may perform an audit at any time. The different levels of internal control cover BOURSORAMA's activity in France, Germany, Spain and the UK.
- An annual audit programme is drawn up by the Head of the Internal Audit Department, and approved by the Chairman and CEO of Boursorama before being presented to the Executive Board.
- The Company's internal audit team monitors the implementation of the recommendations made by the internal and external auditors.
- Each branch has its own procedures manual which is kept up to date by the local internal audit team.

## II. Internal control procedures

### II.1 - First-level controls

BOURSORAMA is subject to two types of internal control: a priori checks, which are carried out on a daily basis by operational staff, and a posteriori checks, which are carried out by the operational managers and by the control departments responsible for the formal supervision of the company.

*II.1.A - Day-to-day security, or control procedures carried out by operational staff*

Each transaction carried out as part of the company's activity

is defined in a specific procedure or operating method, to ensure it is performed correctly.

A priori checks are carried out before transactions are executed (e.g. automatic control of data entered in an application, refusal to validate a transaction until all data has been correctly entered).

Departmental managers are required to train all new staff in the activities of the department, the procedures to be implemented and the rules to be followed.

The a priori checks are specified in the operating procedures defined for each task and implemented by the operational departments. Boursorama's internal procedures are available on the internal networks of each country. The procedures database is updated on a regular basis by the local internal controller or the relevant manager.

In addition, the internal control department carries out a number of other a priori checks, notably on high-risk areas, such as certain monetary flows (transfers, cheques, bank cards).

### *II.1.B - Formal supervision*

The overall Internal Control system comprises the following levels of a posteriori checks:

- permanent supervision: hierarchical and permanent checks of a number of elements (procedures, internal management accounts and book-keeping). These are regular checks carried out in all the departments of each entity. They are performed at all hierarchical levels to ensure that operational tasks are carried out in compliance with internal procedures and regulatory obligations;
- the internal control, which is mainly designed to monitor the activity of the company;
- the internal audit carried out by Boursorama or Société Générale on a permanent basis in accordance with the audit programme;
- inspections performed by Société Générale's Inspection Générale, where applicable;
- checks carried out by external controllers (Statutory Auditors, supervisory authorities).

## II.2 - Second-level controls

*II.2.A - Internal control resources (Finance Department, Risk Department, Company Secretariat, distribution of roles, hierarchy, role of the Board of Directors or relevant committees, delegation of powers, etc.)*

In addition to the internal controllers at the main Group entities, the functional departments also play a role in the overall Internal Control system. First-level accounting and financial controls are carried out by the Finance Department, while the Risk Department supervises counterparty, market and operational risk within the Company Secretariat.

In France, Boursorama's Risk Department organises risk committees to take decisions on the Company's risk exposure. The committees are made up of members of the general management, the managing director of Boursorama Invest, the heads of customer support and back office operations, a lawyer and members of the audit department and Company Secretariat. Each entity has its own risk committee.

An Audit and Accounting Committee meets four times a year to examine the internal audit programme and the annual report on the Internal Control drawn up in accordance with banking regulations. The Committee also formulates an opinion on the organisation and operation of the internal control departments.

Lastly, the annual report on the Internal Control (97-02), drawn up by the Head of Internal Audit, is sent to the Board of Directors and subsequently to the Banking Commission.

### *II.2.B - The Internal Audit Department*

While the internal controllers are responsible for first-level controls, BOURSORAMA's Internal Audit Department carries out all second-level controls for the activities of all the Group's subsidiaries and branches.

Following the merger with Selftrade, the headcount at the Internal Control Department was increased in 2004. The internal auditor has overall responsibility for the entire BOURSORAMA Group, but is assisted by local internal controllers in each country: three in France plus one RSSI manager, 1.5 in Germany, one in the United Kingdom and one in Spain.

BOURSORAMA's Head of Internal Audit reports to the general management of BOURSORAMA.

### *II.2.C - Summary of the procedures implemented by the internal audit*

The Internal Audit Department implemented a permanent supervision procedure in France over the course of 2003, which was then extended to other Group entities in 2004, in accordance with Société Générale Group directives. The permanent supervision constitutes the first level of the Group's Internal Control System. It is managed by the Internal Control Department, and all results are reported directly to the Group Head of Internal Audit and the General Management.

The Internal Audit Department has issued a Group directive specifying the procedures for managing and justifying error and test accounts. The internal controllers, charged with supervising these accounts, are required to submit formal monthly reports on their findings to the Head of Internal Audit and the General Management.

The Group's annual audit programme systematically includes at least one control assignment in each country in which the Group operates.

### *II.2.D - The Risk Department*

#### **1. Summary of the main business risks**

BOURSORAMA is an online broker of investment products (shares, bonds, derivatives, warrants, UCITS and life assurance) for individual customers.

Customers can place stock market orders at attractive prices via a number of channels: the transactional website, GTS (Global Trading System) which is the company's own order transmission and information system, telephone, Minitel and certain portable PDAs.

