

Reference document 2000/2001



BVRP Software

A limited company with a registered capital of 3,648,420 euros

Head office: 1 bis rue Collange, 92300 Levallois-Perret

NANTERRE Trade and Companies Register n° B 329 764 625 - NAF Code: 722Z

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Commission des Opérations de Bourse

This document was registered with the COB (Paris Stock Exchange regulatory body) on 02/08/2002 under n° R02-202. It may only be used to endorse a financial operation in conjunction with a notice certified by the COB. This reference document has been drawn up by the issuer and is legally binding on all signatories. This registration, made after examination of the relevance and consistency of the information given on the company's situation, does not imply authentication of the accounting and financial documents presented.

NOTE FROM THE COB

The COB (Paris Stock Exchange regulatory body) draws the public's attention to the fact that the maximum potential dilution of capital, described in paragraph 2.2.3, is 51.1%.

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Chapter 1

Person responsible for the reference document and certifications

1.1 PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

- *Name and position of the person responsible for this document*

BRUNO VANRYB

Chairman of the Board of Directors

- *Declaration by the person responsible for this document*

"To the best of our knowledge, the information presented in this reference document fairly reflects the current situation and includes all the information required by shareholders and the public to assess the net asset position, activities, financial solvency, results and future prospects of the company. No information likely to affect the interpretation of this document has been omitted."

Chairman and CEO
Bruno VANRYB



1.2 PERSONS RESPONSIBLE FOR THE FINANCIAL AUDIT

- *Designated Statutory Auditors*

MR. ALAIN GATEAU

2 avenue MARCEAU - 75008 PARIS

Appointed on 4th February 2000 for a period of six financial years. Mr. Gateau's term of office will expire at the end of the Ordinary General Meeting called to approve the accounts for the financial year ending 31st December 2005.

APLITEC S.A. REPRESENTED BY MR. GÉRARD LEPLÉ

44 Quai de Jemmapes - 75010 PARIS

Appointed on 12th February 1998 for a period of six financial years. Aplitec's term of office will expire at the end of the Ordinary General Meeting called to approve the accounts for the financial year ending 31st December 2003.

- *Deputy Statutory Auditors*

MR. GUY COSSON

18 rue Notre-Dame de Lorette - 75009 PARIS

Appointed on 4th February 2000 for a period of six financial years. Mr. Cosson's term of office will expire at the end of the Ordinary General Meeting called to approve the accounts for the financial year ending 31st December 2005.

MR. PIERRE LAOT

44 Quai de Jemmapes - 75010 PARIS

Appointed on 12th February 1998 for a period of six financial years. Mr. Laot's term of office will expire at the end of the Ordinary General Meeting called to approve the accounts for the financial year ending 31st December 2003.

1.3 AUDITOR'S DECLARATION ON THE REFERENCE DOCUMENT

In our capacity as Statutory Auditors for BVRP SOFTWARE, pursuant to COB rules 95-01 and in accordance with the professional standards applicable in France, we have examined the information relating to the financial situation of the company and the background information given in this reference document.

The Chairman of the Board of Directors is responsible for drawing up this document. Our responsibility is to express an opinion on the fair presentation of the information relating to the financial situation and the accounts contained in this document.

In accordance with the professional standards applicable in France, we are required to assess the fair presentation of the information relating to the financial situation and the accounts and to check that it corresponds to the accounts presented. We are also required to read the other information contained in the reference document and to identify any significant inconsistencies with respect to the information concerning the financial situation and the accounts for the purposes of notifying any obvious irregularities that may have come to our attention, based on our general knowledge of the company acquired during the course of our duties. As the information consists of financial and accounting forecasts resulting from a structured planning process, we have taken into account the assumptions made by the managers and the corresponding figures they presented.

The annual accounts and the consolidated accounts for the financial years ending 31st July 2000 and 31st December 2001 closed by the Board of Directors were audited by ourselves according to the professional standards applicable in France and certified without reservation or comment.

On the basis of this work, we have no comments to make as to the fair presentation of the financial situation and accounts presented in this reference document.

Mr. Alain GATEAU



Drawn up in Paris on 1st August 2002
THE AUDITORS



APLITEC represented by
Mr. Gérard LEPLÉ

1.4 COMMITMENT MADE BY THE INTRODUCER AND MARKET MAKER

The stockbrokers firm, Oddo-Pinatton has served as Introducer and Market Maker (IMM) for BVRP since its initial stock market listing. In the terms of the most recent agreement signed on 7th March 2002, the stock market company Oddo-Pinatton is committed itself to ensuring the strength of BVRP Software shares on the market until 31st December 2002.

1.5 PERSONS RESPONSIBLE FOR INFORMATION

Monsieur Bruno VANRYB - Chairman and CEO
BVRP Software SA - 1 bis rue Collange
92593 Levallois-Perret cedex
Tel.: (33 1) 1 41 27 19 70 Fax: (33 1) 1 41 27 37 60

Monsieur Thierry BONNEFOI - Chief Financial Officer
BVRP Software SA - 1 bis rue Collange
92593 Levallois-Perret cedex
Tel.: (33 1) 1 41 27 19 70 Fax: (33 1) 1 41 27 37 60

Chapter 2

General information

2.1

COMPANY INFORMATION

2.1.1 CORPORATE NAME

The name of the company is BVRP.

2.1.2 DATE OF FORMATION

The company was formed on 28th May 1984.

2.1.3 HEAD OFFICE

1 bis rue Collange
92300 Levallois-Perret

2.1.4 DURATION OF THE COMPANY

The duration of the company is 60 years and it will be wound up on 28th May 2044.

2.1.5 LEGAL FORM

It is a limited company with a registered capital of €3,648,420 governed by the provisions of Book II of the Code of Commercial Law with respect to commercial companies and joint enterprises and by decree no. 67-236 of 23rd March 1967.

2.1.6 FINANCIAL YEAR

Each financial year lasts for one year, beginning on 1st January and ending on 31st December.

2.1.7 CORPORATE AIMS

The corporate aims are:

- creation and sale of computer software;
- manufacture and sale of all types of electronic and IT equipment;
- provision of all services relating to the above-mentioned activities;
- company participation by all means, either directly or indirectly, in all operations related to its aims through the creation of new companies, contribution, subscription or purchase of corporate securities or rights, mergers or otherwise, creation, acquisition, hire and leasing of all businesses or establishments;
- takeover, acquisition, operation or disposal of all processes and patents involved in these activities.

And generally, all industrial, commercial, financial, civil, movable or fixed asset operations which could be linked either directly or indirectly to any of the above aims or to any other similar or related aims.

2.1.8 TRADE AND COMPANIES REGISTER

NANTERRE B 329 764 625

2.1.9 ACTIVITY CODE

Activity Code: 722Z

2.1.10 APPROPRIATION AND DISTRIBUTION OF PROFITS

If the accounts for the financial year approved by the General Meeting show a distributable income as defined by law, the General Meeting will decide to enter it under one or several reserve accounts for which it will determine the appropriation and use. The distributable income will thus be entered either as retained earnings or distributed as dividends.

Any losses will, after approval of the accounts by the General Meeting, be entered as retained earnings to be offset against the profits of subsequent financial years, until completely cancelled out.

2.1.11 GENERAL MEETINGS

General Meetings are called as required by law.

The General Meeting is attended by all shareholders, regardless of the number of shares they hold, subject to their having been registered under a named account at least five days prior to the date of the meeting. No-one may represent a shareholder unless he/she is also a shareholder or the spouse of the shareholder represented.

The General Meeting is chaired by the Chairman of the Board of Directors or by a Board member delegated for this purpose by the Board or, failing this, by a person designated by the Meeting.

The role of teller is performed by the two members of the General Meeting who have the highest number of votes and who agree to act in this capacity. The Board designates a secretary who may be chosen from outside the body of shareholders.

The proceedings of the General Meeting are recorded in minutes, as required by law.

Ordinary and Extraordinary General Meetings ruling in compliance with the conditions on quorum and majority votes specified in the relevant regulations exercise the powers attributed to them by law.

Each share of equal nominal value gives the right to the same number of votes and each share gives the right to at least one vote.

However the Extraordinary Shareholders Meeting held on 31st October 1996 has decided to grant a double voting right to:

- a) All fully paid-up shares for which nominative registration can be proved for at least two years in the name of the same shareholder.

b) Nominative shares attributed free of charge to a shareholder if capital is increased by the incorporation of reserves, profits or issue premium for those shares for which the shareholder enjoys this right.

This right is applicable as of the date of this Meeting to all shareholders having held their shares for more than two years.

These provisions appear in article 12 of the company's by-laws.

This right to a double vote will cease ipso jure for any share converted to the bearer or with transfer of ownership. Nevertheless, the above-mentioned time period is not interrupted by, and acquired rights are retained for, any transfer due to inheritance, liquidation of joint estate between spouses and inter vivos gifts, for the benefit of a spouse or family member entitled to succeed to the estate.

2.1.12 SHARES IN EXCESS OF THRESHOLD

Any shareholder, acting alone or jointly, who holds more than one twentieth, one tenth, one fifth, one third, half or two thirds of the capital of the Company must comply with the provisions laid down in article 233-14 of the Code of Commercial Law and more particularly must immediately inform the Company of this fact by registered letter with recorded delivery.

Apart from the legal limits, no statutory declaration is provided for. In the event of failure to comply with this obligation, the provisions laid down in article 233-14 of the Code of Commercial Law will apply.

2.1.13 CONSULTATION OF CORPORATE DOCUMENTS

Articles of association, minutes and other corporate documents are available for consultation at the company's head office.

2

INFORMATION CONCERNING SHARE CAPITAL

2.1.1 SHARE CAPITAL

As of 31st December 2001, the subscribed capital was €3,648,420, representing a total of 3,648,420 shares of the same category with a nominal value of €1.

Increase in capital

During the financial year, the share capital was increased from FRF16,394,950 to €3,648,420 with the conversion of the share capital through an increase in the nominal value of the shares from FRF5 to €1 and the issue of 369,430 new shares with a nominal value of FRF5 including:

- 15,322 shares subscribed through employee stock option schemes,
- 36,530 shares subscribed through equity warrants granted to management,
- 139,976 shares subscribed through equity warrants granted as earn-out payment of some acquisitions,
- 177,602 shares issued as part of BVRP Software's takeover bid for AB Soft shares.

TABLE OF INCREASE IN CAPITAL

Date	Transaction	Number of shares		Nominal value	Share capital
		before	after		
May 1984	issue		200	FRF100	FRF20,000
10/09/85	capital increase	200	500	FRF100	FRF50,000
27/10/87	capital increase	500	2,500	FRF100	FRF250,000
27/10/89	capital increase	2,500	4,805	FRF100	FRF480,500
10/01/90	capital increase	4,805	4,805	FRF500	FRF2,402,500
10/06/94	capital increase	4,805	6,225	FRF500	FRF3,112,500
25/07/96	capital increase	6,225	6,848	FRF500	FRF3,424,000
14/08/96	capital increase	6,848	6,848	FRF1,170	FRF8,012,160
14/08/96	reduction of nominal	6,848	801,216	FRF10	FRF8,012,160
11/12/96	capital increase	801,216	1,202,216	FRF10	FRF12,022,160
15/07/98	capital increase	1,202,216	1,226,092	FRF10	FRF12,260,920
20/01/99	capital increase	1,226,092	1,402,219	FRF10	FRF14,022,190
14/09/99	capital increase	1,402,219	1,416,159	FRF10	FRF14,161,590
10/03/00	capital increase	1,416,159	1,466,662	FRF10	FRF14,666,620
25/04/00	capital increase	1,466,662	1,615,995	FRF10	FRF16,159,950
25/04/00	reduction of nominal	1,615,995	3,231,990	FRF5	FRF16,159,950
02/08/00	capital increase	3,231,990	3,278,990	FRF5	FRF16,394,950
18/05/01	capital increase	3,278,990	3,456,592	FRF5	FRF17,282,960
21/05/01	capital increase	3,456,592	3,601,218	FRF5	FRF18,006,090
17/10/01	capital increase	3,601,218	3,648,420	FRF5	FRF18,242,100
17/10/01	conversion into euros	3,648,420	3,648,420	€1	€3,648,420

Chapter 2

General information

Assuming that all of the securities-related rights giving future access to capital (section 2.2.3) were exercised, BVRP Software's capital would be increased by a total of €13,988,859, i.e. €1,363,075 in share capital and €12,625,784 in premiums.

The share capital would thus increase from €3,648,420 to €5,011,495.

Assuming also that all of the convertible bonds were converted into shares, BVRP Software's capital would be increased by €500,000 to reach a total of €5,511,495.

BREAKDOWN OF CAPITAL AND VOTING RIGHTS

To the company's knowledge, the breakdown of capital and voting rights as of 31st December 2001 was as follows:

Shareholders	Number of shares	% of capital	% of voting rights
Roger Politis	151,733	4.16 %	7.05 %
Bruno Vanryb	106,580	2.92 %	5.05 %
Bertrand Michels	100,238	2.75 %	2.55 %
<hr/>			
Subtotal 1			
Jointly-held shares (*)	358,551	9.83 %	14.65 %
<hr/>			
Nation Credit Commercial Inc.	96,739	2.65 %	2.46 %
Fidelity (**)	312,603	8.57 %	7.96 %
Held by the company	2,731	0.07 %	0.00 %
Floating (**)	2,877,296	78.88 %	74.93 %
<hr/>			
Subtotal 2	3,289,869	90.17 %	85.35 %
<hr/>			
Total 1+2	3,648,420	100 %	100 %

* legal presumption of article L.233-10-II of the Commercial Code

** estimated amounts

To the company's knowledge, no shareholders hold – either directly, indirectly, or jointly – 5% or more of corporate capital or voting rights.

The chief evolutions since 31st July 2000 include the gradual withdrawal of Invesco, who now holds less than 5% of capital (against 11% on 31st July 2000), and the entry in capital of Bertrand Michels following the contribution of shares held in AB Soft during the exchange bid concluded in May 2001.

The number of shareholders exceeds 12,700 (source: Sicovam December 2001), a 27% increase against the preceding year.

The number of voting rights as of 31st December 2001 was 3,949,419.

Hayes Microcomputer was put into receivership (chapter 11 petition US Bankruptcy Court District of Delaware) on 9th October 1998. Hayes Microcomputer Products gave 96,739 BVRP shares as collateral to Nations Credit Commercial Inc. as a guarantee for a loan.

2.2.2 AUTHORIZED UNISSUED CAPITAL

None.

2.2.3 POTENTIAL CAPITAL

During the financial year beginning 31st July 2000, 15,322 previously granted stock options and 54,430 previously granted equity warrants were exercised.

The second Extraordinary General Meeting held on 10th July 2001 approved the cancellation of the stock options scheme proposed on 15th June 2000 and authorized the Board of Directors to issue a new scheme for a maximum of 500,000 stock options granting the right to subscribe an equivalent number of shares.

In addition, the Meeting cancelled 322,124 previously granted equity warrants and authorized several conditional equity warrant schemes for a maximum of 557,188 warrants granting the right to subscribe an equivalent number of shares.

At their meeting of 5th October 2001, the Board of Directors proposed a stock options scheme as authorized by the General Meeting. 422,970 options to subscribe an equivalent number of shares were granted to the Group's employees.

At their meetings of 10th July 2001, 5th October 2001 and 5th December 2001, the Board of Directors implemented the resolutions of the General Meeting of 10th July 2001 and granted 535,412 warrants to subscribe an equivalent number of shares. The 21,776 warrants authorized and not yet granted would be cancelled.

The Meeting of 10th July 2001 authorized a bond issue reserved for the Société Générale, with the option to convert these bonds into and/or trade them for new or existing shares. They were issued on 6th August 2001. The maximum number of new shares that could be created is 500,000.

The table below, established on 31st December 2001, summarizes the current stock options schemes. The number of shares takes into account the division by two of the nominal value of shares voted by the General Meeting of 20th April 2000.

Beneficiaries	BVRP SA employees	BVRP SA employees	LAB Production employees	BVRP USA employees	Kommunicate/Trio employees	BVRP Group employees
Date of meeting	31/10/96	16/07/98	16/07/98	16/07/98	22/12/98	10/07/01
Number of shares authorized	118,518	150,000	18,000	70,000	90,000	500,000
Date of the meeting of the Board of Directors	15/11/96	19/10/98	19/10/98	19/10/98	11/02/99	5/10/01
Number of shares attributed as of 31/12/01	118,518	129,316	15,366	61,378	75,933	422,970
Subscription price	€0,76	€17,46	€17,46	€17,46	€20,43	€3,93
Conditions for exercising	1/3 per year of presence	1/3 per year of presence	1/3 per year of presence	1/3 per year of presence or according to results and revenues objectives	1/3 per year of presence or according to results and revenues objectives	1/3 per year of presence or according to results and revenues objectives
Rights acquired as of 31/12/2001	118,518	123,254	11,290	55,778	39,096	-
Shares subscribed as of 31/12/2001	107,778	-	-	42,482	7,310	-
Maximum potential shares	10,740	150,000	18,000	27,518	82,690	500,000

The table below drawn up on 31st December 2001 gives the date, price and mode of attribution of the equity warrants:

Beneficiaries	American management	American management	American management	Kommunicate management	BVRP SA management
Date of meeting	16/07/98	10/07/01	20/04/00 and 10/07/01	22/12/98 and 10/07/01	22/12/98
Number of shares authorized	74,000	123,180	20,000	170,000	100,000
Date of the meeting of the Board of Directors	19/10/98	5/10/01	15/06/00 et 5/10/01	23/12/98 et 5/10/01	23/12/98
Number of shares attributed as of 31/12/01	74,000	101,540	20,000	170,000	100,000
Subscription price	€14,48	€3,93	€36,78	€14,18	€17,46
Conditions for exercising	1/3 per year according to results objectives	1/3 per year according to results objectives		1/3 per year according to results objectives	1/3 per year according to share price objectives
Rights acquired as of 31/12/2001	74,000	-	20,000	77,996	66,668
Shares subscribed as of 31/12/2001	14,000	-	100	29,965	-
Maximum potential shares	60,000	101,540	19,900	25,736	66,668

Beneficiaries	BVRP SA Managers	BVRP SA Managers	Seattle Lab	Lab Production	BVRP SA Directors
Date of meeting	10/07/01	10/07/01	20/04/00	10/07/01	10/07/01
Number of shares authorized	200,000	70,000	85,602	36,950	5,000
Date of the Board meeting	5/10/01	5/10/01	15/06/00	5/12/01	5/10/01
Number of shares attributed as of 31/12/01	200,000	70,000	85,602	36,950	5,000
Subscription price	€3,93	€24,65	€48,25	€26	€3,93
Conditions for exercising	1/3 per year depending on market price objectives	1/3 per year depending on market price objectives and income	1/2 per year according to income and revenue objectives		1/3 per year of presence
Rights acquired as of 31/12/2001	-	-	-	36,950	-
Shares subscribed as of 31/12/2001	-	-	-	-	-
Maximum potential shares	200,000	58,333	-	36,950	5,000

The data pertaining to the number of options or BSA assigned to directors appear in the table of chapter 5.1 of the consolidated appendix.

Chapter 2

General information

There have been no major changes since 31st December 2001.