BOURSORAMA also offers a range of value-added services designed to help customers in their investment decisions, including access to specialised financial analysis, training sessions, seminars and stock market alert tools.

Boursorama does not carry out any proprietary trading. As a result, it is primarily exposed to counterparty risks linked to

customers trading on an overdrawn account via the Deferred Settlement Service in France or through a margin account in France or Spain, or customers trading in derivatives on organised markets (Monep, Meff, Eurex and Xetra).

These risks are controlled using the Centrale des Risques or Risk Management System, an application which monitors customers who are overdrawn or have insufficient funds.

### 1.1. COUNTERPARTY RISKS

#### Risk Management System

In 1995, Boursorama set up a Risk Management System in order to reduce counterparty risk relating to its customers. This system automatically checks that customers' security portfolios and funds are sufficient to cover any losses resulting from a possible market shock.

BOURSORAMA's Risk Management System comprises two control levels:

- A priori checks (before authorising any new order): a risk calculation is conducted for all customer orders before they are presented to the market. This analysis is carried out on the basis of parameters configured by BOURSORAMA, the customers' existing position in securities and derivatives and their cash balance, and on the basis of the orders executed over the course of the day and those in progress.
- A posteriori checks: the aggregate risk exposure for each customer is recalculated, account by account, on a daily basis once the data required by the back-office systems has been updated. If the margin cover is insufficient, no new orders are accepted and a margin call is sent out automatically.

In 2004, as every year, Boursorama reviewed all its margin parameters.

#### Deferred Settlement Service

- In 2004, Boursorama decided to maintain all its margin cover rates for orders with deferred settlement, which are as follows:
  - 20% for cash and money-market funds (same percentage as the market),

- 33% for bonds and bond funds (versus 25% authorised by the market),
- 40% for equities eligible for deferred settlement and equity funds (same percentage as the market),
- 100% for other equities (versus 40% authorised by the market),
- equities on Euronext's OTC market and certain shares on the Nouveau and Second Marché which are not offer sufficient liquidity or exhibit high volatility provide no margin cover.

Each customer is assigned a theoretical commitment limit for purchases using the deferred settlement service, which is revised each time an order is transmitted, even if it is not executed.

#### Derivatives Markets

- **In France and Germany**, BOURSORAMA changed its margin call requirements for derivatives markets to 120% of the cover required by the market.

The system for analysing risks on derivatives is based on the model currently used by the Fimat Group (a world leader in derivatives) to calculate the initial down payment required to cover maximum losses resulting from 16 different market shock scenarios. The impact of the scenarios on the underlying instruments is defined and updated in line with market trends on a regular basis. In contrast, the impact of volatility scenarios corresponds to market practice. These parameters are then compared with the minimum amounts required by market authorities, bearing in mind the margin call requirement of 120%.

- **In Spain**, margin call requirements vary between 100% and 150% depending on the customer.

The risk analysis system for derivatives is based on a model used in the Spanish derivatives market (Meff).

#### Margin accounts

- **BOURSORAMA's branch in Spain** offers margin accounts.

For the margin account, the authorised overdraft limit is defined according to the customer in question and the securities held in the portfolio. The minimum ratio of portfolio value to cash overdraft must be 133%.

For example, to cover an overdraft of € 100, the customer must have a portfolio with a minimum value of € 133. Only securities with low volatility and high liquidity can be used as coverage.

● At the end of 2004, **the German branch of BOURSORAMA** introduced a margin account based on the same principle as our Spanish branch.

Our UK subsidiary does not offer any leveraged products.

#### **Monitoring of overdrawn customers**

In addition to the control carried out by our Risk Management system, customers with a debit balance or insufficient funds are monitored by the Risk Department, which analyses customer accounts, sends out reminders and, where appropriate, unwinds customers' positions if the situation persists.

The Risk Department at each branch or subsidiary submits a daily report to Boursorama's management and head of risk.

Doubtful receivables are analysed on a case-by-case basis, and reminders are sent out. After 30 days, they are fully provisioned.

#### **1.2. MARKET RISKS**

BOURSORAMA does not carry out any proprietary trading and is therefore not directly affected by market risk. Customer deposits are invested in the short-term money market. On December 31st, 2004, outstanding customer deposits totalled € 427 million. These investments are made under the supervision of BOURSORAMA's finance department.

#### **1.3. STRUCTURAL RISKS (interest rates, liquidity, exchange rates)**

BOURSORAMA does not carry out proprietary trading. Custodial accounts are held in euros. If a customer trades on a foreign market, exchange rate costs are borne by the client.

Boursorama posted an exposure of € 2.1 million, essentially in the medium-term with some long-term risks.

#### **1.4. OPERATING RISKS**

Collecting data on operating losses has become an essential requirement of Basel II regulations regarding operational risk management systems.

BOURSORAMA has introduced a Group-wide process for collecting and reporting on operating losses.

Operating losses amounting to more than € 10,000 are reported (via an operating loss sheet) as soon as they are entered in the accounts. The notion of loss includes losses recorded as fixed amounts as well as provisions booked as operational risk factors for which the amount of the loss remains uncertain.

In each BOURSORAMA entity, the Head of Risk has been appointed as the Operating Risk Representative and oversees the collection of data on losses and reports to the Group's Risk Department.

In addition to the extent and causes of operating risks, the solutions which have been put in place in the short and long-term in order to avoid these risks being renewed are categorised.

#### **1.5. OTHER RISKS**

##### **Money laundering risk**

The prevention of money laundering always represents a major challenge for financial institutions. BOURSORAMA continued to develop anti-money laundering strategies around four key areas:

- training: every new BOURSORAMA employee receives training on the prevention of money laundering;
- prevention: we ensure that new customers have all the documents required to enable us to check their identity and address and that these documents are consistent;
- vigilance: certain types of transactions are examined by the internal control team;
- regular controls: these are carried out on customer transactions.

### Information system risk

BOURSORAMA has an RSSI (head of information systems security). Security breaks down into three main areas, confidentiality, integrity and availability.

The RSSI's duties are as follows:

- implementation and monitoring of a centralised system for managing authorisations;
- implementation and monitoring of the security policy;
- organisation of a monthly Security Committee meeting;
- overall monitoring of Information Systems Security.

### IT security

Security is one of the prime concerns in the development of the transactional website, which has been subcontracted to ATOS ORIGIN. A solution for detecting loss of integrity or information on the IT systems and a series of security procedures have been developed to enable us to respond in the event of attacks, attempted attacks or computer system intrusions. Security-related reports are included in the monthly management reports sent by Atos Origin to Boursorama.

BOURSORAMA also draws up its own reports on the vulnerability of its infrastructures, whether hosted by external service providers or managed internally. In this way, the company has an overall view of all operational security systems.

Intrusion tests are performed on all front-office systems by a specialised service provider independent of BOURSORAMA's current partners. These regular and recurrent measures enable BOURSORAMA to assess the developments made in the security mechanisms and resources implemented in this area by each of its partners. At BOURSORAMA's request, ATOS ORIGIN commissions a specialised and reputable external company to carry out a half-yearly audit of the systems it dedicates to Boursorama's website (technical and organisational aspects). The results of these audits are submitted to BOURSORAMA.

### *Risk of theft of customer access codes*

The GTS system includes a number of ATOS ORIGIN proprietary components which encode and transport data between the customer terminal and the central site (not a standard Web interface) and contribute to the overall security and confidentiality of the GTS online connection. Customers can modify their access codes. GTS and Web connections are also encrypted (SSL protocol).

In addition, funds may not be transferred from customer accounts to third parties online, in order to protect the customer from possible fraudulent access.

Risk that the transaction website may be unavailable following overnight batch processing terminated in error.

The transactional website is monitored and managed by operational staff until the markets close. In the morning, a team of staff begins processing the transactions carried out and performs detailed checks on all procedures. Similarly, the applications and access channels are checked each morning by an operator, and the relevant members of staff are contacted in the event of an anomaly.

### *Risk of an IT equipment failure on the transactional website*

All network, connection and computer equipment is backed up to provide uninterrupted service even in the event of an equipment failure.

### *Risk of a power cut on the transactional website*

The power supply to the main transactional website is backed up with two generators which are tested on a regular basis. Boursorama has a contract with an oil refinery that guarantees delivery of fuel within four hours. The secondary transactional website is backed up with electrical batteries, with a limited lifetime, and by another generator.

### *Business continuity plan*

BOURSORAMA's head office is located at 18, quai du point du jour, Boulogne Billancourt (92). BOURSORAMA also has a separate backup site to ensure business activities can be resumed as soon as possible if the main premises are

unavailable. If the emergency plan is activated, users can access the main IT tools via a dedicated site, enabling them to continue with their normal activity. This backup system is constantly tested and improved.

Moreover, BOURSORAMA's transactional site (front office) is hosted at two different locations (main and backup site). The hardware is divided between both sites and is all used as part of day-to-day operations, which means it is up to date and operational.

This physical backup site was set up by ATOS ORIGIN at the end of 2000 to enable BOURSORAMA to resume its online transaction services if the principal host system is down. Only the main site has the capacity to receive all the connections from BOURSORAMA customers.

BOURSORAMA's Internet portal is hosted by the company Verio in Paris but is managed and operated by BOURSORAMA. A second disaster recovery site is in the process of being established in other premises managed by Verio in the United Kingdom.