Assuming that all rights related to the authorized options and equity warrants are exercisable and are exercised, BVRP Software's capital would be increased by a total of €13,988,859, i.e. €1,363,075 of share capital and €12,625,784 of issue premiums. The share capital would thus rise from €3,648,420 to €5,011,495, an increase of 37.4% spread over the years from 2002 to 2007.

In implementation of the authorization extended by the General Shareholder's Meeting of 10th July 2001, 5,000 convertible bonds were issued for an overall amount of €5,000,000 with the following specifications:

- number of bonds issued: 5,000
- unit price: €1,000
- issue price: the pair
- insurance date and settlement: 6th August 2001
- issuing reserved for Société Générale
- length of the loan: 3 years
- annual interest: between 3.50% and 4.50%
- interest payable quarterly
- gross actuarial yield rate: 4.64% (based on a 4.50% interest rate and in case of non-conversion and/or exchange of shares)
- normal amortization: at pair on 6th August 2004
- early amortization: possible on the will of the bearer. The conversion of bonds can be made at share prices varying between €10 and €12.53 per share.
- conversion: bearers of bonds can request conversion and/or exchange of securities for shares, at any time as of the release date, at the rate of 100 shares for 1 bond.
- early payment: bonds become payable in the case of BVRP stock not allowed for trading, in the case of an investigation opened by the Stock Exchange commission (COB), in the case of a takeover of the BVRP Software company, in the case of the discontinuation of the current directors, or in the case of the payment of an exceptional dividend. Bonds also become immediately payable in case of a default in payment by the company, in case of the non-respect by the company of its obligations of the bonds issuing agreement, in the case of an amiable settlement of the company with its principal creditors, amiable or legal liquidation, or the total shedding of activity.
- preferential subscription rights: shareholders have renounced their preferential subscription rights.
- integration possible
- rights granted to new shares: shares issued following conversion are subject to the provisions of the articles of association and will enjoy same rights as the other shares. They grant the right to dividends placed in distribution after their creation, including those distributed using former financial years income. They are fully integrated, as of their issuing, with earlier shares of the same category.
- rights linked to existing shares: shares yielded through a bonds exchange will draw dividends immediately.
- negotiability: there is no restriction over the free negotiation of bonds and new shares issued upon conversion.

On 31st December 2001, there had been no conversion or exchange of securities for shares. In May 2002, the Société Générale requested the admission of 5,000 new shares following the conversion of 50 bonds.

Supposing that the number of shares was issued following the conversion of all of the convertible bonds (500,000 shares), company share capital would be increased by an additional €500,000, reflecting a 13.7% dilution.

Also assuming that the maximum number of new shares were issued by all available means, the share capital would increase to €5,511,495, i.e. by 51.1%.

It is nonetheless necessary to note that:

- warrants and part of stock options can only be exercised if certain objectives in the growth of net sales, income, and stock prices have been achieved.
- nearly half of the shares which could feasibly be created are at exercise prices significantly higher than the current stock price.

2.2.4 SHAREHOLDERS' AGREEMENT

A shareholders' agreement was signed on 31st July 2001 between the directors of BVRP Software, Mr. Bruno Vanryb, Mr. Roger Politis and Mr. Bertrand Michels, respectively CEO and Deputy Managing Directors of BVRP Software. As a result of this agreement, a notice was published by the Capital Market Commission (notice CMF 202CO494).

As inferred by article L.233-10 II of the Code of Commercial Law, the signatories jointly hold 358,551 shares in BVRP Software, representing 9.8% of the share capital and 14.7% of the voting rights.

The purpose of the agreement is to ensure relative stability in the stock ownership of the company to encourage its economic development by organizing the methods of selling shares owned by the signatories, including, under certain circumstances, a preemptive right and an associated exit clause, whilst at the same time allowing the signatories to enjoy the relative freedom to dispose of some of their shares.

2.2.5 COLLATERALIZATION OF CAPITAL

There is no collateral on the company's capital.

2.3 DIVIDENDS

The company has never declared or paid any dividends on its shares. In accordance with the policy that was announced when it went public, the company plans to reinvest its profits to finance its growth and does not plan to distribute dividends in the short term.

As stipulated by the provisions of article 2277 of the Civil Code, dividends that are not claimed within a period of five years from their payment date are considered lapsed to the benefit of the State.

2.4 SECURITIES MARKET

2.4.1 GENERAL INFORMATION

- Sicovam Code: 5478
- Market: Paris Stock Exchange – Nouveau Marché
- Number of shares quoted as of 31st December 2001: 3,648,420
- Closing price as of 31st December 2001: €8.15
- Market capitalization as of 31st December 2001: M€29.
- Listing on the Nouveau Marché on 5th December 1996
- Initial listing price of the stock: €9.14 (before the nominal value was divided by two)
- Capitalization at time of flotation M€11.0

2.4.2 STOCK PRICE FLUCTUATIONS

Month	Volumes traded	Volume in K€	Average price in €	Highest in €	Lowest in €
January 2001	246,471	9,441	38.53	44.50	32.01
February 2001	129,227	4,640	36.56	39.80	31.00
March 2001	108,000	2,995	28.20	32.10	23.50
April 2001	188,234	5,209	26.63	32.80	22.50
May 2001	201,176	6,300	30.49	33.99	25.50
June 2001	177,277	3,692	21.01	27.19	15.01
July 2001	243,986	3,133	13.15	18.95	10.18
August 2001	233,919	2,563	10.71	12.00	9.00
September 2001	1,309,220	6,130	5.28	9.46	2.30
October 2001	1,692,601	12,406	7.35	10.39	5.21
November 2001	892,533	6,800	7.28	8.95	6.10
December 2001	298,650	2,402	8.06	8.95	6.10
January 2002	255,178	2,353	9.25	9.84	8.15
February 2002	63,526	569	8.94	9.49	8.50
March 2002	88,089	782	8.90	9.45	8.52
April 2002	204,152	1,819	8.90	9.60	7.60
May 2002	107,042	805	7.45	8.75	5.40
June 2002	94,541	580	5.75	6.40	4.82

Source: Euronext

The volume traded in 2001 increased by 86% against 2000.

2.4.3 STOCK REPURCHASE PROGRAM

The first resolution of the Ordinary General Meeting of 28th June 2001 authorized BVRP Software's Board of Directors to repurchase the company's own stock during the 18 months following the authorization date, in the following decreasing order of priority for the purposes of:

- stabilizing the market price of the company's shares by systematically acting against the current trend;
- buying and selling the company's shares according to market conditions;
- surrendering these shares when exercising the rights related to securities granting rights to the company's existing stock;
- surrendering these shares in payment or exchange, specifically as part of its external growth transactions.

This program plans for a maximum purchase price of €70 per share (not including costs) and a minimum selling price of €15 not including costs. The company must not hold more than 10% of its own stock at any one time. An information memo was submitted to the COB and certificate n° 01-744 was received on 7th June 2001.

A liquidity agreement was signed between BVRP Software, Oddo & Cie Entreprise d'Investissement and Oddo Pinatton Corporate on 7th March 2002. By mandate entrusted to it, Oddo Pinatton Corporate acts fully independently and appreciate opportunities to intervene on the Market.

As of 31st December 2001, the company held 2,731 of its own shares and none as of 30th June 2002. These shares stem from purchases made independently by the market maker in the framework of the liquidity agreement.

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Information concerning activity, recent development and future prospects

3.1

PRESENTATION OF THE COMPANIES IN THE GROUP

BVRP SOFTWARE SA

BVRP Software was founded in 1984 with the aim of publishing professional software for the general public for use on PCs and compatible microcomputers.

From 1987 onwards, BVRP focussed its activities on the development of communication software, a sector in which major publishers were not represented. BVRP was one of the first companies in the world to market fax software for microcomputers at a time when traditional fax machines were only just being introduced into companies.

BVRP Software therefore made its mark as French leader in communication software. In 1990, like all other companies in the sector, it had to face strong pressure on prices. On the strength of the reputation of its products and its technological edge, BVRP decided to redirect its strategy in order to open up the widest possible market for its software by:

- creating a complete range of high-performance products for the general public, marketed at an attractive price via **sales through Distributors**,
- creating a simplified range of products translated into numerous languages and intended for international **OEM (Original Equipment Manufacturer) sales**.

BVRP Software sells its products through three main distribution channels:

- OEM sales combining software with equipment (e.g. PC, modem, telephone and Windows CE). The software thus becomes a component in a global package sold by the equipment manufacturer. This sales channel enables the product to be distributed widely and very quickly, in particular on the international market, and
- distributor sales, through which software is sold separately via networks of wholesalers and IT dealers. Since the AB Soft buy-out, the teams managing this distribution channel have been merged with the AB Soft teams.
- direct sales via e-commerce. Purchasers can download BVRP's software from its Web sites.

In 1997, BVRP Software decided, using its expertise in the field of communication technologies and its technical support structure to extend its activities by offering its customers a whole range of services. The spectacular development of the Internet highlighted a large scale need for software and associated services. BVRP Software decided to use its on-line services to provide the company with a new axis for growth that would complement its communication software. These activities constitute the **Services sector** and include:

- developing connection kits required to install an on-line service,
- setting up and operating a call management technical support service.

These operations expanded considerably over the last five years and were sold to the SR Téléperformance Group at the beginning of April 2002.

TECHCITY SOLUTIONS

Techcity Solutions was set up in April 2000 in partnership with SR Téléperformance, the world leader in customer relations management, to specialize in high-level technical support. SR Téléperformance offered this venture its expertise in setting up, developing and managing remote service solutions and CRM. BVRP contributed its knowledge of the high-tech and telecommunications markets and its proven ability to manage a high-level support service in these fields.

After two years of rapid growth, Techcity Solutions was sold in April 2002 to SR Téléperformance, together with the Services sector of BVRP France.

AB SOFT

AB SOFT became a subsidiary of the BVRP group in May 2001 following the successful takeover bid initiated in March. Specializing in software distribution, AB Soft provides a network of partners unsurpassed in France and consistent with the Group's strategy of expanding its channels of distribution.

In addition to the products developed by BVRP, AB Soft distributes in France cutting-edge products such as the compression software Winzip, the ACDSee picture viewer, or the Monarch data extraction tool.

BVRP holds 94.56% of the capital of the AB Soft Group.

BVRP SOFTWARE INC.

This company, incorporated under American law, was established by BVRP Software SA in February 1997 with a view to strengthening its international sales. The aim of this subsidiary is to provide the North American market, through OEM agreements, with products designed and developed by BVRP Software SA.

Since its Web site went on line, BVRP Software Inc. has also used e-commerce to distribute an "updated" version of this software, which is more powerful and offers more functions, to users of an OEM version.

Within the context of its operations and on the strength of the know-how developed in France, the subsidiary has set up a technical support structure for its North American OEM customers.

KOMMUNICATE LTD

This company, incorporated under English law, joined the Group on 16th December 1998, following the acquisition of 100% of the shares in its share capital.

Established in 1987, Communicate supplies various communication software packages offering users the possibility of centralizing and managing all their fax and telephone communications via the PC network. Communicate's products are mainly intended for major companies and complement BVRP Software's software package aimed at small to medium-size businesses and individuals in England. The company also offers an extensive range of services associated with these products, such as installation, training and after-sales support.

SEATTLE LAB

Seattle Lab, based in the United States, joined the BVRP group in April 2000 after the buy-out of 100% of the company's capital. Seattle Lab specializes in the development and sale of Web-based server solutions. Its best known products include Mail Warden, which protects companies from viruses and removes 90% of SPAM (unsolicited messages). This tool filters and analyses incoming and outgoing messages, as well as server viruses.

Most of Seattle Lab's sales are via e-commerce.

VICOMSOFT

The Vicomsoft sector comprises Vicom Tech Inc., a company based in the United States and Vicom Tech Ltd., a company based in Bournemouth in the south of England that was previously called BVRP UK Ltd. Vicomsoft joined the group in July 2000 with the acquisition by BVRP of 100% of the capital of the two legal entities.

Vicomsoft develops and sells software that provides:

- shared Internet access, allowing several PCs to be connected via the same line;
- access control, which defines the access rights for each user, depending on content, type of site, time or speed of access (network availability);
- LAN protection via a firewall.

In addition, Vicomsoft software products are Mac and PC compatible and complement BVRP's range of products. Much of their technology has since been included in the products developed by the Group.

GUILDISOFT

This distributor has been a subsidiary of BVRP Software since September 2001 and is well represented in Great Britain and Scandinavia. Guildsoft is renowned for the quality and range of its products, from data operation to risk analysis, including data security, knowledge management, e-marketing and communication.

The acquisition of Guildsoft complements that of AB Soft and enables the BVRP Group to expand its distribution network in Great Britain and Northern Europe.

Since the beginning of 2002, the activities of BVRP UK (previously Vicom Tech Ltd) have been merged with those of Guildsoft to maximize the synergies of the British companies.

The different entities of the group are regrouped by geographical zone, with each country being organized around a single administrative department and responsible for distributing all the group's products on its territory.

Only the OEM activity is coordinated and directed on a worldwide level.

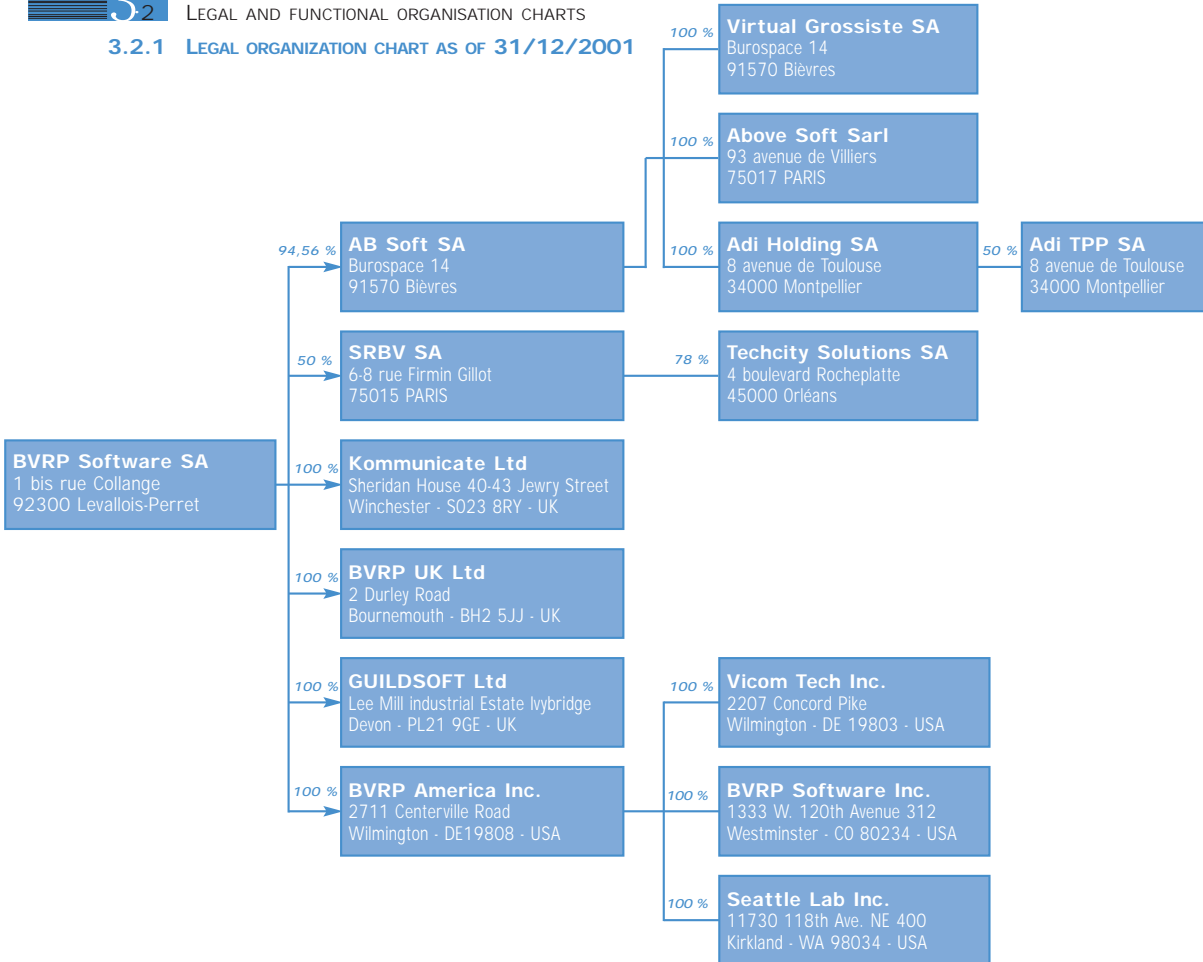
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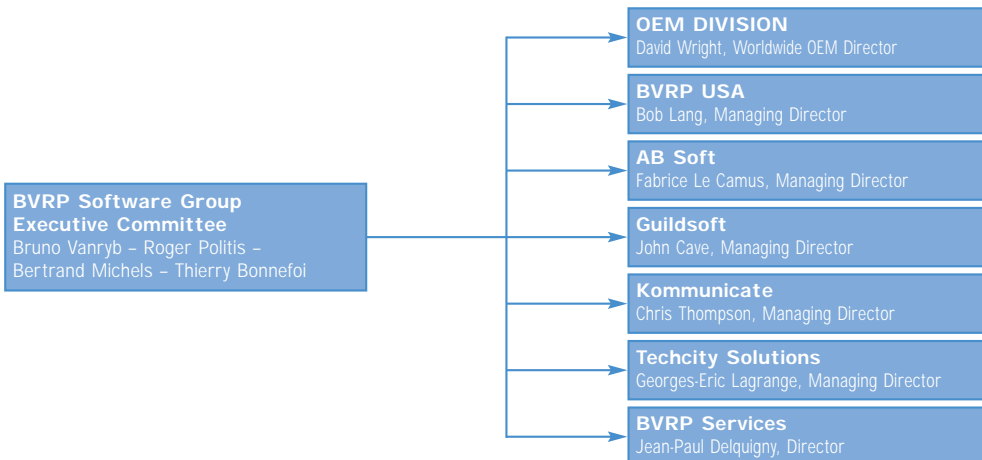
3.2

LEGAL AND FUNCTIONAL ORGANISATION CHARTS

3.2.1 LEGAL ORGANIZATION CHART AS OF 31/12/2001



3.2.2 FUNCTIONAL ORGANIZATION CHART AS OF 31/12/2001



BVRP Software's integrated R&D team designs, develops and produces a complete range of communication software products that incorporate cutting-edge technology. BVRP has renewed its entire range which comprises four product families:

- Communication
- Mobile solutions
- Security
- Diagnosis

3.3.1 COMMUNICATION

In 1995, BVRP Software introduced WinPhone. The name of this communication *best seller*, which changed the habits of over 30 million users, was changed to **Classic PhoneTools**® for the world market. Professionals and individuals were then able to dispense with much of the equipment cluttering up their offices and restricting their movements: the hands-free kit, answering machine, fax machine and telephone directory simply disappeared! They, and other even more advanced features, are all part of the *Classic PhoneTools*, application

ePhoneTools is the new **Internet** version of WinPhone. It has the basic WinPhone features, enabling it to convert a PC into a complete tool that can handle all types of communication over IP: videoconferencing, fax and telephony, anything is possible when users free themselves from the constraints associated with conventional telephone lines.