## **2. Role of the Risk Department**

The main functions of the Risk Department are as follows:

- definition, implementation and management of the Group's policy on counterparty risk;
- supervision of the proper application of this policy, and of compliance with procedures;
- definition of the Group's policy on operational risk;
- monitoring of reporting and feedback on operational risk for the Group;
- management of counterparty and market risk;
- implementation and monitoring of risk management tools;
- preparation and distribution of risk reports;
- organising monthly Risk Management Committee meetings in each subsidiary and branch;

- detection and monitoring of account incidents (account overdraft or insufficient margin cover);
- follow-up and management of external service providers used in the collection of receivables (collection companies, bailiffs, lawyers).

## **III - Production and control of financial and accounting information**

### **III.1 - Production of financial and management data**

#### *III.1.A - Roles and responsibilities*

Organisation of finance departments:

Each entity (branch or subsidiary) has its own finance department staffed by a team of two to nine people, depending on the size of the entity (two people in Spain, three in the UK, four in Germany and nine in France). These departments are responsible for compiling all the requisite financial and management data.

They report to the entity manager, who approves all financial information before forwarding it to the Group head office where it can be consolidated. The local finance departments are therefore functionally attached to the Group Finance Department.

Reports drawn up by the finance department:

- Each entity drafts a daily report on the previous day's activity, giving details such as the number of orders executed and the commissions invoiced. These reports are used to monitor trends in activity in relation to forecasts or previous periods. Any divergence can be quickly identified, and steps taken to correct it.
- The Group entities also draft a weekly report on the previous week's activity, providing an overview of business volumes. Projections for average business since the beginning of the month are compared with previous months and with budget forecasts. The reports also give the number of accounts opened, the change in outstanding customer deposits and the average order size.

- The entities produce two monthly reports:

- an accounting report (balance sheet and income statement)
- a management report

o The accounting reports are used to compile Boursorama Group's monthly consolidated accounts. The consolidated data serves as the basis for the reports submitted to the regulatory authorities (Boursorama France and its foreign branches) and the monthly reports submitted to Société Générale's consolidation department.

o The management report is prepared according to a standard format for all Group entities and includes an income statement and a number of management indicators:

- net Banking Income is broken down by type of product. Net commission income is analysed according to the number of orders carried out, the average order size and the level of activity per account. Commissions received and paid are also broken down by category.
- operating expenses are broken down into economic categories, so that they can be monitored more closely, i.e. personnel expenses, marketing costs, IT expenses (which are in turn broken down into items such as information flows, costs relating to the ATOS contract, telecom costs and depreciation).

For 2004, the monthly performances of the Group entities are compared with the monthly budget.

Each entity is responsible for ensuring that its accounting and management reports are consistent. Consolidated figures are also reconciled on a monthly basis.

#### *III.1.B - Accounting standards and principles*

BOURSORAMA's financial statements are drawn up in accordance with French accounting standards: the consolidated financial statements are drawn up in accordance with regulation No. 99-07 of the CRC (French Accounting Regulation Committee), relating to consolidation regulations for companies governed by the CRBF (French Banking and Financial Regulation Committee). The presentation of the financial statements complies with the provisions of CRC regulation No. 2000-04 relating to the summary consolidated statements of companies governed by the CRBF. The accounting methods and principles are presented in the notes to the consolidated financial statements.

#### *III.1.C - Procedures for the production of financial and accounting data (quarterly and half-yearly accounts)*

Each entity produces half-yearly financial and accounting data. The individual financial statements of Boursorama's branches and subsidiaries are then consolidated at the Group's head office.

##### Quarterly accounts:

Boursorama has published its accounts every quarter since 2004. These financial statements are examined closely by the Statutory Auditors.

##### Half-yearly accounts:

The consolidated accounts are subject to a limited audit by the Group's Statutory Auditors who compile a report on this limited examination.

#### *III.1.D - Information systems*

BOURSORAMA uses the CODA accounting system in France, SAP in Germany, SUN ACCOUNTING in the UK and CONTAPLUS ELITE in Spain.

In France, the accounting system has an upstream interface with a number of systems:

- the back office tools (the securities accounting application Cotre is used by Société Générale and is available to Boursorama; the derivatives accounting application GMI is used by Fimat and is also available to Boursorama);
- the advertising and invoice management application for the Boursorama.com website (AdFront, developed by Fivia);
- payroll data (managed using Hypervision and available to Boursorama through ADP GSI);
- fixed asset management tool (Abel Immo, developed by Abel);
- bank statements sent by e-mail on a daily basis by Société Générale are included in the bank reconciliation tools.

Downstream, the system is interfaced with the following tools:

- the consolidation tool (SAFRAN, developed by Cartesis), which itself has an interface with Magnitude, the consolidation tool used by Société Générale;
- the system used for reporting to the Banking Commission (Quetzal, developed by Témenos);
- the software used for tax returns (Etafi).

### III.2 - Internal accounting controls

*III.2.A - Controls of day-to-day operations (verification of the economic reality of the reported information, management of suspense accounts and exchanges between the accounting department and management control division)*

All banking balances are reconciled with accounting balances. This is carried out:

- on a daily basis for the more active accounts (back-office accounts, in particular);
- at least once a month for the least active accounts.

In France, the Company has a Treasury Department comprising four staff, which monitor all cash flows relating to the activities of Boursorama's customers. Each day, the department reconciles the balances of all accounts registering cash transactions: (incoming and outgoing transfers, cheque deposits and requests, direct debits) using a reconciliation tool developed internally in 2002.

In addition, the finance department of each Group entity reconciles the overall balance of customer accounts with the balances extracted from the back-office systems.

Advertising space sold by the media business in France is invoiced using the application AdFront.

The Company has one full-time employee responsible for monitoring all invoicing and the collection of revenues from the sale of advertising space (commercial advertising and financial communication), B2B services (stock market websites, shareholder sites, etc.).

Individual supplier accounts are also reconciled with the overall total for trade account payables. In France, the Company employs one full-time staff member to monitor all supplier accounts (accounting of invoices, payments, etc.).

Lastly, all other balance sheet items are also analysed on a monthly basis.

*III.2.B - First-level controls carried out by the finance departments*

The finance departments of each entity check the consistency of the monthly results, by examining them in relation to

previous months and the budget forecasts, to identify and justify any major variations in income and expenses.

These examinations are noted in a monthly memo by country which is reviewed at Group level.

The finance departments also ensure that the economic results are consistent with the accounting results. Any temporary differences must be justified and then eliminated. A similar reconciliation is also carried out centrally on the consolidated results.

The Group Finance Department reviews the consolidated accounts with the general management and then transmits them to Société Générale for consolidation. Each month, Boursorama submits a consolidation "package" and an economic report.

*III.2.C - Consolidation controls*

Boursorama's accounts are consolidated on a monthly basis using SAFRAN (developed by Cartesis).

The Group Finance Department controls various aspects of the consolidated data, such as the elimination of reciprocal transactions, the elimination of shareholdings and contributions to branches and changes in shareholders' equity.

The consolidated accounts are sent to Société Générale every month for inclusion in the Société Générale Group consolidated financial statements, using Magnitude (developed by Cartesis). At this point, the figures are also checked by Société Générale's consolidation department.

*III.2.D - Accounting controls (permanent accounting supervision, certification of accounts by auditors, auditing of finance departments)*

The permanent supervision system implemented in France also covers the finance function. The system is currently being extended to all Group entities and is scheduled to be completed in 2004.

The Statutory Auditors carry out controls on the parent company and consolidated financial statements, and certify that, in accordance with French accounting rules and principles, they give a true and fair view of the financial position, assets, liabilities and results of the company at the year end.

Moreover, the Statutory Auditors carry out further, specific verifications required by law in accordance with the professional accounting standards applicable in France.

### III.3 - Liaison with the Statutory Auditors

At December 31st, 2004, the Group's Statutory Auditors were Deloitte and Ernst & Young.

Deloitte is in charge of auditing the German branch, while Ernst & Young audits the accounts of the Spanish branch. In France, the two companies share responsibility for the audit. The UK subsidiaries are audited by Baker Tilly & Co, and the consolidated accounts are audited by Deloitte and Ernst & Young.

The Statutory Auditors are consulted as frequently as possible. Any important options for the closure of the accounts are discussed in advance with the Statutory Auditors, so that their remarks can be integrated as early as possible (for example, booking of acquisitions).

The Statutory Auditors carry out three audits a year at each Group entity. They conduct a limited examination of the accounts at June 30th (in August/September) and a full audit of the accounts at December 31st (two assignments, one in November/December and one in January/February).

At the end of each assignment, the Statutory Auditors meet with the management to present and discuss their findings.

The Statutory Auditors closely examine the consolidated quarterly accounts approved by Boursorama before they are published.

The Statutory Auditors take part in the audit committee meetings and present the conclusions of their examinations.

### IV - Changes expected in 2005

The changes in the internal control procedures will be essentially due to changes in regulatory requirements concerning the modification of regulation 97-02 which will come into effect in 2005.

The main changes to the regulation involve the following three points:

- a strict distinction between permanent checks and occasional checks;

- the implementation of compliance checks;
- the extension of checks to outsourced activities (checking essential sub-contractors).

It should be noted that these changes will have little impact on the Group, as Boursorama already complies with these regulatory requirements, as outlined above. Permanent checks (internal audit) is already strictly distinct from occasional checks (Statutory Auditors), compliance checks are included in the different audit and control assignments and outsourced activities are monitored.

## C. Preparation and organisation of the work of the board of directors

### I - Procedures for the preparation and organisation of the work of the Board of Directors

#### I.1 - Procedures for the preparation and organisation of the work of the Board of Directors

##### I.1.A - Legal structure

BOURSORAMA is a French public limited company (société anonyme) with a Board of Directors, governed by the French Commercial Code and is registered with the Trade and Companies Register of Nanterre under the number 351 058 151.