The latest version of **WinPhone**® **eXPert**, developed and certified for use with WindowsXP, is the complete communication solution. This new version of **WinPhone**® **Suite** provides access to all the communication functions of videoconferencing, telephone, answering machine, fax, SMS, Minitel, e-mail and telephone directories from the same screen.

BVRP Software continues to provide new products for the communication market, such as **SLmail**, the first message server for small and medium-size businesses. There is also **Netwaiting**™, a new application for V92 modems, developed in conjunction with Conexant and allowing users to interrupt their Internet session to make or answer a telephone call.

3.3.2 MOBILITY

The Gartner Group predicts that by 2003, approximately 40% of all employees will spend half their working time outside the office. BVRP Software has extended its entire range of communication software to include all the mobile platforms available on the market to satisfy the expectations of roamers using mobile phones, PDAs or portable PCs.

mobile PhoneTools® is the new mobile communication solution for PCs. Its one aim is to increase mobility by offering users, wherever they may be, all the communication functions that they normally have in the office. It is the ideal solution for all professional and individual roamers. **mobile PhoneTools**® is the tool of the future and is compatible with GPRS and Bluetooth standards.

pocket PhoneTools®, is specifically designed for the growing number of fans of Windows Pocket PC 2002, Microsoft's latest operating system for pocket personal assistants. This software is already a commercial success on the Net. With **pocket Theme Manager**®, users have the pleasure of completely customizing the functions of their PDA. This is extremely important where customer satisfaction is concerned.

3.3.3 SECURITY

The advent of the Internet revealed the security risks run by its users: intrusion, piracy, viruses, and so on. With the huge increase in electronic data interchanges, security is becoming a major concern. Security is one of the cornerstones of BVRP Software's strategies. The Group supplies companies and individuals with affordable software solutions that are easy to install and use.

BVRP Mail Warden protects companies against viruses and removes 90% of SPAM (unsolicited messages) through its very simple configuration rules. This powerful tool filters and analyses incoming and outgoing e-mails, as well as server viruses.

Internet Gateway is designed for small to medium-size businesses that require secure access to the Internet. Its strength lies in its highly efficient firewall, its simple, yet powerful method of filtering accesses and its Internet access sharing feature.

BlackICE™ **d'Internet Security Systems**™ is a personal solution that is the perfect complement to BVRP Software's security products. Its intelligent **firewall** has anti-intrusion features that are designed to prevent any attempt by hackers to breach computer security.

3.3.4 DIAGNOSIS

It is paradoxical that although present-day technology is becoming more and more complicated, it is being used by an ever-increasing number of novices who have less and less technical knowledge. Equipment manufacturers are investing in costly support services that do not always satisfy the most pressing needs of the general public. BVRP Software has responded to this very real problem by creating an original package that will meet the requirements of OEMs and users alike. **Modem Medic** et **Modem Xpert**® are diagnostic, self-repair tools designed for modems; **Network Wizard** is a dedicated network architecture diagnostic tool. The appearance of these tools has resulted in fewer customers contacting the technical support service and less equipment being returned unnecessarily.

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3.4

THE GROUP'S ACTIVITIES

Following the sale of the Multimedia operation, the Group is now divided into two activity sectors:

Activity sector	% of revenues 2000/2001 (17 months)	% of revenues 1999/2000 (12 months)
Software	52.3 %	44.7 %
Services	40.9 %	44.0 %
Other	6.8 %	11.3 %

The weight of software operations grew considerably during the 2000/2001 financial year. It will be exceeded in 2002, following the sale of the French hotline finalized in April 2002. Software sales are expected to represent almost 2/3 of total revenues in 2002.

In 1999/2000, "other" sales consisted mainly of multimedia operations and in 2000/2001, of hardware sales, a non strategic operation within the sphere of activity at the time of the acquisition of the AB Soft Group.

3.4.1 SOFTWARE SALES

The BVRP Group sells its software products through three channels:

3.4.1.1 OEM sales

Sales of software by BVRP Software via this channel are the result of OEM agreements signed with modem, microcomputer, personal assistant or mobile telephone manufacturers. BVRP Software's software is, in this case, one of the components of a hardware package that it enhances.

BVRP Software hopes that its OEM partners throughout the world will regard it as a **creator of added value**. BVRP's solutions are supplied with the manufacturers' equipment to provide a new dimension to the product and make it more user-friendly, more feature-rich and more competitive. For example, **packet PhoneTools**® provides new, enhanced features for personal assistants and **mobile PhoneTools**® optimizes the configuration and high-speed communication features of mobile phones. BVRP works with numerous partners to integrate innovative features, design original combinations or develop new technological components.

BVRP Software's diagnostic and self-repair solutions are also developing in this direction. BVRP recommends that OEMs reduce their support and maintenance costs by supplying products such as **Modem Helper**®, **Modem Medic**, **Modem Xpert**® or **Internet Gateway Wizard** with their PCs or networks. These products reduce the number of calls made to the support service and the amount of equipment returned unnecessarily, by identifying the source of the technical problem and, if applicable, replacing the corrupted files; they therefore generate a considerable saving for the manufacturer and increase customer satisfaction.

Millions of copies of BVRP Software products such as **ePhoneTools**®, **FaxTools**® and **Classic PhoneTools**® are supplied with the PCs sold by numerous manufacturers throughout the world, or they are sold **bundled** with all types of modems (analogue, ISDN and DSL). Similarly, BVRP is one of Microsoft's few global partners associated with both the launch of XP and Pocket PC 2002.

BVRP Software's software OEM operations represent approximately 40% of its software sales. The quality and universality of its products have won over the major companies in data technology and telecommunications: Alcatel - Bosch - British Telecom - Conexant - Dell - France Telecom - Hewlett Packard - Kortex - Microsoft - Motorola - Nec - Packard Bell - Panasonic - Philips - Sagem - Siemens - US Robotics, etc.

3.4.1.2 Distribution

Software distribution is a cornerstone of BVRP strategy. Its priority is to use the most appropriate channels of distribution to market the products required to satisfy demand as quickly as possible. BVRP publishes and republishes software. The Group has a high level of expertise in the field of **republishing**, which ensures the controlled and reactive development of its various products, which are all thoroughly tested.

BVRP Software is continuing to develop its international distribution networks. Four subsidiaries currently share the main markets in France, Great Britain and the USA. The group is planning to expand the network in the near future, in particular the North American market. Its recent acquisitions, AB Soft and Guildsoft, allow the Group to energize the synergies between players whose ranges and practices complement one another. BVRP can therefore offer the various European markets a more varied and more widely distributed product. A pan European republishing agreement, such as the one signed for BlackICE™ with ISS, a global player in the security field, is also allowing BVRP Software to increase its distribution in Europe.

3.4.1.3 e-commerce

A real driving force for sales growth, e-commerce was identified as one of the priorities of the BVRP Group in 2000 and is keeping all its promises. The cornerstone of the development strategy is the creation of a single access portal for all the companies in the Group, which has been in operation since the end of 2001.

The short-term growth of sales through e-commerce will enable the Group to generate larger margins due to lower distribution costs.

** During the 2000/2001 financial year, the BVRP Group Web sites generated an annual revenue of M€3.1 .

3.4.2 SERVICES

BVRP's Service operations, launched in 1996, represented 40.9% of the Group sales in 2000/2001.

Although initially focused on technical support for its software users, BVRP extended its customer support operations to:

- Internet service providers;
- online service companies (for example, financial establishments renowned for their remote banking services);
- PC and modem manufacturers

These operations are dedicated to technical assistance in the IT and telecoms fields and provide companies with a global package that includes specific advisory and development services, in addition to managing the technical aspects of the customer relations services.

2000 marked an important phase in their development, with the creation of a joint venture with SR Téléperformance called Techcity Solutions.

In France, BVRP has two highly efficient call centers with a team of more than 200 multilingual technicians, an appropriate telephone infrastructure and a sophisticated call rating statistics tool.

With its two other call centers in the United States and Great Britain, the BVRP Group provides a total of more than 250 positions for its customers who include Dell, 9 Télécom, Pioneer and France Télécom Interactive.

At the beginning of 2002, BVRP disposed of its French technical assistance operations comprising its participation in Techcity Solutions and its Pantin call center in a bid to promote its intention to concentrate on its core software business. These operations represented 26% of the consolidated revenues achieved in 2000/2001.

The service activity that has been maintained deals essentially with providing technical assistance for users of the BVRP Software Group .

3.4.3 BREAKDOWN BY GEOGRAPHICAL ZONE

The breakdown by geographical zone is as follows

in K€	2000/2001 17 months	1999/2000 12 months
FRANCE	24,243	17,396
UNITED STATES	11,546	4,943
GREAT BRITAIN	11,299	5,947
OTHER EUROPEAN COUNTRIES	2,369	2,945
OTHER COUNTRIES	4,180	1,601
Total	53,637	32,832

3.5

THE MARKETS

3.5.1 COMMUNICATION SOFTWARE

BVRP Software's OEM software sales come from agreements with modem and microcomputer manufacturers.

BVRP Software's software products are therefore one of the components of a hardware package that they have enhanced.

The PC market has for several years enjoyed a reduction in the costs of equipment and rapid technological development, which contribute to its deployment and to its success. The constant decrease in the price of microprocessors and IT components has meant a reduction in the cost of equipment for the general public.

• According to an IDC survey carried out in April 2002, 121.8 million PCs were sold worldwide during 2001, i.e. a decrease of 5.2% compared with 2000.

• Approximately nine out of ten computers sold included a modem (internal BVRP source) supporting communication software, i.e. a reference market in 2001 for BVRP of **110 million units sold**. With **19.5 million units sold** in 2001 (an increase of 8.3% compared with the previous year), BVRP claims a world market share of **17.7%** (internal BVRP source).

This outstanding level of penetration means that BVRP is now the **world leader** in the field of communication software publishing.

• BVRP Software's customers include the world leaders in the PC industry: Dell, the world leader in 2001; Compaq, the number 2; Gateway, the number 4 and Packard Bell.

BVRP also includes among its main customers major modem manufacturers such as US Robotics, Conexant, Askey, Zoom, Bewan, Com One and Creatix.

Our main competitors in the communication software market are Symantec, O1.Communicate, Smith Micro, Bitware, RTE and Pacific Image.

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3.5.2 MOBILITY

The mobility market is extremely promising. In fact, the Gartner Group predicts that by 2003, approximately 40% of all employees will spend half their working time outside the office. That is why BVRP Software has extended its entire range of communication software to include all the mobile platforms available on the market to satisfy the expectations of roamers using mobile phones, PDAs or portable PCs.

BVRP has signed OEM agreements with several manufacturers of mobile phones and personal assistants following the development of the corresponding OEM software (Winphone Pocket running under the Windows CE operating system).

BVRP's customers therefore also include mobile phone manufacturers such as Motorola, Alcatel, Siemens, Philips, Wavcom and Pretec and it has PDA agreements with Hewlett Packard and Novatel.

BVRP is relying on its ability to develop products to satisfy market expectations, particularly products that can manage many different platforms, to fulfil its ambition of becoming a major player in the mobility sector.

At present, its main competitors are RTE, Smith Micro, Hemming, Extended Systems and Pocket Presence.

3.5.3 SECURITY

The widespread use of high-speed Internet and the interchange of information via e-mail are creating a high demand for data and Web site protection tools. In fact, the use of high-speed Internet means that continuous connections open the door to intruders and hackers via unprotected accesses.

The increased use of e-mail also means that tools that filter the content of incoming and outgoing messages (e-mail scanning, anti-spam) have become essential.

The most dynamic sector of this market consists of small to medium-size businesses and industries, which are still mainly underequipped. It is this market that BVRP has been targeting since the end of 2000 with its Mail Warden and Internet Gateway range of products.

3.6

RESEARCH AND DEVELOPMENT

Research and Development (R&D) activities have priority in the BVRP Group strategy and capacity for innovation constitutes a key to growth.

The innovation and design of good **Communication** products require a broad knowledge and expertise in the worlds of telephony and various channels (such as cable, infrared and radio) and, naturally IT environments. That is why BVRP has devoted 22% of its software revenues for this period to its R&D activities (against 30% the preceding year). In France, Great Britain and the United States, 50 engineers and technicians (against 67 in 1999/2000) work several months ahead of schedule on cutting-edge technologies to supply the market with the right solutions at the right time.

Developments are currently focussing on three major areas:

- Firstly **Mobility**, including all the technologies used to control and interact with the latest generation of mobile phones from PCs and PDAs, increasingly feature-rich services via high-speed GPRS, increasingly user-friendly wireless links thanks to Bluetooth and Wi-Fi and access to new functions such as video made possible by third generation high-speed systems (UMTS, Imode).
- Secondly, **Internet Security**, which is also a major core area: it is even more necessary today due to the widespread use of e-mail and high-speed Internet that open the door to intruders and hackers via unprotected accesses. Here too, the R&D teams are endeavoring to enhance this new range from BVRP Software associated with e-mail flow control products such as Mail Warden or SMail, and Internet access security solutions with Internet Gateway.
- Finally, the development of **Assistants and Diagnostic Tools** continues, targeting major OEM partners. After addressing the field of modems, the scope of application of this software is now being extended to high-speed access solutions (DSL, Cable) and to wireline or wireless network connections.

3.7

HUMAN RESOURCES

As of 31st December 2001, the BVRP Software Group had 511 employees, an increase of 6% compared with 31st July 2000. This growth is the result of the consolidation of Vicomsoft, the AB Soft group and Guildsoft, which was offset by a reduction of over 15% of the workforce following the restructuring that took place during the second half of 2001.

Breakdown of workforce by country:

	FRANCE	UNITED STATES	GREAT BRITAIN	TOTAL
Employees	292	53	77	422
Managers	60	8	6	74
Senior management	9	2	4	15
Total	361	63	87	511

During the first quarter of 2002, the restructuring of various companies in the Group was completed and this, together with the sale of the service operations in France which had an even greater impact, reduced the Group's workforce to 240.

BVRP's workforce (average age 30) share common aspirations and contribute every day to the development of the Group. BVRP's performance depends on mobilizing and motivating its teams.

In a constantly changing world, BVRP must react in order to reconcile its internal operations with its external environment. BVRP is introducing ways of motivating its human resources by fostering leadership, individual skills, corporate values and culture, and through organization and management systems and the development of employee stock ownership schemes.

BVRP attaches great importance to the human element which contributes to the creation of added value and represents a key factor in the competitiveness of the Group. Each of the Group's companies is committed to making training available to potentially all employees. Specific programs are defined locally depending on identified needs (technical training, updating skills, learning foreign languages, management training) and legal limitations.

BVRP Group employees and executives are extensively involved in the capital through various stock-option schemes, the first of which dates back to 1996.

Quarterly meetings are used to inform all employees about the strategic indicators related to the smooth running of the Group. These meetings also provide an opportunity for employees to raise questions and receive answers. In France, this type of dialogue also takes place via employee representative bodies.

3.8

RISK FACTORS

3.8.1 CUSTOMER RISK

As of 31st December, the Group had over 5,000 customers. The table below details the breakdown of customers according to the various sectors of activity:

in K€	SOFTWARE	SERVICES
Revenues	28,065	21,947
Revenues from top 10 customers	7,050	8,897
As % of revenues	25.1 %	40.5 %

In the 2000/2001 financial year, the Group's leading customer represented 8.2% of the consolidated revenues, although this figure was achieved through 6 different, independent subsidiaries or divisions within this international group. The Group's second most important customer represented 4.8% of consolidated revenues and the third 4%. The fourth and fifth largest customers each represent less than 3% of sales.

In view of the quality of BVRP's customers and the history of their relationship, customer risk is negligible. Any cancellation of a contract by a major customer would be followed by a transition period during which the company could change its sales direction.

The relatively small number of customers is explained by the Group's sales strategy with respect to major companies:

- in the case of OEMs, by cross-referring its products to the world's leading manufacturers of microcomputers, modems and mobile phones;
- in the case of distributors, through a system of indirect sales to wholesalers, retailers and multi-specialist chains;
- in terms of services provided to major Internet service providers and to the main global manufacturers of microcomputers and modems;

Group strategy, which aims to develop various activity sectors through an annual increase in the number of customers in each sector and by diversifying the geographical zones each year, enables BVRP Software to further diversify its customer base.

All risks of unpaid receivable are systematically updated with available information upon the closing of accounts, in the framework of a prudent approach.

3.8.2 SUPPLIER RISK

BVRP Software runs no supplier-related risk that might affect the technical or financial performance of its activities. BVRP and its subsidiaries mainly use the services or products of over 300 suppliers, the most important of which are the companies responsible for printing the manuals and product packaging, and the subcontractors who supply and make copies of floppy disks and CD-ROMs.

BVRP is not dependent on its main suppliers, since it makes its purchases in extremely competitive sectors with low added-value supplies that can easily be replaced. In addition, BVRP's increased purchasing capacity, linked to its growth, provides access to new sources of supply.

It should be noted that from the outset, Kommunicate has marketed two products produced by the American company AVT (Applied Voice Technology Inc.): RightFax and CallXpress. Sales of these two products represented most of the company's revenues during the financial year. However, Kommunicate has extended its product line since the beginning of the year 2002 and distributes various software titles from other editors. Lastly Kommunicate has taken over the distribution of certain products of the "security" line of BVRP intended for key accounts since the middle of financial year 2002. Kommunicate's dependence on AVT is thus diminishing daily.

AB Soft and Guildsoft market "republished" software developed by various publishers, mostly North-American. These two companies, which also distribute in their respective countries products developed by BVRP, are linked to their suppliers by long-term agreements. Any cancellation of a contract by a major supplier would be followed by a transition period during which the company could develop other sources of income.

Chapter 3

Information concerning activity, recent development and future prospects

3.8.3 EXCHANGE RATE RISK

The Group's exposure to exchange rate risk mainly involves sales negotiated with customers in US dollars.

The company has exchange rate risk coverage lines. Every year, when the budget is drawn up, the company has recourse to hedging instruments consisting mainly of forward sales intended to cover at least the budget rate.

As of 31st December 2001, the company benefited from forward sales contracts, with due dates after the closing date, totaling M\$1.4.

3.8.4 INTEREST RATE RISK

The convertible bond of M€5 was subscribed at an interest rate that can vary between 3.50% and 4.50%. There is no hedging of interest rate for this loan. The other medium/long term loans of the French companies in the Group have fixed rates of interest.

3.8.5 TECHNOLOGICAL RISK

As BVRP has its own technology, its know-how regarding its products and services does not depend on any outside source. BVRP believes that the evolution of technologies has been correctly anticipated in the software sector, at least with respect to the next three years.

The technical risks in software are insignificant. In fact, software sold in OEM or developed specifically are validated and approved by the customer before being released on the market. Furthermore, complex products for businesses undergo a trial phase before finalization of the sale.

BVRP has the capacity, when required, to launch new products in response to technological developments and to meet its customers' needs.

3.8.6 INTELLECTUAL PROPERTY RISK

In accordance with current legislation, the software created by one or more employees in the performance of their duties belongs to the employer in whom all recognized copyrights are vested. BVRP and its subsidiaries have over 60 registered brands, the most important of which are registered throughout Europe and in the United States. In view of its considerable expansion in the international arena, BVRP regularly extends the registration of its major brands to the main countries where its products are sold.

In furtherance of the struggle against hacking and despite the low level of protection afforded, all software products on sale are registered with the Agency for the Protection of Programs (APP).

3.8.7 HUMAN RESOURCES RISK

Like its competitors, BVRP Software depends on its professional teams. Hiring and retaining employees can prove difficult in a competitive context and an extremely buoyant environment. Nonetheless, BVRP has a relatively low workforce turnover and has not encountered any major difficulties in attracting new talent. The Group's Management involves most of its executive workforce and employees in the company's results through a stock options scheme.

French employees also benefit from the statutory profit-sharing agreement. These schemes aim to encourage, retain and motivate managers, executives and employees in the Group's companies to promote the interests and growth of BVRP Software by giving them the opportunity to share in results and/or acquire a holding in the company, thereby recognizing their contribution to the company.

Each year, general salary increases are awarded, together with individual increases related to job development, achievement of objectives, or to reward performance.

Profit-sharing schemes are calculated according to the performance of each of the companies in the Group.

3.8.8 LEGAL, INDUSTRIAL AND ENVIRONMENTAL RISKS

By the nature of its activity, the company is little or not at all exposed to these types of risks.

3.8.9 INSURANCE

The group maintains insurance policies that the Group management deems to be adequate. These policies, including protection against operational losses, damage to merchandise and civil responsibility, and their appropriateness are reviewed on a regular basis.

3.8.10 OTHER RISK FACTORS

Due to the troubled nature of the market's progress over the next two years, there exists a possibility that not all bonds will be converted before maturity (August 2004).

3.8.11 EXCEPTIONAL EVENTS AND DISPUTES

To the company's knowledge, there are no exceptional events or disputes which have had or which could have any significant effect on the business, assets, financial situation or results of the company or Group.

3.9

INVESTMENT POLICY

3.9.1 RESEARCH AND DEVELOPMENT

Innovation remains at the core of BVRP's business as an essential driving force for dynamism and growth.

The BVRP Software Group's Research and Development budget for the 2000/2001 financial year was M€6.1, i.e. 11.4% of consolidated revenues and 22% of software sales.

The 2000/2001 twelve-month period of investment in Research and Development is equal to the absolute value for the previous financial year, i.e. a decrease in relative value compared with the consolidated revenues (13.5% during the previous financial year).

Research and Development costs cover the creation of tools; they are therefore capitalized up to a maximum limit set every year by the Board of Directors and amortized over a period of four years.

The Research and Development costs capitalized during the financial year amounted to M€2.3 over 17 months compared with M€1.4 for the previous year.

The relative value of the capitalized Research and Development costs was 35.9% of the total cost of research compared with 32.1% for the previous financial year.

The Group is continuing its investment program with the aim of adapting its products and services to developments in the marketplace on the one hand and to increase and internationalize the sale of its products on the other.

3.9.2 EXTERNAL GROWTH

After devoting the 1999/2000 financial year to internationalizing its operations and acquiring new technologies (Seattle Lab and Vicomsoft), the BVRP Group continued its policy of external growth, with the aim of strengthening its European distribution networks. To this end, it acquired the AB Soft Group in May 2001 (for M€5.6, paid in BVRP shares) and the English company Guildsoft in September 2001 for M€1.5 paid in cash.

The Group plans to continue its external growth strategy over the forthcoming financial year, mainly in the United States and Germany.

3.10

RECENT DEVELOPMENT AND PROSPECTS

3.10.1 MAJOR EVENTS IN THE FINANCIAL YEAR ENDED 31ST DECEMBER 2001

External growth and sale of operations

During this period, BVRP Software SA acquired the AB Soft Group following the successful takeover bid submitted on 29th March 2001. Having acquired additional shares in the marketplace, BVRP SA now holds 94.56% of AB Soft's shares.

At the end of September 2001, BVRP also strengthened its distribution network in England through its acquisition of the English company Guildsoft.

BVRP also withdrew from the multimedia business when it sold its subsidiary, Lab Production SA, to the Dutch Lost Boys Group at the beginning of May 2001.

In addition, BVRP set up a holding company, BVRP America Inc. in the United States for the purposes of merging all the Group's American companies.

As these events were highly significant, proforma financial statements for the 2000 and 2001 calendar years have been prepared and are included in the appendix.

Change of end of financial year

The Extraordinary General Meeting held on 10th July 2001 approved the change in BVRP's corporate financial year to coincide with the calendar year. The 2000/2001 financial year was therefore extended until 31st December 2001 and became, exceptionally, a 17-month financial year.

Group restructuring

The unfavorable economic situation which resulted in a downturn in the business activities of modem and microcomputer manufacturers and put prices under heavy pressure, severely affected the BVRP Group from the second quarter of 2001 onwards. The Group's Management reacted immediately and began an intensive restructuring exercise. Restructuring consisted mainly of selling the multimedia business, structural reorganization, a reduction of over 15% in the workforce and rationalizing the product range, which meant that many projects that were considered unprofitable or inappropriate for the current market conditions had to be curtailed or postponed.

The purpose of this restructuring exercise, which was completed at the beginning of 2002, was to ensure that the company was once again in a position to grow and to guarantee its profitability from the 2002 financial year onwards. The accounts for the 2000/2001 financial year show a restructuring cost of M€4.6, made up essentially of accelerated amortization of certain stopped projects (M€1.0), cost of grouping structures and reducing payroll (M€2.3), and the result of discontinued operations (M€1.2).

Issue of a convertible bond

As authorized by the Extraordinary General Meeting held on 10th July 2001, 5,000 bonds with a nominal value of €1,000 that could be converted into and/or traded for new or existing shares in BVRP SA were issued on 6th August 2001 and reserved solely for the Société Générale. This loan is payable on 6th August 2004. As of 31st December 2001, no bonds had been converted into equity.

Chapter 3

Information concerning activity, recent development and future prospects

3.10.2 GROUP ACTIVITY DURING THE FINANCIAL YEAR

The 2000/2001 financial year was particularly atypical and highly eventful. It is the first year since the Group went public that it recorded a negative result, mainly as a result of the very high restructuring costs.

In fact, BVRP was severely hit by the economic downturn that affected all the players in the sector in 2001 and the Group began an in-depth restructuring exercise in May 2001. The Group's Management took the "defensive" measures of selling off operations, curtailing unprofitable projects and sharply reducing costs, as well as the "offensive" measures of developing the product range and expanding the distribution network through the AB Soft and Guildsoft buy-outs.

The exceptional 17-month financial year was broken down into three separate periods:

- an excellent first half-year (August 2000-January 2001) with a 44% increase in sales and positive operating results of M€1.6; this trend continued at the beginning of the third quarter (February - March 2001);
- a period from April 2001 to August 2001 with a very fast downturn in business, particularly in Europe, resulting in operating losses of M€0.9;
- an upturn from September onwards, which returned the company's operating results to profit

The trend recorded during the last months of 2001 was confirmed during the first quarter of 2002, ratifying the Group's strategy of focussing on the software publishing and distribution business in each of its four families of products (communication, security, mobility and diagnostic tools).

The consolidated revenues of the BVRP Software Group were M€53.6 for the 2000/2001 financial year. The proforma data for the 2001 calendar year indicated a rise in sales to M€43.2, 11% lower than the proforma figure for 2000.

in K€	2000/2001 17 months	1999/2000 12 months
Software	28,065	14,663
Services	21,947	14,448
Multimedia	-	3,701
Other	3,625	20
Total	53,637	32,832

In 6 years, there was a tenfold increase in BVRP Software's revenues, from M€4.3 in 1995/1996 to M€42.3 (2001 proforma data). The company's presence in the international marketplace was a major factor in accelerating growth.

Analysis of each sector of activity:

1- Software

OEM software sales remained stable (M€8.3 on the 2001 proforma basis) as a result of sustained activities in the United States which offset the fall in sales recorded in Europe. More than a third of the software is now sold in the United States. The OEM sales were affected by the downturn in business experienced by modem and microcomputer manufacturers.

Agreements signed with the major PC and modem manufacturers resulted in an increase of 8.3% in OEM sales. With 19.5 million programs sold in one financial year, BVRP confirmed its position as world market leader for its sector in OEM sales.

The Distribution operations doubled during the 2001 calendar year (to M€12.5), chiefly due to the integration of AB Soft and Guildsoft and the development of e-commerce.

2- Services

The **Services sector** recorded sustained growth in the field of technical support for the software sold by BVRP in Great Britain (+39%) and the United States (+78%).

The revenues from the technical assistance operations (call center) in France remained stable in 2001. The reduction in the number of calls processed for some of the Group's longstanding major customers was offset by the advent of many new customers and the confirmed development of the Techcity joint-venture.

3.10.3 FINANCIAL ASPECTS OF THE FINANCIAL YEAR

BVRP Software ended the exceptional 17-month 2000/2001 financial year (1st August 2000 - 31st December 2001) with a net consolidated loss of M€4.4 after taking into account the exceptional restructuring costs of M€4.6.

The Group's revenues were K€53,637 over 17 months. Proforma data revenues over a 12-month period amounted to K€43,236 compared with K€48,716 during the previous financial year, indicating the marked slowdown in the Group's business during the second and third quarters of 2001.

The operating results remained positive at +M€0.7 over the period, confirming the limited nature of the losses sustained by the Group (for the first time since going public in December 1996).

After a mainly positive first half-year (positive result of M€1.6 at the end of January 2001), the decrease in revenues could not be offset by corresponding reductions in expenses, resulting in an operating loss of M€0.9 during the period from April to August 2001. Drastic measures to reduce costs, combined with an upturn in business during the last four months of the financial year returned the company back to profit.

The financial result is a net charge of K€536 (compared with - K€1,122 in 1999/2000). K€311 of this result comes from foreign currency exchange adjustments.

The extraordinary results (M€-3.3) consist chiefly of the restructuring costs that were paid or provisioned as of 31st December, i.e. the increased amortization of projects that were curtailed (M€1), the costs of structural reorganization and the redundancy costs (M€2.3).

This figure does not include the results of the deconsolidated activity (loss of M€1.2) corresponding to the results of Lab Production's operations and the loss incurred in selling off this business.

Equity has declined to M€10.7, essentially due to negative income, whereas the proportion of net financial debt on equity is 0.22, attesting to a very sound financial situation.

The key figures are:

Consolidated data in M€	1999/2000 financial year (12 months)	2000/2001 financial year (17 months)	Pro-forma, calendar year 2001 (12 months) see note *
Revenues	32.8	53.6	43.2
Operating results	3.1	0.7	-0.7
Current income	1.9	0.1	-1.3
Extraordinary results	1.5	-4.6	-3.3
Net income	2.4	-4.4	-4.9
Income per share (in €)	0.75	-1.20	-1.33
Result per share after potential dilution (in €)	0.52	-0.80	-0.88
Stockholders' equity	15.6	10.7	11.1
Convertible bond	-	5.0	5.0
Net cash balance	+3.4	+2.7	+2.7

* The purpose of the proforma data is to present Group financial statements based on the hypothetical integration and restructuring as of 1st January 2001 of AB Soft and Guildsoft, the companies acquired in 2001, and the hypothetical sale of Lab Production prior to 1st January 2001.

3.10.4 OUTLOOK FOR THE FUTURE

As the group restructuring exercise was completed during the first quarter of 2002, BVRP is now set to return to profitability. BVRP Software will continue its strategy of concentrating on its four software product families during the 2002 financial year. The entire range of new products will be sold in the Group's three main markets (Mail Warden will be launched in Europe at the beginning of 2002 and mobile PhoneTools and pocket PhoneTools will be launched in the United States during the first quarter of 2002, etc.).

Priority will be given to the development of distribution networks by capitalizing on the experience of AB Soft and Guildsoft and on developing partnerships in other European countries and the United States.

The group is also considering several possibilities for external growth in Europe and the USA, with a view to strengthening its international distribution networks.

Following the sale of its technical assistance operations at the beginning of April, the Group's Management revised its forecasts for 2002, predicting revenues ranging from M€35 to M€40 and a net result of between M€0 and M€2 (excluding capital gains on sales).

The BVRP Software Group is posting good first quarter figures with a rise of **+22.6%** in its consolidated revenues compared with the same period the previous year.

in K€	January - March 2002	January - March 2001	Variation
Software	6,229	4,782	+30.3%
Services	4,583	4,801	-4.5 %
Other	938	5	-
TOTAL	11,750	9,587	+ 22.6 %

With similar scope, sales were down by 12.3%, the first quarter of 2001, having been particularly high, including an exceptional performance in services.

Most of the service operations were sold to the SR Téléperformance Group in April 2002.

This figure, which was exactly as forecast, confirms the sustained level of business recorded for two quarters, with a high level of performance in England and the United States.

The trend over the first three months (revenues of M€11.7 including the technical assistance operations sold off in April) confirms the expectations of the Group's Management.

3.10.5 EVENTS AFTER CLOSING

Within the context of its policy of concentrating on its core business activities (software publishing and distribution), BVRP sold its French specialist hotline operations to SR Téléperformance at the beginning of April 2002.

The sale of this business, which represented 26% of the company's consolidated revenues in 2001, will have a positive effect on 2002 and will generate a net capital gain of between M€7 and M€8.1.

The General Shareholder's Meeting of called on 19th June, meeting on a second summons on 2nd July 2002, approved the accounts of the financial year closed on 31st December 2001, fully discharged the directors and the statutory auditors from their functions, and opted to assign the net loss of the financial year to the carry forward amount.

On 31st July 2002, the company published half year net sales of M€20.1, reflecting 11.5% growth (on a constant consolidation basis, net sales are in decline by 2.4%), and announced positive operating income of M€0.7 and net income of more than M€5 for the first half year of 2002 (non-audited figure).

Chapter 4

Assets - Financial situation - Results

4.1

CONSOLIDATED ACCOUNTS AS OF 31/12/2001

4.1.1 PROFIT AND LOSS STATEMENT AS OF 31/12/2001

CONSOLIDATED PROFIT AND LOSS STATEMENT in K€	Notes	2000/01 financial year (17 months)	1999/00 financial year (12 months)
Sales of products and merchandise		26,342	12,559
Services sold		27,295	20,273
NET REVENUES	6.1	53,637	32,832
Capitalized costs		2,331	1,419
Change in finished goods inventory		-4	-
Operating subsidies		58	-
Reversal of depreciation, provisions and expense transfers		612	125
Other income		145	17
OPERATING REVENUE		56,779	34,393
Raw materials and purchase of merchandise		7,690	2,930
Other purchases and external charges		13,974	8,863
Taxes and duties		1,231	737
Salaries and wages		21,918	12,484
Payroll taxes		6,941	4,719
Depreciation allowances and provisions		3,057	1,451
Other expenses		1,315	144
OPERATING EXPENSES		56,126	31,328
OPERATING RESULTS	6.2	653	3 065
Financial income		1,236	900
Financial expenses		1,772	2,022
FINANCIAL RESULT	6.3	-536	-1,122
CURRENT INCOME BEFORE TAXES		117	1,943
Extraordinary income		2,830	1,754
Extraordinary expenses		6,157	261
EXTRAORDINARY RESULTS	6.4	-3,327	1,493
INCOME FROM DISCONTINUED OPERATIONS		-1,242	-
Income taxes		283	1,107
Deferred taxes		-499	-211
NET TAXES	6.5	-216	896
Results of integrated companies		- 4,236	2,541
Goodwill amortization		114	94
NET INCOME		-4,350	2,447
Share of minority interests		35	2
NET INCOME GROUP SHARE	6.2	-4,385	2,445
Net income (group share) per share (in €)		-1.20	+0.75
Net income (group share) per share after potential dilution (en €)		-0.80	+0.52

4.1.2 BALANCE SHEET AS OF 31/12/2001: ASSETS

in K€	Notes	As of		As of	
		Gross	31/12/01 Depreciations Provisions	Net	31/07/00 Net
Goodwill	4.4.1	3,391	114	3,277	1,016
Set-up costs		4	4	-	13
Research & Development costs	4.1	681	80	601	977
Concessions, patents and rights	4.2	5,684	3,498	2,186	2,560
Customer list	4.3	1,729	378	1,351	1,556
Intangible assets	4.5.1	8,098	3,960	4,138	5,107
Tangible assets	4.5.2	5,549	2,909	2,640	1,630
Financial assets	4.5.3	303	31	272	431
FIXED ASSETS		17,341	7,014	10,327	8,184
Stocks and goods in progress		1,297	650	647	323
Trade accounts receivable and related accounts		10,295	812	9,483	10,134
Other receivables and adjustment accounts	4.9	4,119	207	3,912	1,038
Receivables	4.7	14,414	1,019	13,395	11,172
Cash balance		3,566	80	3,486	5,221
CURRENT ASSETS		19,277	1,749	17,528	16,716
TOTAL ASSETS		36,618	8,763	27,855	24,900

4.1.3 BALANCE SHEET AS OF 31/12/2001: STOCKHOLDERS' EQUITY AND LIABILITIES

in K€	Notes	As of	
		31/12/01	31/07/00
Share capital		3,648	2,499
Share premium		4,862	7,021
Consolidated reserves		6,628	3,682
NET INCOME (Group share)		-4,385	2,445
STOCKHOLDERS' EQUITY	5.1	10,753	15,647
Minority interests in the reserves		-10	4
Minority interests in the results of the financial year		35	2
MINORITY INTERESTS		25	6
Provision for contingencies and loss		1,279	728
Provisions for deferred tax		-	56
PROVISION FOR CONTINGENCIES AND LOSS	5.2	1,279	784
Convertible bond	5.4	5,000	-
Bank borrowings		664	1,827
Various loans and financial debts		167	2
Financial debts		5,831	1,829
Trade accounts payable and related accounts		5,617	3,573
Tax and social liabilities		3,292	2,618
Other liabilities and adjustment accounts	5.5	1,058	443
Other operating liabilities		9,967	6,634
LIABILITIES AND ADJUSTMENT ACCOUNTS	5.3	15,798	8,463
TOTAL LIABILITIES		27,855	24,900

Chapter 4

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4.1.4 CASH FLOW STATEMENT FOR 2000/2001

in K€	2000/2001 financial year	1999/2000 financial year
OPERATING ACTIVITIES		
NET INCOME	-4,385	2,445
<i>ELIMINATION OF ELEMENTS WITH NO EFFECT ON THE CASH BALANCE OR NOT LINKED TO OPERATION</i>		
Minority share in the results of integrated companies	35	2
Depreciation allowances and provisions	4,318	1,909
Capital gains and losses	341	-964
Deferred taxes	-499	-211
CASH FLOW	-191	3,181
<i>VARIATION OF WORKING CAPITAL NEEDS</i>		
<i>Variation of finance charges</i>	-10	-
<i>Net variation operating items</i>	-1,031	-1,535
Stock variation	466	-33
Deferred expenses	-	-85
Variation of operating receivables	-2,731	-3,864
Variation of operating liabilities	1,234	2,447
<i>Net variation non operating items</i>	403	-534
Prepaid charges and income	401	-534
Foreign exchange gains and losses	2	-
CASH FLOW FROM OPERATION	-829	1,111
INVESTMENT TRANSACTIONS		
Outflow / acquisition intangible assets	-2,358	-2,987
Outflow / acquisition tangible assets	-1,511	-732
Receipt / sale of tangible and intangible assets	70	2
Outflow / acquisition financial assets	-3	-380
Receipt / sales of financial assets	1,182	961
Net cash balance / acquisitions and sales of subsidiaries	-13,360	-14,497
CASH FLOW FROM INVESTMENT	-15,980	-17,633
FINANCING TRANSACTIONS		
Increase in capital or contributions	11,318	16,486
Minority interests	-	4
Variation of other equity or stockholders' capital	-	123
Net receipts from loans	4,453	420
CASH FLOW FROM FINANCING	15,771	17,033
CASH VARIATION (calculated)	-1,038	511
OPENING CASH BALANCE	4,232	3,721
CLOSING CASH BALANCE	3,194	4,232
CASH VARIATION (noted)	-1,038	511

4.1.5 PROFORMA FINANCIAL STATEMENTS

The purpose of the proforma data is to present Group financial statements based on the hypothetical integration and restructuring as of 1st January 2000 of AB Soft (and its subsidiaries), Guildsoft, Vicom Tech Ltd, Vicom Tech Inc. and Seattle Lab Inc. acquired in 2000 and 2001, and the hypothetical sale of the Lab Production Web Agency prior to 1st January 2000. The profit and loss statement was drawn up for the 12-month financial years corresponding to the calendar year. A proforma balance sheet was drawn up as of 31st December 2001. In the absence of reliable data, due to the numerous entries of companies with non synchronized financial years, no proforma balance sheet was prepared as of 31st December 2000.