The posts of Chairman of the Board of Directors and Chief Executive Officer at BOURSORAMA are held by the same person.

##### I.1.B - Rules for convening the Board of Directors

Meetings are convened by the Secretary of the Board either orally or by means of letter, telex, telegram, fax or e-mail.

Each director is furnished with all the information required to carry out his/her assignment, and may request any document he/she deems useful.

Where possible under the Company's confidentiality rules, the directors are also sent a dossier sufficiently in advance of the meeting, containing any items on the meeting agenda which require prior thought or analysis.

Between meetings, the directors also receive any information deemed useful concerning significant events or transactions relating to the company.

#### *1.1.C - Existence of committees*

The internal regulations approved by the Board of Directors on March 25th, 2003 define the assignments, powers and operating methods of each committee.

There are two permanent committees:

- The Remuneration Committee:

a) proposes to the Board the criteria for determining the remuneration of the corporate officers and principal managers, including the amount of this remuneration, benefits in kind, welfare and retirement benefits, and all types of remuneration received from companies within the Group. The Committee also ensures that these criteria are applied effectively, notably for the calculation of variable remuneration;

b) proposes to the Board the policy for allocating share subscription and purchase options and gives an opinion on the list of beneficiaries;

c) prepares the Board's decisions concerning the employee savings plan;

d) prepares an annual activity report for submission to the Board and inclusion in the Company's annual report.

The Committee must comprise at least three Directors who are neither corporate officers nor linked to the Company or to any of its subsidiaries through an employment contract. At least one member of the Committee must be independent, as described in the Company's rules on corporate governance.

The Remuneration Committee held a meeting on 20/01/05.

The Chief Executive Officer has the right to attend meetings on matters that do not directly concern him.

- Audit and Accounting Committee:

The role of this Committee is to:

- examine the draft financial statements to be submitted to the Board for approval, and notably to verify the relevance and consistency of the accounting principles used to prepare them;
- examine the consolidation method used by the company;
- examine the Group consolidation scope and supporting documents;
- verify the consistency of the internal control systems used to monitor procedures, risks and compliance;
- conduct the selection of the Statutory Auditors and submit an opinion to the Board of Directors on their appointment, the renewal of their mandate and their remuneration;
- verify the independence of the Statutory Auditors, notably by examining the breakdown of the fees paid to them by the Group and to the network to which they belong, and by approving in advance any assignments that are not strictly part of the control of the Company's financial statements but which may be required as a result of or in connection with this work, all other assignments being excluded;
- examine the Group's internal audit programme and the annual internal control report drawn up in accordance with banking regulations, and give an opinion on the organisation and operation of the internal control departments;
- examine follow-up letters sent by the Banking Commission and formulate an opinion on the draft responses to these letters;
- review the policy for managing risk and monitoring off-balance sheet commitments, notably on the basis of the reports prepared by the Finance Department, the Risk Department and the Statutory Auditors.

In order to fulfil these roles, the Committee may question, as it sees fit, the corporate officers, Statutory Auditors and managers in charge of the accounts, internal controls, risk control and compliance. The Statutory Auditors generally attend Audit and Accounting Committee meetings, unless otherwise decided by the Committee.

The Committee met on February 26th, May 18th, September 9th and October 28th, 2004. The Committee Chairman reports to the Board on the work carried out by the Committee.

The Committee prepares an annual activity report, which is submitted to the Board for approval and is included in the Company's annual report.

The Audit and Accounting Committee must comprise at least three Directors appointed by the Board of Directors and who are neither corporate officers nor linked to the Company or to any of its subsidiaries through an employment contract. At least one member of the Committee must be independent, as described in the Company's rules on corporate governance.

*I.1.D - Existence of internal regulations*

The Board of Directors meeting held on March 25th, 2003 adopted internal regulations defining the organisation and operation of the Board of Directors in accordance with the principles of corporate governance set out in the 1995, 1999 and 2002 AFEP-MEDEF reports.

The internal regulations of Boursorama's Board of Directors define its powers, set the minimum number of meetings which must be held per year (3) and determine the information that must be reported to the directors.

*I.1.E - Code of ethics applicable to directors*

The internal regulations include a code of ethics applicable to

the directors, which defines the level of confidentiality required from each director and non-voting director and the steps to be taken in the event of a conflict of interest.

Each director or non-voting director must comply with the rule of professional secrecy in relation to confidential information received in their official capacity and in relation to the opinions expressed by any of the other directors or non-voting directors.

Since the implementation of directive 2003/6/CE on January 28th, 2003, relating to insider dealing and market manipulation, a list of insiders was established on October 12th, 2004, which included the Board of Directors of Boursorama.

***II - Limitation of the powers of the Chief Executive Officer of a public limited company (société anonyme) with a Board of Directors***

There exist no limitations applicable to the powers of the Chief Executive Officer.