PROFORMA PROFIT AND LOSS STATEMENT in K€	Calendar financial year 2001 (12 months)	Calendar financial year 2000 (12 months)
NET REVENUES	43,236	48,716
Other operating revenues	2,537	3,125
OPERATING REVENUES	45,773	51,841
Raw materials and purchase of merchandise	10,060	9,365
Other purchases and external charges	10,489	12,086
Taxes and duties	1,008	964
Payroll costs	20,722	20,897
Depreciation allowances and provisions	2,627	2,395
Other expenses	1,635	1,551
OPERATING EXPENSES	46,541	47,258
OPERATING RESULTS	-768	4,583
Financial income	563	1,541
Financial expenses	1,138	3,239
FINANCIAL RESULT	-575	-1,698
CURRENT INCOME BEFORE TAXES	-1,343	2,885
EXTRAORDINARY RESULTS	-3,291	528
NET TAXES	-93	806
Results of integrated companies	-4,540	2,607
Goodwill amortization	339	381
NET INCOME	-4,879	2,226
Share of minority interests	-26	75
NET INCOME GROUP SHARE	-4,853	2,151
Net income (group share) per share (in €)	-1.33	+0.66
Net income (group share) per share after potential dilution (in €)	-0.88	+0.46

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PROFORMA BALANCE SHEET: ASSETS	As of 31/12/01
in K€	
Goodwill	2,908
Intangible assets	4,138
Tangible assets	2,640
Financial assets	272
FIXED ASSETS	9,958
Stocks and goods in progress	647
Other receivables and adjustment accounts	13,395
Cash balance	4,219
CURRENT ASSETS	18,261
TOTAL ASSETS	28,219

PROFORMA BALANCE SHEET: STOCKHOLDERS' EQUITY AND LIABILITIES	As of 31/12/01
in K€	
Share capital	3,648
Share premium	4,862
Consolidated reserves	7,438
Net income (group share)	-4,853
STOCKHOLDERS' EQUITY	11,095
MINORITY INTERESTS	47
PROVISION FOR CONTINGENCIES AND LOSS	1,279
Convertible bond	5,000
Bank borrowings	664
Various loans and financial debts	167
Financial debts	5,831
Other operating liabilities	9,967
LIABILITIES AND ADJUSTMENT ACCOUNTS	15,798
TOTAL LIABILITIES	28,219

4.1.6 APPENDIX TO CONSOLIDATED ACCOUNTS

I - MAJOR EVENTS OF THE FINANCIAL YEAR

1.1 External growth and sale of operations

During this period, BVRP Software SA acquired the AB Soft Group following the successful takeover bid submitted on 29th March 2001. Having acquired additional shares in the marketplace, BVRP SA now holds 94.56% of AB Soft's shares.

At the end of September 2001, BVRP also strengthened its distribution network in England through its acquisition of the English company Guildsoft.

In addition, BVRP withdrew from the multimedia business when it sold its subsidiary, Lab Production SA to the Dutch Lost Boys Group at the beginning of May 2001.

BVRP also set up a holding company, BVRP America Inc., in the United States for the purposes of merging all the Group's American companies.

As these events were highly significant, proforma financial statements for the 2000 and 2001 calendar years have been prepared and are included in the appendix.

1.2 Change of end of financial year

The second Extraordinary General Meeting held on 10th July 2001 approved the change in BVRP's corporate financial year to coincide with the calendar year. The 2000/2001 financial year was therefore extended until 31st December 2001 and became, exceptionally, a 17-month financial year.

1.3 Group restructuring

The unfavorable economic situation which resulted in a downturn in the business activities of modem and microcomputer manufacturers and put prices under heavy pressure, severely affected the BVRP Group from the second quarter of the 2001 calendar year onwards. The Group's Management reacted immediately and began an intensive restructuring exercise. Restructuring consisted mainly of selling the multimedia business, structural reorganization, a reduction of over 15% in the workforce and rationalizing the product range, which meant that many projects that were considered unprofitable or inappropriate for the current market conditions had to be curtailed or postponed.

The purpose of this restructuring exercise, which was completed at the beginning of 2002, was to ensure that the company was once again in a position to grow and to guarantee its profitability from the 2002 financial year onwards. The accounts for the 2000/2001 financial year show a restructuring cost of M€4.6.

1.4 Issue of a M€5 convertible debenture loan

As authorized by the Extraordinary General Meeting held on 10th July 2001, 5,000 bonds with a nominal value of €1,000, that could be converted into and/or traded for new or existing shares in BVRP SA were issued on 6th August 2001 and reserved solely for the Société Générale. As of 31st December 2001, no bonds had been converted into equity.

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II - CONSOLIDATION

Identity of group companies

The companies included in the consolidated accounts of the BVRP Software Group as of 31st December 2001 are the following:

COMPANY	COUNTRY	PERCENTAGE CONTROL	PERCENTAGE INTEREST	CONSOLIDATION METHOD
BVRP Software S.A. 1 bis rue Collange 92300 Levallois Perret	France			Parent company
AB Soft S.A. Burospace 14 91570 Bièvres Consolidated since: 1/06/2001	France	94.56 %	94.56 %	Full integration
Apsydoc S.A. Burospace 14 91570 Bièvres Consolidated since: 1/06/2001	France	100 %	94.56 %	Full integration
Above Soft S.A.R.L. 93, avenue de Villiers 75017 Paris Consolidated since: 1/06/2001	France	100 %	94.56 %	Full integration
ADI Holding S.A. 8, Avenue de Toulouse 34000 Montpellier Consolidated since: 1/06/2001	France	100 %	94.56 %	Full integration
ADI TPP S.A. 8, Avenue de Toulouse 34000 Montpellier Consolidated since: 1/06/2001	France	50 %	47.28 %	Proportional integration
S.R.B.V. S.A. 6-8, rue Firmin Gillot 75015 Paris Consolidated since: 3/04/2000	France	50 %	50 %	Proportional integration
TECHCITY Solutions 4, Boulevard Rocheplatte 45000 Orléans Consolidated since: 3/04/2000	France	50 %	39 %	Proportional integration
BVRP America INC. 2711 Centerville Road, Suite 400 Wilmington, DE 19808. Consolidated since: 7/12/2000	USA	100 %	100 %	Full integration
BVRP Software INC. 1333 W. 120th avenue Westminster CO 80234 Consolidated since: 1/08/1997	USA	100 %	100 %	Full integration
SEATTLE LAB INC. 11730 118th Ave. NE Kirkland, WA 98034 Consolidated since: 28/04/2000	USA	100 %	100 %	Full integration
VICOM TECH INC. 2207 Concord Pike Wilmington DE 19803 Consolidated since: 17/07/2000	USA	100 %	100 %	Full integration
KOMMUNICATE LTD Sheridan House, 40-43 Jewry Street Winchester - Hampshire SO 23 8RY Consolidated since: 1/01/1999	England	100 %	100 %	Full integration
BVRP UK LTD 2, Durlay Road Bournemouth, BH25JJ Consolidated since: 17/07/2000	England	100 %	100 %	Full integration
GUILDISOFT LTD The Software Centre, East Way, Lee Mill Industrial Estate Ivybridge, Devon PL21 9GE Consolidated since: 1/10/2001	England	100 %	100 %	Full integration

III - ACCOUNTING PRINCIPLES, RULES AND METHODS

3.1 Consolidation rules and methods

The consolidated accounts were prepared in accordance with French accounting standards.

The subsidiaries are consolidated using the global method when BVRP SOFTWARE has direct majority control. SRBV and Techcity Solutions are jointly held with SR Téléperformance and are consolidated using the proportional integration method. ADI TPP is owned jointly with Cachard Investment and is consolidated using the proportional integration method.

3.2 Length of financial year

The Extraordinary General Meeting held on 10th July 2001 approved the change in BVRP's corporate financial year to coincide with the calendar year. The 2000/2001 financial year comprised, exceptionally, 17 months and closed on 31st December 2001. All the Group's companies changed their closing date to coincide with that of the parent company.

3.3 Principles of evaluation

3.3.1 Acquisition discrepancies

3.3.1.1 General principles

The difference between:

- the acquisition price of the company, including the amount after tax of the other external costs directly attributable to the acquisition,
- and the Group's share in the stockholders' equity restated on the date of consolidation

are, if necessary, assigned to identifiable elements that can be estimated in the year following the financial year in which the acquisition took place.

The unassigned residual portion is recorded as goodwill and is depreciated using the straight line method over a period of 10 to 20 years.

The goodwill is depreciated when the fair value appears lower than the value on the balance sheet. The criteria used for this evaluation are specifically the type of activity, the past and foreseeable profitability, and the economic, financial and sector-based factors significantly affecting the value.

3.3.1.2 Application of the excess over normal depreciation method for the accounting treatment of goodwill

Goodwill charged to premium paid.

When increases in capital are open to all shareholders and intended exclusively to finance acquisitions of share holdings, the goodwill is directly offset against the premium.

These provisions applied to the 1998/1999, 1999/2000 and 2000/2001 financial years (see section 4.4.2 below).

3.3.2 Intangible assets

Research and Development costs

- Research phase

The Research and Development costs are capitalized when the following conditions are simultaneously fulfilled:

- the projects are clearly individualized.
- the costs are clearly set out.
- the projects are highly likely to achieve technical success and commercial profitability.

In addition, the principle of a maximum annual limit set by the Board of Directors means that BVRP Software may not have to capitalize all the Research and Development costs that meet the criteria for activating these expenses.

Any Research and Development costs that do not meet all the above criteria are included in the expenses for the financial year in which they are incurred.

The capitalized Research and Development costs are depreciated over a period of 4 years as from the first day of the half-year following their commitment and do not have to be held until the date the software is released or first used.

BVRP Software and its subsidiaries routinely assess the technological and commercial feasibility of each development. If this feasibility is questionable, an extraordinary depreciation of the residual value of the immobilized Research and Development costs is recorded.

- Commercialization phase

As soon as the software or new feature is ready and available for commercialization, the net book value of the Research and Development costs is posted to "software". The costs are depreciated for their residual value over an estimated period based on the useful life (maximum five years) as from the first day of the half-year following their transfer.

BVRP Software periodically evaluates the useful life of each product. If the net book value is higher than the estimated value of the future income, a depreciation allowance is created.

Customer lists

Customer lists are valued at their acquisition cost. They are depreciated using the straight line method over a period of between 10 and 20 years. This depreciation period is based on the sector of activity and type of product.

At the end of each financial year, the customer lists are assessed and an extraordinary provision or depreciation is booked, if necessary.

Other intangible assets

The software packages and acquired technologies are valued at their acquisition cost and depreciated over their useful life (maximum 5 years) using the straight line method.

3.3.3 Tangible assets

Tangible assets are valued at their acquisition cost (purchase price and additional costs).

Economically justified depreciation is determined according to the envisaged working life, using the reducing balance or straight line method, whichever is appropriate.

The depreciation periods are as follows:

Fixed asset	Depreciation	
	Method	Duration
Facilities and installations	straight line	10 years
Office furniture	straight line	10 years
IT equipment	declining	4 and 5 years
Vehicles	straight line	4 years

An extraordinary depreciation is recorded in the event of loss of value or change in working life

3.3.4 Financial assets

These assets are valued at their acquisition price. A provision is made if the realization value of the financial assets becomes lower than their book value.

3.3.5 Stocks and goods in progress

Stocks or raw materials and supplies are valued at the purchase price plus the procurement costs.

Merchandise in stock is valued at cost price by the FIFO method. A provision for depreciation is recorded when this cost price is higher than the estimated realizable net value.

Any significant intra-group margins are offset.

3.3.6 Receivables

Receivables are valued at their nominal value. They can, if necessary, be depreciated by provision to take into account any difficulties in collection which may arise.

3.3.7 Foreign currency transactions

The exchange value of foreign currency expenses and income is recorded at their exchange value in the month prior to the date of the transaction. Foreign currency bank accounts are valued at the closing price.

3.3.8 Investment securities

Investment securities are valued at their purchase price by the FIFO method.

They can, if necessary, be depreciated by provision to take into account any decrease in the value of the securities at the end of the financial year.

3.3.9 Deferred taxes

Temporary timing difference result in deferred taxes by the liability method (updating in accordance with the changes in corporation tax rates). The deferred tax credits are systematically taken into account and the deferred tax debits are taken into account within the limits of the short-term profit outlook.

3.3.10 Conversion of accounts of foreign subsidiaries

Balance sheet statements of foreign companies are converted at the closing rate, whereas profit and loss statements are converted at the average rate. The discrepancy between the conversion of equity capital at the closing rate and their historical cost, as well as that resulting from the use of the average rate to determine the result, appear as exchange rate difference under the heading "Stockholder's equity".

3.3.11 Other provisions for contingencies and loss

These provisions are intended to cover contingencies and loss caused by events that have occurred or are currently in progress, the scope of which is clearly specified, but for which the realization, time frame and amount are undetermined.

IV - ADDITIONAL INFORMATION CONCERNING BALANCE SHEET: ASSETS

4.1 Research and Development costs

- Investments

The BVRP Software Group's Research and Development budget for the 2000/2001 financial year was M€6.1, i.e. 11.4% of consolidated revenues.

The 2000/2001 twelve-month period of investment in Research and Development is equal to the absolute value for the previous financial year, i.e. a decrease in relative value compared with the consolidated revenues (13.5 % during the previous financial year).

The Research and Development costs capitalized during the financial year amounted to M€2.3 over 17 months compared with M€1.4 for the previous year.

- Periodic evaluation

The periodic evaluation of completed projects or those being developed did not cause BVRP to question the technological and commercial feasibility of the various projects. Application of the principle of periodic evaluation mentioned above did not result in any special provisions or depreciation.

4.2 Concessions, patents and software

This category includes the following items:

in K€	Gross	Depreciation	Net
Software developed by BVRP Software	3,928	2,248	1,680
Brands	27	3	24
Acquired software packages	1,729	1,247	482
Total	5,684	3,498	2,186

The curtailment of certain projects as part of the rationalization of the product range undertaken during the summer of 2001 led BVRP to post an accelerated depreciation of M€1.1.

4.3 Customer lists

This item comprises the OEM customer list acquired on 23rd December 1998 from the Swedish company TRIO AB and the customer list acquired by the subsidiaries of AB Soft before their consolidation by BVRP.

Given the industry sector and the type of product, these customer lists are depreciated using the straight line method over 10 years.

in K€	Gross	Depreciation	Net
OEM Trio customer list	1,694	377	1,317
ADI TPP customer list	35	1	34
	1,729	378	1,351

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4.4 Goodwill

4.4.1 Goodwill recorded in the assets

- LAB PRODUCTION SA

As the company was sold off during the financial year, the initial goodwill no longer appears in the assets

- VICOMSOFT

In accordance with the price guarantee given with respect to the variable portion of the acquisition price (see 4.4.2) and given the unfavorable change in the market price of BVRP Software, it was decided to settle the remainder in cash. The sum in question was attributed as goodwill amounted to K€1,779.

- GUILDSOFT

The goodwill recorded when the share holdings in Guildsoft were acquired in September 2001, i.e. K€1,611, was recorded in the assets balance sheet.

4.4.2 Goodwill charged to the stockholders equity

- KOMMUNICATE

The goodwill recorded for the 1998/1999 financial year when the share holdings in Kommunicate were acquired, i.e. K€4,760, was offset against the issue premium when the share capital used to finance the operation was increased.

- SEATTLE LAB

The goodwill of K€8,372 from the acquisition of share holdings in Seattle Lab during the 1999/2000 financial year, was completely offset against the issue premium when the share capital used to finance the operation was increased.

- VICOMSOFT

The goodwill from the acquisition of the Vicomsoft group, offset against the issue premium, is broken down as follows:

- Initial purchase price discrepancy relating to the fixed portion of the acquisition cost in 1999/2000 of the share holdings in the companies of the Vicomsoft group: K€6.355
- Additional purchase price discrepancy relating to the variable portion of the price paid during the 2000/2001 financial year as shares in BVRP Software issued in accordance with:
 - the achievement of objectives K€3.838
 - the price guarantee given with respect to some of the shares issued for the purposes of achieving the company's objectives K€1.102

The total purchase price discrepancy on the Vicomsoft group amounts to K€13,075, K€11,295 of which is offset against the equity capital.

- AB SOFT

The purchase price discrepancy of K€6,657 from the acquisition of share holdings in AB Soft following the successful takeover bid in May 2001 was offset against equity capital in accordance with the "pooling of interest" regulations.

4.5 Movements affecting the fixed assets categories

4.5.1 Intangible assets

in K€	Gross 01/08/00	Acquisitions	Sales/ Transfers between categories	Consolidation /exchange variation	Gross 31/12/01	Deprec. and provisions 31/12/01	Net 31/12/01	Net 31/07/00
Research & Development costs	1,142	1,399	-1,765	-95	681	80	601	978
Set-up costs	14	-	-16	6	4	4	-	13
Concessions, patents	3,893	957	294	540	5,684	3,498	2,186	2,560
Customer list	1,694	-	-88	123	1,729	378	1,351	1,556
Total	6,743	2,356	-1,575	574	8,098	3,960	4,138	5,107

4.5.2 Tangible assets

in K€	Gross 01/08/00	Acquisitions	Sales/ Transfers between categories	Consolidation variation/ exchange variation	Gross 31/12/01	Deprec. 31/12/01	Net 31/12/01	Net 31/07/00
Facilities and installations	707	453	-69	487	1,578	608	970	591
Transport equipment	78	45	-59	97	161	56	105	50
Office and IT equipment and furniture	1,920	1,049	-171	1,011	3,809	2,244	1,565	989
Total	2,705	1,547	-299	1,595	5,548	2,908	2,640	1,630

4.5.3 Financial assets

in K€	Gross 01/08/00	Acquisitions	Decreases	Consolidation/ exchange variation	Gross 31/12/01	Prov. 31/12/01	Net 31/12/01	Net 31/07/00
Loans to subsidiaries	285	-	-278	1	7	-	7	285
Other financial assets	147	2	-46	194	297	31	266	147
Total	431	2	-324	195	304	31	273	431

4.6 Depreciation

The allowance for the financial year is broken down as follows:

in K€	Deprec. 01/08/00	Allowances for financial year	Sales/transfers between categories	Deprec. 31/12/01
Intangible assets	1,635	3,205	-880	3,960
Research & Development costs	164	186	-270	80
Set-up costs	1	2	1	4
Concession, patents	1,333	2,777	-612	3,498
Customer lists	137	240	1	378
Tangible assets	1,075	779	1,054	2,908
Total	2,710	3,984	174	6,868

4.7 Aging of receivables

Receivables with a maturity greater than one year amount to K€17.

4.8 Hedging of exchange risks

The Group's exposure to exchange risk mainly involves sales negotiated with customers in US dollars. Each year, when the budget is drawn up, the company uses hedging instruments, mostly forward sales contracts, to cover the budget prices.

As of 31st December 2001, BVRP SA had forward sales contracts amounting to K\$1,400 with maturity dates after the closing date.

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4.9 Prepaid expenses and other adjustments

The major amounts recorded in the assets adjustment account are

in K€	As of 31/12/01	As of 31/07/00
Prepaid royalties	57	284
Rents	-	118
Marketing and advertising	185	40
Other	228	302
Total	470	744

4.10 Impact of change of scope on assets accounts

Category in K€	AB SOFT	GUILDISOFT	LAB PRODUCTION	TOTAL
Fixed assets	577	87	-370	294
Stocks	236	65	-	301
Receivables	1,818	503	-1,519	802
Cash balance	481	159	-2	638

V - ADDITIONAL INFORMATION CONCERNING THE BALANCE SHEET : STOCKHOLDERS EQUITY AND LIABILITIES

5.1 Stockholders' equity

- Capital

As of 31st December 2001, BVPR SOFTWARE SA's capital consisted of 3,648,420 shares with a nominal value of €1, all of which were in the same category.

- Breakdown of capital and voting rights

In the light of the statutory provisions which confer a double voting right for shares held nominatively for at least two years by the same shareholder, the total number of voting rights as of 31st December 2001 was 3,929,419.

- Variation in stockholders' equity

in K€	
STOCKHOLDERS' EQUITY N-1	15,647
CONSOLIDATED LOSS	-4,385
EXCHANGE RATE ADJUSTMENT	5
CAPITAL INCREASE	11,318
GOODWILL ALLOCATED TO PREMIUM (see section 3.3.1)	-11,832
CONSOLIDATED STOCKHOLDERS' EQUITY	10,753

- Change in the number of shares

During the financial year, changes in the capital were as follows:

As of 1/08/2000	3,278,990
Creation of new shares	
Options to employees	15,322
Equity warrants, directors	36,530
Equity warrants, additional payment of acquisition	139,976
Increase in capital due to the AB SOFT takeover	177,602
Au 31/12/2001	3,648,420

- Other shares giving access to capital

During the financial year beginning 31st July 2000, 15,322 previously granted stock options and 54,430 previously granted equity warrants were exercised.

The second Extraordinary General Meeting held on 10th July 2001 approved the cancellation of the stock options scheme proposed on 15th June 2000 and authorized the Board of Directors to issue a new scheme for a maximum of 500,000 stock options granting the right to subscribe an equivalent number of shares.

In addition, the Meeting cancelled 322,124 previously granted equity warrants and authorized several conditional equity warrant schemes for a maximum of 557,188 warrants granting the right to subscribe an equivalent number of shares.

At their meeting of 5th October 2001, the Board of Directors proposed a stock options scheme as authorized by the General Meeting. 422,970 options to subscribe an equivalent number of shares were granted to the Group's employees.

At their meetings of 10th July 2001, 5th October 2001 and 5th December 2001, the Board of Directors implemented the resolutions of the General Meeting of 10th July 2001 and granted 535,412 warrants to subscribe an equivalent number of shares. The 21,776 warrants authorized and not yet granted will be cancelled.

The Meeting of 10th July 2001 authorized a bond issue reserved for the Société Générale, with the option to convert these bonds into and/or trade them for new or existing shares. They were issued on 6th August 2001. The maximum number of new shares that could be authorized was 500,000.

The table below summarizes the current stock options schemes. The number of shares takes into account the division by two of the nominal value of shares voted by the General Meeting of 20th April 2000.

Beneficiaries	BVRP SA employees	BVRP SA employees	LAB Production employees	BVRP USA employees	Kommunicate/Trio employees	BVRP Group employees
Date of meeting	31/10/96	16/07/98	16/07/98	16/07/98	22/12/98	10/07/01
Number of shares authorized	118,518	150,000	18,000	70,000	90,000	500,000
Number of shares attributed as of 31/12/01	118,518	129,316	15,366	61,378	75,933	422,970
Subscription price	€0.76	€17.46	€17.46	€17.46	€20.43	€3.93
Conditions for exercising	1/3 per year of presence	1/3 per year of presence	1/3 per year of presence	1/3 per year of presence or according to results and revenues objectives	1/3 per year of presence or according to results and revenues objectives	1/3 per year of presence or according to results and revenues objectives
Number of shares that could be subscribed by management	70,456	16,000	-	-	-	100,400
Number of managers concerned	2	2	-	-	-	4
Rights acquired as of 31/12/2001	118,518	123,254	11,290	55,778	39,096	-
Shares subscribed as of 31/12/2001	107,778	-	-	42,482	7,310	-
Maximum potential shares	10,740	150,000	18,000	27,518	82,690	500,000

The table below summarizes the current equity warrants schemes.

Beneficiaries	American management	American management	Kommunicate management	BVRP SA management	BVRP SA management
Date of meeting	16/07/98	10/07/01	22/12/98 et 10/07/01	22/12/98	10/07/01
Number of shares authorized	74,000	143,180	170,000	100,000	270,000
Number of shares attributed as of 31/12/01	74,000	121,540	170,000	100,000	270,000
Subscription price	€14.48	€3.93 to €36.78	€14.18	€17.46	€3.93 to €24.65€
Conditions for exercising	1/3 per year according to results objectives	1/3 per year according to results objectives	1/3 per year according to results objectives	1/3 per year according to share price objectives	1/3 per year according to results and share price objectives
Number of shares that could be subscribed by managers	-	54,000	-	100,000	270,000
Number of managers concerned	-	1	-	2	3
Rights acquired as of 31/12/2001	74,000	20,000	77,996	66,668	-
Shares subscribed as of 31/12/2001	14,000	100	29,965	-	-
Maximum potential shares	60,000	121,440	25,736	66,668	258,333

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Beneficiaries	Seattle Lab	Lab Production	BVRP SA Directors
Date of meeting	20/04/00	10/07/01	10/07/01
Number of shares authorized	85,602	36,950	5,000
Number of shares attributed as of 31/12/01	85,602	36,950	5,000
Subscription price	€48.25	€26	€3.93
Conditions for exercising	1/2 per year according to revenues and results objectives		1/3 per year of presence
Number of shares that could be subscribed by managers	-	-	-
Number of managers concerned	-	-	-
Rights acquired as of 31/12/2001	-	36,950	-
Shares subscribed as of 31/12/2001	-	-	-
Maximum potential shares	-	36,950	5,000

Assuming that all rights related to the authorized options and equity warrants are exercisable and are exercised, BVRP Software's capital would be increased by a total of €13,988,859, i.e. €1,363,075 of share capital and €12,625,784 of issue premiums.

The share capital would thus rise from €3,648,420 to €5,011,495, an increase of 37.4% spread over the years from 2002 to 2007. It should, however, be noted that:

- the equity warrants and some options will only be exercised if certain growth objectives in terms of revenues, results, or stock market prices are achieved
- almost half the potential shares to be issued will be exercised at prices that are significantly higher than the current stock market prices.

Also assuming that the maximum number of shares are issued following the conversion of all the convertible bonds (i.e. 500,000 shares) the share capital would increase from €500,000 to €5,511,495, i.e. by 51.1%.

5.2 Provision for contingencies and loss

The provisions for contingencies and loss amounting to M€1.3 as of 31st December 2001 are as follows: M€0.8 for the costs associated with centralizing the American operations on one site and M€0.5 for the completion of the restructuring of AB Soft's hardware operations. Both these operations were completed during the first quarter of 2002.

5.3 Ageing of debts

The financial debt payable beyond one year is K€5.063. This amount consists mainly of the convertible bonds (M€5.0) repayable in fine in 2004.

The other debts are payable within one year.

5.4 Interest rate risk

The convertible bond of M€5 was subscribed at an interest rate that can vary between 3.50% and 4.50%. The other medium/long term loans of the French companies in the Group have fixed interest rate.

5.5 Other liabilities and adjustment accounts

in K€	As of 31/12/01	As of 31/07/00
Tax and social liabilities	3,292	2,618
Prepaid income	283	5
Other	775	438
Total	4,350	3,061

5.6 Accrued expenses included in debts

in K€	As of 31/12/01
Suppliers, accrued invoices	2,689
Tax and social liabilities	795
Other liabilities	141

5.7 Effect of change of scope on liabilities

in K€	AB SOFT	GUILDISOFT	LAB PRODUCTION	TOTAL
Financial debts	321	-	-927	-606
Suppliers	1,456	-	-318	1,138
Other liabilities	564	553	-568	549

VI - NOTES ON THE PROFIT AND LOSS STATEMENT

6.1 Breakdown of sales

The breakdown of sales by activity sector is as follows:

in K€	2000/2001 17 months	1999/2000 12 months
SOFTWARE	28,065	14,663
SERVICES	21,947	14,448
MULTIMEDIA	-	3,701
OTHER	3,625	0,020
Total	53,637	32,832

The breakdown by geographical zone is as follows:

in K€	2000/2001 17 months	1999/2000 12 months
FRANCE	24,243	17,396
UNITED STATES	11,546	4,943
GREAT BRITAIN	11,299	5,947
OTHER EUROPEAN COUNTRIES	2,369	2,945
OTHER COUNTRIES	4,180	1,601
Total	53,637	32,832

6.2 Analysis of profit and loss, contribution by country

in K€	FRANCE	UNITED STATES	ENGLAND	TOTAL
Revenues	28,767	12,867	12,003	53,637
Operating results	561	296	-204	653
Income after taxes	-2,728	-1,186	-322	-4,236
Goodwill amortization and minority interests	-35	-51	-63	-149
Contribution to net income (group share)	-2,763	-1,237	-385	-4,385

6.3 Analysis of financial result

The financial result is a net charge of K€536 (compared with K€-1,122) for the previous financial year. K€311 of these results come from foreign currency exchange adjustments.

6.4 Analysis of extraordinary result

The extraordinary result comprises a net loss of M€3.3 compared with a net profit of M€1.5 in 1999/2000. It consists chiefly of the restructuring costs that were paid or accrued for on 31st December, i.e. the amortization of projects that were curtailed (M€1.0), the costs of structural reorganization and the redundancy costs (M€2.3).

The result from discontinued operations (loss of M€1.2) corresponds to the loss from Lab Production's operations and the loss incurred in selling off this business.

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6.5 Income tax

DEFERRED TAXES, ASSETS	in K€
Balance forward as of 1/08/00	294
Variation	447
Balance as of 31/12/2001	741

DEFERRED TAXES, LIABILITIES	in K€
Balance forward as of 1/08/00	56
Variation	-56
Balance as of 31/12/2001	0

The deferred taxes reflect the discrepancies over time between the expenses and the income used in the preparation of the consolidated accounts and those used to calculate the income tax in the financial statements of the various companies.

Similarly, the corresponding tax claims were posted for the companies with a carry-back for tax deficits on undistributed profits for the three previous financial years and for which taxes were paid.

Companies with deficits that could be carried forward recorded a deferred tax credit when there was the prospect of a return to profitability in the short term. On 31st December, only BVRP SA posted a deferred tax asset of K€741.

Because of its type of business operations, the company enjoyed a research tax credit of K€575 for the 2000 and 2001 calendar years which reduced its current tax.

VII - NOTES ON OFF BALANCE SHEET ITEMS

7.1 Additional payment clauses for acquisitions, customer lists and holdings

7.1.1 LAB PRODUCTION SA

The acquisition of shares in Lab Production included an additional payment based on the achievement of results, net revenue and cumulative net revenue objectives during the three financial years following the date of acquisition, i.e. 1998/1999, 1999/2000 and 2000/2001.

The maximum additional payment amounted to K€1,097 (28,000 equity warrants at a unit price of FRF257.10). An additional payment of K€706 was made, representing the exercising of 18,000 equity warrants at a price of FRF257.10.

As the company was sold in May 2001, the commitment arising from the acquisition of Lab Production no longer exists.

7.1.2 SEATTLE LAB INC.

The acquisition of shares in Seattle Lab included an additional payment based on the achievement of the results and net revenue objectives during the 2000 and 2001 calendar years.

The maximum additional payment amounted to K€4,128 (85,602 equity warrants at a unit price of €48.225). As the sales and revenue objectives were not met, no additional payment will be made.

7.1.3 VICOMSOFT

The acquisition of shares in Vicom Tech Inc. and Vicom Tech Ltd included an additional payment, based on the achievement of various objectives during 2000 and 2001.

As the objectives were met, the maximum additional payment was made in equity warrants amounting to K€2,601 and also in cash amounting to K€1,779. BVRP received a pledge on the sellers share as a guarantee.

When pledged shares will be sold, any difference between the price of BVRP shares on 31st December 2001 (€8.15) and their price on the date of sale will result in a profit if the share price is higher than €8.15, or a loss if the share price is below €8.15.

7.1.4 GUILDSOFT

The acquisition of shares in Guildsoft included an additional payment based on the achievement of revenue objectives during the twelve months following their acquisition (1st October 2001 to 30th September 2002). This maximum additional payment of K€200 (K€325) would be made in cash. On 31st December 2001, it was deemed prudent to record half the additional payment as a liability.

7.2 Stock options

The Extraordinary General Meeting of 16th July 1998 authorized the Board of Directors to issue 84,000 stock options granted free of charge to the Group's French employees, giving their bearers the right to subscribe 168,000 shares in the company at a unit price of FRF114.50 per share.

The scheme was set up by the Board of Directors on 19th October 1998. One third of the subscription rights can be acquired each year, starting one year from the attribution date, i.e. 19th October 1999. The shares cannot be subscribed until five years after the date of attribution of the subscription rights. The surplus discount would

result in payroll taxes having to be paid in the year in which the options are exercised, i.e. the 2002-2003 financial year at the earliest. In view of the above-mentioned five-year period there will be no payroll taxes due on capital gains.

The Board of Directors has so far granted 144,682 stock options to 144 employees. The potential debt in payroll taxes that would result if all the rights attributed were subscribed can be estimated at K€170 as of 31st December 2001. This debt which is uncertain, especially in view of the current stock market prices, is not provisioned in the accounts.

The Extraordinary General Meeting of 10th July 2001 authorized the Board of Directors to issue 500,000 stock options granted free of charge to the Group's employees, giving their bearers the right to subscribe 500,000 shares in the company at a unit price equal to 80% of the average price of BVRP's shares during the 20 days prior to their attribution by the Board.

The scheme was set up by the Board of Directors on 5th October 2001. French employees can acquire one third of the subscription rights each year, starting one year from the attribution date, i.e. 5th October 2002. The shares cannot be subscribed until four years after the date of attribution of the subscription rights. The surplus discount would result in payroll taxes having to be paid in the year in which the options are exercised, i.e. the 2004 financial year at the earliest. Due to the four-year period mentioned above, there will be no payroll taxes due on capital gains.

The Board of Directors has so far granted 191,766 stock options to French employees. The potential debt in social contributions that would result if all the rights attributed were subscribed can be estimated at K€51 as of 31st December 2001. This uncertain debt is not provisioned in the accounts.

7.3 Leasing commitments

The value of goods financed through leasing contracts is K€652.

in K€	
Original value	652
Depreciation	
Total, previous years	263
2000/2001 financial year	145
Total	408
Net value	244
Fees paid	
Total, previous years	202
1999/2000 financial year	198
Total	400

The company's commitments in terms of residual purchase price and outstanding fees are:

in K€	
Outstanding fees	
Within one year	94
Beyond one year	167
Total	261
Residual purchase price	22
Total	283

7.4 Retirement allowances

When they retire, some Group employees are due to receive allowances calculated on the basis of collective bargaining agreements. The sum represented by these retirement allowances is not substantial and amounts to K€176.

Given the low average age of its personnel, the Group's policy is not to make provision for theoretically acquired rights, but rather to assume the corresponding cost in the financial year in which the employees retire.

7.5 Commitment of guaranties granted

BVRP gave a limited guarantee with respect to certain Lab Production assets and liabilities when it disposed of this company in May 2001.

7.6 Commitment of guaranties received

Kommunicate's managing shareholders gave BVRP Software a guarantee for the assets and liabilities appearing in Kommunicate's accounts as of 31st March 1998.

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Assets - Financial situation - Results

Seattle Lab's shareholders gave BVRP Software a guarantee for the assets and liabilities appearing in Seattle Lab's accounts as of 31st December 1999.

The shareholders of Vicom Tech Inc. and Vicom Tech Ltd gave BVRP Software a guarantee for the assets and liabilities appearing in the accounts of these companies as of 31st December 1999.

The main shareholder of the AB Soft Group gave BVRP Software a guarantee for the assets and liabilities appearing in the accounts of these companies as of 31st December 2000

The Guildsoft shareholders gave BVRP Software a guarantee for the assets and liabilities appearing in Guildsoft's accounts as of 30th September 2001.

VIII - OTHER INFORMATION

8.1 Company workforce

As of 31st December 2001, the BVRP Software Group had 511 employees, an increase of 6.0% since 31st July 2000. This increase was due to the consolidation of the AB Soft Group in France and Vicomsoft and Guildsoft in Great Britain in addition to the growth of Techcity, which offset the overall reduction in workforce and the sale of Lab Production.

Breakdown of workforce by country:

	FRANCE	UNITED STATES	GREAT BRITAIN	TOTAL
Employees	292	53	77	422
Managers	60	8	6	74
Senior management	9	2	4	15
Total	361	63	87	511

These figures do not include the reductions in the workforce in England and the United States that were finalized during the first quarter of 2002 (40 persons).

The average age of BVRP's employees is 30 years.

8.2 Remuneration to members of management bodies

The total remuneration and benefits in kind paid to members of BVRP Software management bodies in return for their work within the companies under their control was K€1,158.

As in previous years, no directors' fees were paid to members of the Board of Directors.

8.3 Lawsuits and disputes

The management is aware of no disputes involving any serious risk to the Group's results or financial situation.

IX - EVENTS AFTER CLOSING

Within the context of its policy of concentrating on its core business activities (software publishing and distribution), BVRP sold its French specialist hotline operations to SR Téléperformance at the beginning of April 2002.

The sale of this business, which represented 26% of the company's consolidated revenues in 2001, will have a positive effect on 2002 and will generate a significant net capital gain.