**Report of the Statutory Auditors, drawn up in accordance with the last paragraph of article L. 225-235 of the French Commercial Code, on the report of the Chairman of Boursorama's Board of Directors on internal control procedures relative to the preparation and processing of accounting and financial information**

To the Shareholders,

In our capacity as Statutory Auditors of Boursorama and in compliance with the last paragraph of article L. 225-235 of the French Commercial Code, we hereby present our report on the report drawn up by the Chairman in accordance with article L. 225-37 of the French Commercial Code concerning the year ended December 31st 2004.

The Chairman is required to disclose in his report the procedures used for the preparation and organisation of the work of the Board of Directors and the company's internal control procedures.

It is our duty to inform you of any comments arising from the information provided in the Chairman's report on internal control procedures relative to the preparation and processing of accounting and financial information.

We conducted our work in accordance with the accounting principles generally applied in France, which require that we plan and perform our audit so as to verify the fairness of the information provided in the Chairman's report on internal control procedures relative to the preparation and processing of accounting and financial information. Our audit primarily consisted in:

- checking the targets and overall structure of internal control and the internal control procedures relative to the preparation and processing of accounting and financial information outlined in the Chairman's report;
- checking the methods used in preparing the information provided in the report.

Based on our audit, we have nothing to report with respect to the description of the company's internal control procedures relative to the preparation and processing of accounting and financial information provided in the Chairman's report, drawn up in accordance with the last paragraph of article L. 225-37 of the French Commercial Code.

Paris – La Défense and Neuilly sur Seine on April 27th 2005

Statutory Auditors

ERNST & YOUNG Audit  
Christian MOUILLON

Deloitte & Associés  
José-Luis GARCIA

## ▶▶▶ APPENDIX 2

### TABLE OF RESULTS FOR THE LAST FIVE YEARS

|  | 2004       | 2003       | 2002       | 2001       | 2000       |
|--|------------|------------|------------|------------|------------|
| <b>Financial position at year-end</b>  |            |            |            |            |            |
| Share capital (1)  | 27,317     | 27,307     | 27,307     | 23,270     | 22,172     |
| Number of shares   | 68,292,415 | 68,268,316 | 68,267,221 | 58,176,000 | 58,176,000 |
| <b>Results of operations</b>   |            |            |            |            |            |
| Total net income   | 73,510     | 67,856     | 37,311     | 46,553     | 62,710     |
| Earnings before income tax, depreciation, amortisation and employee profit sharing | 17,366     | 1,523      | 1,014      | -24,863    | -22,375    |
| Employee profit sharing  | -          | -          | -          | -          | -          |
| Income tax   | -          | -          | -          | -82        | 7          |
| Net income after tax, depreciation, amortisation and provisions                    | 14,475     | -16,907    | -45,056    | -53,762    | -31,304    |
| Total dividend paid  | -          | -          | -          | -          | -          |
| <b>Adjusted earnings per share</b>   |            |            |            |            |            |
| (in euros)   |            |            |            |            |            |
| Earnings after tax but before depreciation, amortisation and provisions            | 0.245      | -          | -          | -          | -          |
| Earnings after tax, depreciation, amortisation and provisions                      | 0.212      | -          | -          | -          | -          |
| Dividend per share   | -          | -          | -          | -          | -          |
| <b>Personnel</b>   |            |            |            |            |            |
| (Employees at year-end)  |            |            |            |            |            |
| Number of employees  | 308        | 322        | 236        | 259        | 327        |
| Total payroll  | 16,968     | 18,363     | 9,416      | 16,939     | 13,695     |

(1) At December 31st, 1999, the share capital of Fimatex SA was FRF 82,800,000 made up of 828,000 shares with a nominal value of FRF 100 per share.

The capital increase of FRF 26,240,000 approved by the Extraordinary Shareholders' Meeting of December 27th, 1999 was subscribed and paid up in January 2000, bringing the share capital to FRF 109,040,000, divided into 1,090,400 shares with a nominal value of FRF 100 each.

On February 23rd, 2000, the nominal value was divided by 40 and the share capital comprised 43,616,000 shares at FRF 2.50 each. When Fimatex SA was floated on the Nouveau Marché of the Paris stock exchange on March 21st, 2000, the share capital increased to FRF 145,440,000, 75% of which was held, directly or indirectly, by Société Générale.

When the share capital was converted to euros (nominal value rounded up to the nearest multiple of ten cents), the additional paid-in capital of € 1,098,215 was incorporated.

Boursorama issued 10,091,221 new shares on June 28th, 2002 in return for the contribution of Finance Net SA shares.

On September 30th, 2003, Boursorama issued 1,095 new shares in return for the contribution of Selftrade shares not already held by Boursorama.

At December 31st, 2003, the share capital stood at € 27,307,000, made up of 68,268,316 shares with a nominal value of € 0.40 per share.

At December 31st 2004, following the exercise of stock options in 2004, the share capital stood at € 27,317,000, made up of 68,292,415 shares with a nominal value of € 0.40 per share.