4.1.7 AUDITOR'S REPORT ON THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR CLOSED ON 31ST DECEMBER 2001

Ladies and Gentlemen,

In accordance with the mandate assigned to us by your ordinary General Meeting, we audited BVRP Software SA's consolidated accounts prepared in thousands of euros for the financial year ending 31st December 2001, as enclosed with this report.

The consolidated accounts were closed by the Board of Directors. On the basis of our audit, we are bound to express an opinion on these accounts.

We conducted our audit according to the professional standards applicable in France, which require us to provide reasonable assurance that the consolidated accounts are free from material misstatement. An audit involves examining samples of some of the key elements that justify the data presented in these accounts. It also involves an appraisal of the accounting principles used, the significant estimations used for preparing the accounts and their overall presentation. We consider that our auditing provides a reasonable basis for the opinion expressed below.

We certify that the consolidated accounts prepared in accordance with the rules and principles applicable in France are true and fair and give an accurate picture of the assets and financial situation of the group composed of the companies included in the consolidation.

We also verified the information given in the Group's management report. We have no comments to make regarding its fair presentation or consistency with the consolidated accounts.

Drawn up in Paris on 13th May 2002
THE AUDITORS

Mr. Alain GATEAU



APLITEC represented by
Mr. Gérard LEPLÉ



4.2 APPENDIX SUPPLEMENTARY NOTES

The purpose of this note is to provide additional information to the appendix included with the consolidated accounts approved by the General Shareholders' Meeting of 2nd July 2002.

Impact of the acquisition and shedding in the course of the financial year:

The impact of the companies acquired or sold during the financial year on the balance sheet items is detailed in the notes 4.10 and 5.7 of the consolidated appendices as well as in the proforma accounts.

The impact of the acquisitions and selloffs is a net cash out of M€13.4, corresponding essentially to the cost of acquisitions (net of cash acquired) of AB Soft (M€6.5), and Guildsoft (M€1.2) and of the earn out price of Vicomsoft (M€6.7).

Shareholders' Equity

The goodwill booked as a reduction of stockholders' equity (K€11,832) correspond to the acquisitions of AB Soft (K€6,657), to the remaining cost of Vicomsoft (K€4,930) and the adjustment to the goodwill for Seattle Lab acquisition (K€245).

Taxes

Due to an uncertain profit outlook, the BVRP group, which has tax losses carried forward totaling M€13.7 (distributed between the French, English, and American entities), thus a potential tax savings of M€4.4, recorded a deferred tax asset for only M€0.7.

Commitments on guarantees made

The maximum amount of the guarantees made on assets and liabilities of the company Lab Production, shed in May 2001, totals M€1. To-date, the acquirer has not exercised its guarantee and has indicated no intention of doing so.

Chapter 4

Assets - Financial situation - Results

4.3

BVRP FINANCIAL STATEMENTS AS OF 31/12/2001

4.3.1 PROFIT AND LOSS STATEMENT AS OF 31/12/2001 - PART 1

in K€	France	Export	31/12/01	31/07/00
			(17 months)	(12 months)
Sales of merchandise	49	-	49	49
Sales of products	2,319	2,511	4,830	5,404
Services sold	13,379	11,779	25,158	15,997
NET REVENUES	15,747	14,290	30,037	21,450
Change in finished goods inventory			-	-
Capitalized expenses			1,731	1,365
Recovery on depreciation, provisions and expense transfers			92	29
Other income			36	8
OPERATING REVENUES			31,896	22,852
Purchases of merchandise (and customs duties)			-	8
Purchases of raw materials and supplies			500	439
Inventory variation (raw materials and supplies)			21	3
Other purchases and external charges			12,656	6,971
Taxes and duties			773	488
Salaries and wages			11,040	7,642
Payroll taxes			5,189	3,662
Allowance for depreciation on fixed assets			2,015	1,167
Allowances for provisions on current assets			173	25
Other expenses			273	169
OPERATING EXPENSES			32,640	20,574
OPERATING INCOME			2,093	1,451
Dividend received			799	811
Income from other securities and financial assets			171	14
Other interest and related income			55	17
Recovery on provisions and expense transfers			632	-
Foreign exchange gains			307	526
Net income from sales of investment securities			129	83
FINANCIAL INCOME			2,093	1,451
Allowances for depreciation and provision			1,360	631
Interest expenses			114	15
Foreign exchange losses			1,109	1,342
Net loss from sales of investment securities			-	-
FINANCIAL EXPENSES			2,583	1,988
FINANCIAL RESULT			-490	-537
CURRENT INCOME BEFORE TAXES			-1,234	1,741

4.3.2 PROFIT AND LOSS STATEMENT AS OF 31/12/2001 - PART 2

in K€	31/12/01	31/07/00
	(17 months)	(12 months)
Miscellaneous extraordinary income	35	3
Extraordinary income from capital transactions	2,658	1,700
Recovery on provisions and expense transfers	19	24
EXTRAORDINARY INCOME	2,712	1,727
Miscellaneous extraordinary expenses	2,199	1,589
Extraordinary expenses from capital transactions	3,223	139
Extraordinary depreciation and provisions	1,100	138
EXTRAORDINARY EXPENSES	6,522	1,866
EXTRAORDINARY RESULTS	-3,810	-139
INCOME BEFORE TAXES	-5,044	1,602
Employee profit sharing	-	-
Income tax	-512	187
NET PROFIT OR LOSS	-4,532	1,415

4.3.3 BALANCE SHEET AS OF 31 31/12/2001: ASSETS

in K€	Gross amount	Depreciations	Net 31/12/01	Net 31/12/00
Subscribed capital not called				
Intangible assets	6,669	2,961	3,708	4,897
Tangible assets	2,255	896	1,359	823
Investment in subsidiaries	30,960	1,078	29,882	20,514
Other fixed assets	3,242	54	3,188	903
FIXED ASSETS	43,126	4,989	38,137	27,137
STOCKS AND GOODS IN PROGRESS				
Stocks of raw materials	73	1	72	93
Advances and down-payments on orders	2	-	2	-
RECEIVABLES				
Trade accounts receivable and related accounts	6,016	156	5,860	5,566
Other receivables	1,933	207	1,726	1,018
CASH				
Investment securities	1,487	-	1,487	2,281
Cash	366	-	366	1,455
ADJUSTMENT ACCOUNTS				
Prepaid expenses	168	-	168	210
CURRENT ASSETS	10,045	364	9,681	10,623
Unrealized losses on exchange	20	-	20	23
GRAND TOTAL	53,191	5,353	47,838	37,783

4.3.4 BALANCE SHEET AS OF 31/12/2001: STOCKHOLDERS' EQUITY AND LIABILITIES

in K€	31/12/01	31/07/00
Share capital [of which paid: 3,648]	3,648	2,499
Paid-in capital and merger premiums	34,108	26,278
Legal reserve	197	127
Other reserves	3,653	2,302
Retained earnings	-	6
RESULTS FOR THE FINANCIAL YEAR (profit or loss)	-4,532	1,415
Investment subsidies	-	-
Provisions required by law	113	61
STOCKHOLDERS' EQUITY	37,187	32,688
Provisions for contingencies	43	632
Provisions for loss	-	-
PROVISION FOR CONTINGENCIES AND LOSS	43	632
FINANCIAL LIABILITIES		
Convertible bonds	5,000	-
Bank borrowings	368	760
Other loans and financial debts	1,866	601
OPERATING LIABILITIES		
Trade accounts payable and related accounts	1,075	1,257
Tax and social liabilities	1,708	1,510
OTHER LIABILITIES		
Other liabilities	499	242
ADJUSTMENT ACCOUNTS		
Prepaid income	13	-
TOTAL LIABILITIES	10,529	4,370
Unrealized gains on foreign exchange transactions	79	93
GRAND TOTAL	47,838	37,783

4.3.5 APPENDIX TO FINANCIAL STATEMENTS

I - MAJOR EVENTS OF THE FINANCIAL YEAR

1.1 External growth and sale of operations

During this period, BVRP Software SA acquired the AB Soft Group following the successful takeover bid submitted on 29th March 2001. Having acquired additional shares in the marketplace, BVRP SA now holds 94.56% of AB Soft's shares.

At the end of September 2001, BVRP also strengthened its distribution network in England through its acquisition of the English company Guildsoft

In addition, BVRP withdrew from the multimedia business when it sold its subsidiary, Lab Production SA, to the Dutch Lost Boys Group at the beginning of May 2001.

BVRP also set up a holding company, BVRP America Inc. in the United States for the purposes of merging all the Group's American companies.

1.2 Transactions on capital

AB SOFT TAKEOVER

As authorized by the Extraordinary General Meeting held on 20th April 2000, 177,602 BVRP shares were issued for K€5,596, including premiums. These shares were exchanged for 93.8% of AB Soft's shares under the takeover bid submitted in March 2001.

ADDITIONAL PAYMENT FOR VICOMSOFT

As authorized by the Extraordinary General Meetings held on 20th April 2000 and 10th July 2001, capital increases, including issue premiums, of K€4,940 were made, remunerating the variable portion of the acquisition cost of the holding in the Vicomsoft Group. .

A derogatory method was used to offset a portion of the acquisition cost against the issue premium for K€2,339 (see IV.1).

1.3 Change of end of financial year

The Extraordinary General Meeting held on 10th July 2001 approved the change in BVRP's corporate financial year to coincide with the calendar year. The 2000/2001 financial year was therefore extended until 31st December 2001 and became, exceptionally, a 17-month financial year.

1.4 Issue of M€5 convertible bonds

As authorized by the Extraordinary General Meeting held on 10th July 2001, 5,000 bonds with a nominal value of €1,000, that could be converted into and/or traded for new or existing shares in BVRP SA were issued on 6th August 2001 and reserved solely for the Société Générale. As of 31st December 2001, no bonds had been converted into equity.

II - ACCOUNTING PRINCIPLES, RULES AND METHODS

2.1 Accounting rules and methods

The annual accounts are prepared in euros and in accordance with the provisions of French law and the accounting principles generally accepted in France.

The general accounting conventions were applied with due care and attention, in accordance with the following basic hypotheses:

- continuity of the operation
- continuity of accounting methods from one financial year to another
- independence of financial years

and in accordance with the general rules for preparing and presenting accounts

The historical cost method was the basic method chosen for evaluating the accounts.

2.2 Principles of evaluation

2.2.1 Intangible assets

Research and Development costs

- Research phase

Research and Development costs are capitalized in this category to a maximum limit set annually by the Board of Directors, when the following conditions are simultaneously fulfilled:

- the projects are clearly individualized
- the costs are clearly set out
- the projects are highly likely to achieve technical success and commercial profitability

The principle of a maximum annual limit set by the Board of Directors means that BVRP Software may not have to capitalize all the Research and Development costs that meet the criteria for activating these expenses.

Any Research and Development costs that do not meet all the above criteria are included in the charges for the financial year in which they are incurred.

The Research and Development costs posted as assets on the balance sheet in the "Research and Development costs" category are depreciated over a period of 4 years as from the first day of the half-year following their commitment.

BVRP Software periodically evaluates the technological and commercial feasibility of each development. If this feasibility is questionable, an extraordinary depreciation of the residual value of the capitalized Research and Development costs is recorded.

- Commercialization phase

As soon as the software or new feature is ready and available for commercialization, the net book value of the Research and Development costs is posted to "software". The costs are depreciated for their residual value over a period based on the useful life (maximum five years) as from the first day of the half-year following their transfer.

BVRP Software periodically evaluates the useful life of each product. If the net book value is higher than the estimated value of the future income, a depreciation allowance is created.

Customer lists

Customer lists are valued at their acquisition cost. They are depreciated using the straight line method over a period of between 10 and 20 years. The depreciation period is based on the company's field of activity and the type of products it produces.

At the end of each financial year, the customer lists are assessed and an extraordinary provision or depreciation is recorded, if necessary.

Other intangible assets

The software packages and acquired technologies are valued at their acquisition cost and depreciated over their useful life (maximum 5 years) using the straight line method.

2.2.2 Tangible assets

VALUATION

Tangible assets are valued at their acquisition cost (purchase price and additional costs).

DEPRECIATION

Economically justified depreciation is determined according to the expected working life, using the declining method or straight line method, whichever is appropriate.

The depreciation periods are as follows:

- Facilities and installations	straight line	10 years
- Office furniture	straight line	10 years
- IT equipment	declining	4 and 5 years
- Vehicles	straight line	4 years

IT equipment is subject to exceptional depreciation over four years. For tax purposes, the declining method is used. The exceptional depreciation results solely from the application of the two methods.

An extraordinary depreciation is recorded in the event of loss of value or change in working life.

2.2.3 Financial assets

Investment in securities

Equity securities are valued at their acquisition or contribution value.

At the end of the financial year, this value is compared with an estimation of the fair value.

This value is assessed annually, taking into consideration the:

- Stockholders' equity
- Unrealized gains
- Profitability
- Forecasts
- Usefulness for the company

When the fair value thus determined is lower than the acquisition value, a provision for depreciation is made for the difference.

Other financial assets

These assets are valued at their acquisition price.

2.2.4 Stocks and goods in progress

Stocks of raw materials and supplies are valued at the purchase price plus the procurement costs.

Merchandise in stock is valued at cost price by the FIFO method. A provision for depreciation is recorded when this cost price is higher than the estimated realizable net value

2.2.5 Receivables

Receivables are valued at their nominal value. They can, if necessary, be depreciated by provision to take into account any collection difficulties that may arise.

2.2.6 Foreign currency transactions

Foreign currency expenses and income are recorded at the exchange rate in the month prior to the date of the transaction. Foreign currency bank accounts are valued at the closing price.

2.2.7 Short term investment

Principle of valuation

Investment securities are valued at their purchase price by the FIFO method.

They can, if necessary, be depreciated by provision to take into account any decrease in the value of the securities at the end of the financial year.

III ADDITIONAL INFORMATION CONCERNING BALANCE SHEET ASSETS

3.1 Research and Development costs

- Investments

The BVRP Software Group's Research and Development budget for the 2000/2001 financial year was M€3.8, i.e. 12.7% of consolidated sales (M€30).

This investment was lower in terms of value with respect to sales, i.e. 12.7% compared with 14.2% the previous year.

The Research and Development costs capitalized during the financial year amounted to M€1,731 over 17 months compared with M€1,502 for the previous year. The relative value of the capitalized Research and Development costs was 45.6% of the total cost of research compared with 44.6% for the 1999/2000 financial year and 41.6% for the 1998/1999 financial year.

BVRP Software recorded costs of M€2.1 for the financial year compared with M€1.7 for the previous year.

- Periodic evaluation

The periodic evaluation of completed projects or those being developed did not cause BVRP to question their technological and commercial feasibility

Application of the principle of periodic evaluation mentioned above did not result in any special provisions or depreciation.

3.2 Concessions, patents and software

This category includes the following items:

in K€	Gross	Depreciation	Net
Software developed by BVRP Software	3,928	2,249	1,679
Brands	26	2	24
Acquired software packages	390	303	87
Total	4,344	2,554	1,790

The curtailment of certain projects as part of the rationalization of the product range undertaken during the summer of 2001 led BVRP to post an accelerated depreciation of M€1.0.

3.3 Customer list

This item included only the OEM customer list acquired on 23rd December 1998 from the Swedish company TRIO AB.

Given the industry sector and the type of product, these customer lists are depreciated using the straight line method over 10 years, starting from the date of acquisition.

in K€	Gross	Depreciation	Net
OEM Trio customer list	1,694	377	1,317

3.4 Movements affecting the fixed asset categories

INTANGIBLE ASSETS

in K€	Gross 01/08/00	Acquisitions	Sales, Transfers between categories	Gross 31/12/01	Deprec. and provisions 31/12/01	Net 31/12/01	Net 31/07/00
Research & Development costs	997	1 249	1 615	631	30	601	870
Concessions, patents	3,619	1,926	1,201	4,344	2,554	1,790	2,471
Customer list	1,694	-	-	1,694	377	1,317	1,556
Total	6,310	3,175	2,816	6,669	2,961	3,708	4,897

TANGIBLE ASSETS

in K€	Gross 01/08/00	Acquisitions	Sales, Transfers between categories	Gross 31/12/01	Deprec. and provisions 31/12/01	Net 31/12/01	Net 31/07/00
Facilities and installations	330	413	-	743	169	574	255
Transport equipment	18	21	22	17	14	3	9
Office and IT equipment and furniture	1,013	486	4	1,495	713	782	559
Total	1,361	920	26	2,255	896	1,359	823

FINANCIAL ASSETS

in K€	Gross 01/08/00	Acquisition	Sales, Transfers between categories	Gross 31/12/01	Deprec. and provisions 31/12/01	Net 31/12/01	Net 31/07/00
Receivables	865	6,496	4,148	3,213	54	3,159	865
Investment in subsidiaries	20,514	12,914	2,468	30,960	1,078	29,882	20,514
Loans, other financial assets	38	101	110	29	-	29	38
Total	21,417	19,511	6,726	34,202	1,132	33,070	21,417

The main events of the financial year with respect to investment in subsidiaries are as follows:

VICOM TECH Ltd

When the principles for evaluating investment mentioned earlier in this document were applied (see section 2.2.3), a depreciation of K€1,078, representing 50% of the acquisition cost of the holding in the English company VICOM TECH Ltd. was recorded.

BVRP AMERICA

BVRP America was created in December 2000 for the purposes of merging all the Group's American companies into a single holding company.

As of 31st December 2001, the value of the Group's holding in BVRP America was K€16,171, which was broken down as follows:

- contribution, in December 2000, at book value in BVRP's ledgers of the holdings in:

• BVRP Inc.	K€1	
• Seattle Lab Inc.	K€7,639	
• Vicom Inc.	<u>K€5,254</u>	
		K€12,894

- additional payment Vicom Inc.

(variable portion assigned to BVRP America)

• at the time of the capital increases	K€2,041	
• at the time of the cash payment in August 2001	<u>K€1,236</u>	
		K€3,277

- Total

K€16,171

Chapter 4

Assets - Financial situation - Results

On the basis of the results forecast for 2002 for the American group, BVRP America's market value was deemed to be at least equal to this figure, resulting in estimated intangible assets of M€17.

This global estimate is based on:

- a steep depreciation of the value of Vicom Inc., the cautious valuation of which is considered to be not significant. This estimate is based mainly on the fall in value recorded by the market in this industry sector and the transfer of Vicom's business to the other American and English subsidiaries
- BVRP Inc. and Seattle Lab Inc. being valued at over M€16 after their merger in 2002 into a single operational entity with the advantage of being able to share the technology developed by Vicom Inc.

3.5 Depreciation

Breakdown of allowances for the financial year:

in K€	Deprec.		Allowances		Reversal	Deprec.
	01/08/00	Straight line	Reducing Balance	Extraordinary		
Intangible assets						
Research & Development costs	128	186	-	-	284	30
Concession, patents	1,148	1,103	127	1,006	830	2,554
Customer lists	137	240	-	-	-	377
Tangible assets						
Facilities and installations	75	94	-	-	-	169
Transport equipment	9	6	-	-	1	14
Office & IT equipment and furniture	454	256	3	-	-	713
Total	1,951	1,885	130	1,006	1,115	3,857

3.6 Aging of receivables

The amount of receivables payable beyond one year is K€17.

The other receivables are payable within one year.