## APPENDIX 3

### SPECIAL REPORT - INFORMATION ON STOCK OPTION PLANS

On June 30th, 2004, Boursorama granted 1,419,350 stock options to 84 beneficiaries including 6 members of the Executive Board at a strike price of € 5.91, expiring on June 30th, 2014.

| STOCK OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES GRANTED TO AND EXERCISED BY CORPORATE OFFICERS       | Number of options allotted/Number of shares subscribed or purchased | Price | Expiry date |
|--|---|-------|-------------|
| Options granted over the financial year to each corporate officer by the issuer and each Group company |   |       |             |
| Vincent TAUPIN   | 100,000   | 5.91  | 30/06/2014  |

| STOCK OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES GRANTED TO AND EXERCISED BY THE TOP 10 EMPLOYEES   | Number of options allotted/Number of shares subscribed or purchased | Price | Expiry date |
|--|---|-------|-------------|
| Numbers of options granted by the issuer and Group companies to the top 10 employees listed as beneficiaries of the plan who receive the most options. |   |       |             |
| Olivier LECLER   | 70,000  | 5.91  | 30/06/2014  |
| Alexandre BAUMEISTER   | 50,000  | 5.91  | 30/06/2014  |
| Benoît GRISONI   | 50,000  | 5.91  | 30/06/2014  |
| Charles MORANE   | 50,000  | 5.91  | 30/06/2014  |
| Arnaud POUTIER   | 50,000  | 5.91  | 30/06/2014  |
| Burkhard NATHER  | 50,000  | 5.91  | 30/06/2014  |
| Ramon BLANCO DUELO   | 50,000  | 5.91  | 30/06/2014  |
| Andrzej KAWALEC  | 30,450  | 5.91  | 30/06/2014  |
| David LANGLOIS   | 30,450  | 5.91  | 30/06/2014  |
| Mathieu WERLEN   | 30,450  | 5.91  | 30/06/2014  |

## APPENDIX 4

### SPECIAL REPORT

#### Information on stock options

| STOCK OPTIONS EXERCISED BY TOP EMPLOYEES IN 2004 | PLAN            | Expiry date | Strike Price in EUR | Number of options exercised in 2004 | Number of Boursorama shares created in 2004 |
|--|-----------------|-------------|---------------------|-------------------------------------|---|
| GONZAGUE DE DEMANDOLX                            | PLAN 31.08.1999 | 30.08.2009  | 2.40452             | 996                                 | 996   |
| PATRICIA SALIBA                                  | PLAN 21.04.1999 | 21.04.2009  | 0.93655             | 1,395                               | 1,395                                       |
| GABRIELLE ARNAUD                                 | PLAN 31.08.1999 | 30.08.2009  | 2.40452             | 2,192                               | 2,192                                       |
| AGNES LAFONT                                     | PLAN 21.04.1999 | 21.04.2009  | 0.93655             | 2,800                               | 2,800                                       |
| CHRISTEL JAHAN                                   | PLAN 21.04.1999 | 21.04.2009  | 0.93655             | 3,000                               | 3,000                                       |
| SYLVIE TORNO-LE FRANCOIS                         | PLAN 21.04.1999 | 21.04.2009  | 0.93655             | 3,416                               | 3,416                                       |
| PATRICK MICHEL                                   | PLAN 31.08.1999 | 30.08.2009  | 2.40452             | 10,000                              | 10,000                                      |
| FREDERIC DE ROCHEFORT                            | PLAN 31.08.1999 | 30.08.2009  | 2.40452             | 300                                 | 300   |
| <b>TOTAL</b>                                     |                 |             |                     | <b>24,099</b>                       | <b>24,099</b>                               |

## ▶▶▶ APPENDIX 5

### AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS AT THE GENERAL SHAREHOLDERS' MEETING

| AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS AT THE GENERAL SHAREHOLDERS' MEETING   | DATE OF AUTHORISATION/<br>DURATION | EXPIRY DATE  | USE IN 2004   |
|---|------------------------------------|--|---|
| Authorisation to implement stock option plan  | 28/06/02<br>38 months              | Valid until<br>28/08/2005                              | Used by the Board of Directors on June 30th, 2004:<br>see special report on stock options |
| Authorisation to issues shares with express waiver of pre-emptive subscription rights on all securities and to increase the capital by a maximum of € 200 million or in payment of transferred shares | SM 14/05/2002<br>26 months         | Valid until<br>07/2004<br>Renewed at the<br>SM in 2004 | Not exercised   |
| Authorisation to increase the capital through the incorporation of reserves, earnings or premiums by up to € 200 million  | SM 14/05/2002<br>26 months         | Valid until<br>07/2004<br>Renewed at the<br>SM in 2004 | Not exercised   |
| Authorisation to increase the capital through the issuance of shares reserved for employees   | SM 03/05/2004<br>3 years           | Valid until<br>03/05/2007                              | Not exercised   |