3.7 Breakdown of income to be received

in K€	
Trade accounts receivable and related accounts	-
Invoices to be prepared	1,320
Other receivables	78
Total	1,398

3.8 Hedging of exchange rate risks

The company's exposure to foreign exchange rate risk mainly involves sales negotiated with customers in United States dollars.

The company has exchange rate risk coverage lines. Each year, when the budget is drawn up, the company uses hedging instruments, mostly forward sales contracts, to cover the budget prices.

As of 31st December 2001, the company had futures contracts for dates after the closing date, amounting to K\$1,400.

3.9 Prepaid charges and income

in K€	
Prepaid charges	168
Advertising	105
Other	63
Prepaid income	13
Income from related activities	13

IV ADDITIONAL INFORMATION CONCERNING THE BALANCE SHEET: STOCKHOLDERS' EQUITY AND LIABILITIES

4.1 Stockholders' equity

- Capital

As of 31st December 2001, BVRP SOFTWARE SA's capital consisted of 3,648,420 shares with a nominal value of €1, all of which were in the same category.

- Breakdown of capital and voting rights

In the light of the statutory provisions which confer a double voting right for shares held nominatively for at least two years by the same shareholder, the total number of voting rights as of 31st December 2001 was 3,929,419.

- Change in the number of shares

During the financial year, changes in the capital were as follows:

As of 1/08/2000	3,278,990
Creation of new shares	-
Options to employees	15,322
Equity warrants, directors	36,530
Equity warrants, additional payment of acquisitions	139,976
Increase in capital due to the AB SOFT takeover	177,602
As of 31/12/2001	3,648,420

- Other shares giving access to capital

During the financial year beginning 31st July 2000, 15,322 previously granted stock options and 54,430 previously granted equity warrants were exercised.

The Extraordinary General Meeting held on 10th July 2001 approved the cancellation of the stock options scheme proposed on 15th June 2000 and authorized the Board of Directors to issue a new scheme for a maximum of 500,000 stock options granting the right to subscribe an equivalent number of shares.

In addition, the General Meeting cancelled 322,124 previously granted equity warrants and authorized several conditional equity warrant schemes for a maximum of 557,188 warrants granting the right to subscribe an equivalent number of shares.

At their meeting of 5th October 2001, the Board of Directors proposed a stock options scheme as authorized by the General Meeting. 422,970 options to subscribe an equivalent number of shares were granted to the Group's employees.

At their meetings of 10th July 2001, 5th October 2001 and 5th December 2001, the Board of Directors implemented the resolutions of the General Meeting of 10th July 2001 and granted 535,412 warrants to subscribe an equivalent number of shares. The 21,776 warrants authorized and not yet granted will be cancelled.

The Meeting of 10th July 2001 authorized a bond issue reserved for the Société Générale, with the option to convert these bonds into and/or trade them for new or existing shares. They were issued on 6th August 2001. The maximum number of new shares that could be authorized was 500,000.

The table below summarizes the current stock options schemes. The number of shares takes into account the division by two of the nominal value of shares voted by the General Meeting of 20th April 2000.

Beneficiaries	BVRP SA employees	BVRP SA employees	LAB Production employees	BVRP USA employees	Kommunicate/Trio employees	BVRP Group employees
Date of meeting	31/10/96	16/07/98	16/07/98	16/07/98	22/12/98	10/07/01
Number of shares authorized	118,518	150,000	18,000	70,000	90,000	500,000
Number of shares attributed as of 31/12/01	118,518	129,316	15,366	61,378	75,933	422,970
Subscription price	€0.76	€17.46	€17.46	€17.46	€20.43	€3.93
Conditions for exercising	1/3 per year of presence	1/3 per year of presence	1/3 per year of presence	1/3 per year of presence or according to results and revenues objectives	1/3 per year of presence or according to results and revenues objectives	1/3 per year of presence or according to results and revenues objectives
Number of shares that could be subscribed by management	70,456	16,000	-	-	-	100,400
Number of managers concerned	2	2	-	-	-	4
Rights acquired as of 31/12/2001	118,518	123,254	11,290	55,778	39,096	-
Shares subscribed as of 31/12/2001	107,778	-	-	42,482	7,310	-
Maximum potential shares	10,740	150,000	18,000	27,518	82,690	500,000

Chapter 4

Assets - Financial situation - Results

The table below summarizes the current equity warrants schemes.

Beneficiaries	American management	American management	Kommunicate management	BVRP SA management	BVRP SA management
Date of meeting	16/07/98	10/07/01	22/12/98 and 10/07/01	22/12/98	10/07/01
Number of shares authorized	74,000	143,180	170,000	100,000	270,000
Number of shares attributed as of 31/12/01	74,000	121,540	170,000	100,000	270,000
Subscription price	€14.48	€3.93 to €36.78	€14.18	€17.46	€3.93 to €24.65
Conditions for exercising	1/3 per year according to results objectives	1/3 per year according to results objectives	1/3 per year according to results objectives	1/3 per year according to share price objectives	1/3 per year according to share price objectives
Number of shares that could be subscribed by managers	-	54,000	-	100,000	270,000
Number of managers concerned	-	1	-	2	3
Rights acquired as of 31/12/2001	74,000	20,000	77,996	66,668	-
Shares subscribed as of 31/12/2001	14,000	100	29,965	-	-
Maximum potential shares	60,000	121,440	25,736	66,668	258,333

Beneficiaries	Seattle Lab	Lab Production	BVRP SA Directors
Date of meeting	20/04/00	10/07/01	10/07/01
Number of shares authorized	85,602	36,950	5,000
Number of shares attributed as of 31/12/01	85,602	36,950	5,000
Subscription price	€48.25	€26	€3.93
Conditions for exercising	1/2 per year according to revenues and result objectives		1/3 per year of presence
Number of shares that could be subscribed by managers	-	-	-
Number of managers concerned	-	-	-
Rights acquired as of 31/12/2001	-	36,950	-
Shares subscribed as of 31/12/2001	-	-	-
Maximum potential shares	-	36,950	5,000

Assuming that all rights related to the authorized options and equity warrants are exercisable and are exercised, BVRP Software's capital would be increased by a total of €13,988,859, i.e. €1,363,075 of share capital and €12,625,784 of issue premiums.

The share capital would thus rise from €3,648,420 to €5,011,495, an increase of 37.4% spread over the years from 2002 to 2007. It should, however, be noted that:

- the equity warrants and some options will only be exercised if certain growth objectives in terms of revenues, results, or stock market prices are achieved
- almost half the potential shares to be issued will be exercised at prices that are significantly higher than the current stock market prices.

Also assuming that the maximum number of shares are issued following the conversion of all the convertible bonds (i.e. 500,000 shares) the share capital would increase from €500,000 to €5,511,495, i.e. by a total increase of 51.1%.

- Variation in issue premium

Following the decisions made by the Extraordinary General Meetings held on 20th April 2000 and 13th July 2001, capital increases were achieved in remuneration of the variable portion of the acquisition cost of the Vicomsoft Group.

The decisions taken at these Meetings were made according to the acquisition contract and resulted in the value of the shares issued being considerably higher than the prevailing market price (difference of K€2,339).

To give an accurate picture, a dispensatory method was used, offsetting this discrepancy against the issue premium for K€2,339.

The next Meeting will be asked to ratify this change.

• VARIATION OF STOCKHOLDERS' EQUITY

in K€	
STOCKHOLDERS' EQUITY AS OF 1/08/2000	32,688
LOSS FOR THE FINANCIAL YEAR	-4,532
INCREASE IN CAPITAL	11,318
PREMIUM VARIATION	-2,339
PROVISIONS REQUIRED BY LAW	52
STOCKHOLDERS' EQUITY AS OF 31/12/01	37,187

• PROPOSAL FOR APPROPRIATION OF INCOME

	Amount in €
1. Origin	
Prior retained earnings	-
Income for the financial year	-4,531,500
Total	-4,531,500
2. Appropriation	
Legal reserve	-
Other reserves	-
Dividends	-
Retained earnings	-4,531,500
Total	-4,531,500

• STOCKHOLDERS' EQUITY AFTER APPROPRIATION

	Amount in €
Capital	3,648,420
Premium	34,108,235
Legal reserve	197,387
Other reserves	3,651,472
Provisions required by law	112,700
Retained earnings	-4,531,500
Stockholders' equity	37,186,714

4.2 Provision for contingencies and loss

Foreign exchange hedges not unwound as of 31st December 2001 and the foreign currency asset and liability categories which showed an unrealized exchange loss were reflected in the constitution of a provision for exchange risk of K€20.

4.3 Aging of debts

The financial debt payable beyond one year amounts to K€5,063. This amount consists mainly of the convertible bond (M€5.0) repayable in fine in 2004.

The other debts are payable within one year.

4.4 Interest rate risk

The convertible bond investment of K€5,000 was subscribed at an interest rate that can vary between 3.5% and 4.5 %. As of 31st December 2001, no exchange or conversion had taken place.

4.5 Breakdown of accrued expenses

in K€	
Loans and financial debts	
Interest accrued not outstanding	28
Trade accounts payable and related accounts	
Accruals	66
Tax and social liabilities	990
Other liabilities	286
Total	1,370

*V NOTES ON THE PROFIT AND LOSS STATEMENT***5.1 Analysis of financial result**

The financial result is a net loss of K€491 compared with a net loss of K€537 for the previous financial year. This result is mainly derived from a dividend received from the Kommunicate subsidiary (M€0.8) and also from provisions for the depreciation of BVRP UK shares (M€1.1) and foreign exchange losses on currency transactions (M€0.2).

5.2 Analysis of extraordinary results

The exceptional net loss of M€3.8 includes mainly the exceptional depreciation related to the projects curtailed (M€1.1), a loss on the sale of the multimedia business (M€1.2), the costs related to the acquisition of AB Soft and Guildsoft (M€0.6) and the restructuring costs (M€0.3).

*VI NOTE ON OFF BALANCE SHEET ITEMS***6.1 additional payment clauses for acquisitions, customer list and holdings****6.1.1 LAB PRODUCTION SA**

The acquisition of shares in Lab Production included an additional payment based on the achievement of results, net revenue and cumulative net revenue objectives during the three financial years following the date of acquisition, i.e. 1998/1999, 1999/2000 and 2000/2001.

The maximum additional payment amounted to K€1,097 (28,000 equity warrants at a unit price of FRF257.10). An additional payment of K€706 was made, representing the exercising of 18,000 equity warrants at a price of FRF257.10.

As the company was sold in May 2001, the commitment arising from the acquisition of Lab Production no longer exists.

6.1.2 SEATTLE LAB INC.

The acquisition of shares in Seattle Lab included an additional payment based on the achievement of results and net revenue objectives during the 2000 and 2001 calendar years.

The maximum additional payment amounted to K€4,128 (85,602 equity warrants at a unit price of €48.225). As the sales and revenue objectives were not met, no additional payment will be made.

6.1.3 VICOMSOFT

The acquisition of shares in the Vicom Tech Inc. and Vicom Tech Ltd companies included an additional payment based on the achievement of various objectives during 2000 and 2001.

As these objectives were met, the maximum additional payment was made in equity warrants amounting to K2,601 and also in cash amounting to K€1,779. BVRP received a pledge on sellers' share as a guarantee.

When pledged shares will be sold, any difference between the price of BVRP shares on 31st December 2001 (€8.15) and their price on the date of sale will result in a profit if the share price is higher than €8.15, or a loss if the share price is below €8.15.

6.1.4 GUILDSOFT

The acquisition of shares in Guildsoft included an additional payment based on the achievement of revenue objectives during the twelve months following their acquisition (1st October 2001 to 30th September 2002). This maximum additional payment of K€200 (K€325) would be made in cash. On 31st December 2001, it was deemed prudent to record half the additional payment as a liability.

6.2 Stock options

The Extraordinary General Meeting of 16th July 1998 authorized the Board of Directors to issue 75,000 stock options granted free of charges to the Group's employees, giving their bearers the right to subscribe 150,000 shares in the company at a unit price of FRF114.50 per share.

The scheme was set up by the Board of Directors on 19th October 1998. One third of the subscription rights can be acquired each year, starting one year from the attribution date, i.e. on 19th October 1999. The shares cannot be subscribed until five years after the date of attribution of the subscription rights. The surplus discount would result in payroll taxes having to be paid in the year in which the options are exercised, i.e. the 2002-2003 financial year at the earliest. In view of the above-mentioned five-year period, there will be no payroll taxes due on capital gains.

The Board of Directors has so far attributed 129,316 stock options to 121 employees. The potential debt in payroll taxes that would result if all the rights attributed were subscribed can be estimated at K€152 as of 31st December 2001. This debt which is uncertain, especially in view of the current stock market prices, is not provisioned in the accounts.

The Extraordinary General Meeting of 10th July 2001 authorized the Board of Directors to issue 500,000 stock options granted free of charges to the Group's employees, giving their bearers the right to subscribe 500,000 shares in the company at a unit price equal to 80% of the average price of BVRP's shares during the 20 days prior to their attribution by the Board.

The scheme was set up by the Board of Directors on 5th October 2001. French employees can acquire one third of the subscription rights each year, starting one year from the attribution date, i.e. 5th October 2002. The shares cannot be subscribed until four years after the date of attribution of the subscription rights. The surplus discount would result in payroll taxes having to be paid in the year in which the options were exercised, i.e. the 2004 financial year at the earliest. Due to the four-year period mentioned above, there will be no payroll taxes due on capital gains.

The Board of Directors has so far attributed 133,603 stock options to French employees. The potential debt in payroll taxes that would result if all the rights attributed were subscribed can be estimated at K€35 as of 31st December 2001. This uncertain debt is not provisioned in the accounts.

6.3 Leasing commitments

The value of goods financed through leasing contracts is K€408.

in K€		
Original value		408
Depreciation		
	Total, previous years	241
	2000/2001 financial year	79
Total		320
Net value		88
Fees paid		
	Total, previous years	171
	1999/2000 financial year	129
Total		300

The company's commitments in terms of residual purchase price and outstanding fees are

in K€		
Outstanding fees		
	Within one year	30
	Beyond one year	121
Total		151
Residual purchase price		22
Total		173

6.4 Retirement allowances

When they retire, some Group employees are due to receive allowances calculated on the basis of collective bargaining agreements. The sum represented by these retirement allowances is not substantial and amounts to K€164.

Given the low average age of its personnel, the Group's policy is not to make provision for theoretically acquired rights, but rather to assume the corresponding cost in the financial year in which the employees retire.

6.5 Commitments and guarantees granted

BVRP gave a limited guarantee with respect to certain Lab Production assets and liabilities when it disposed of this company in May 2001.

6.6 Commitments and guarantees received

Kommunicate's managing shareholders provided BVRP Software with a guarantee for the assets and liabilities appearing in Kommunicate's accounts as of 31st March 1998.

Seattle Lab's shareholders provided BVRP Software with a guarantee for the assets and liabilities appearing in Seattle Lab's accounts as of 31st December 1999.

The shareholders of Vicom Tech Inc. and Vicom Tech Ltd provided BVRP Software with a guarantee for the assets and liabilities appearing in the accounts of these companies as of 31st December 1999.

The major shareholder of the AB Soft Group provided BVRP Software with a guarantee for the assets and liabilities appearing in the accounts of these companies as of 31st December 2000.

The Guildsoft shareholders provided BVRP Software with guarantee for the assets and liabilities appearing in Guildsoft 's accounts as of 30th September 2001.

Chapter 4

Assets - Financial situation - Results

VII OTHER INFORMATION

7.1 Company workforce

The average workforce for the financial year was 283 compared with 297 for the previous financial year. The breakdown by category is as follows:

Employees	234
Managers	43
Senior management	6
Total	283

7.2 Employee profit sharing

In the light of the company's after tax result, the profit sharing agreement did not apply to this financial year.

7.3 Remuneration to members of management bodies

The total remuneration and benefits in kind paid to members of BVRP Software management bodies in return for their work within the companies under their control was K€1,158.

As in previous years, no directors' fees were paid to members of the Board of Directors.

7.4 Informations concerning the related companies

in K€

Net financial assets	33,041
Receivables	637
Liabilities	2,083
Financial income	936
Financial expenses	1,078

7.5 Table of subsidiaries and holdings

Name- Head Office	Capital	Stockholders' equity	Share Dividends	Gross val. investment Net value investment	Loans, advances Guarantees	Revenues	Income
Units in €							
SUBSIDIARIES							
(50 % and over)							
AB SOFT 14 Parc Burospace 91570 BIEVRES	1,298,646	-688,870	94.56%	5,628,574	604,026	5,219,646	-590,721
BVRP AMERICA Inc. 1333 W 120th avenue CO 80234 Westminster	13,496,934	*	100.00%	16,171,194	-	NA	*
KOMMUNICATE Ltd Sheridan House 40-43 Jewry Street Winchester Hampshire SO 23 8RY	144,618	1,320,623	100.00%	5,468,413	-	9,500,669	1,001,417
SRBV S.A 6-8 rue Firmin Gillot 75015 Paris	150,000	150,903	50.00 %	74,970	-	86,304	5,900
GUILDISOFT East way - Lee Mill Industrial Estate PL21 9GE Ivybridge Devon	4,930	296,174	100.00%	1,460,110	-	908,968	2,716
VICOM TECH LTD 2, Durlley Road Bournemouth, BH25JJ	1,643	-1,077,319	100.00%	2,156,708	79,683	1,592,940	-1,465,262
				1,078,354			

Note*: No accounts were prepared for the first financial year of the BVRP America sub-holding, as no activity was recorded. The use value of this holding was assessed according to the criteria indicated earlier in this document (see 3.4).

7.6 Taxes

REDUCTION OR INCREASE IN THE FUTURE TAX BURDEN

in K€	Bases as of 31/12/01	Corporate tax and corresponding contributions*
Organic tax	28	10
Unrealized gains on foreign exchange transactions	79	27
Tax loss carry forward	2,273	781
Depreciation	2,862	983
Long-term capital losses	1,077	205
Derogatory depreciations	-113	-39
Net relief	6,206	1,965

* Corporate tax rate used: 33 1/3 % Additional contribution: 3 % Long term rate: 19 %

CORPORATE TAX

Because of its type of business operations, the company enjoyed a research tax credit of K€575 for the 2000 and 2001 calendar years.

7.7 Company results for the last five financial years

CLOSING DATE Duration of financial year	31/12/01 17 months	31/07/00 12 months	31/07/99 12 months	31/07/98 12 months	31/07/97 12 months
CAPITAL AT END OF FINANCIAL YEAR					
Share capital (in €)	3,648,420	2,499,394	2,158,920	1,869,165	1,832,766
Number of shares					
- ordinary	3,648,420	3,278,990	1,416,159	1,226,092	1,202,216
- preferential dividend					
Maximum number of shares to be created					
- by conversion of bonds	500,000	-	-	-	-
- by subscription rights	1,363,075	1,403,080	432,681	244,621	84,497
TRANSACTIONS AND RESULTS					
(figures in €)					
Revenues excluding taxes	<u>30,037,633</u>	<u>21,450,206</u>	14,666,324	11,606,212	6,619,869
Income before taxes, depreciation allowances and provisions	-1,139,170	3,532,811	1,041,359	2,254,980	1,261,767
Income tax	-512,277	187,362	-262,082	586,922	12,671
Employee profit sharing	-	-	-	266,447	147,677
Depreciation allowances and provisions	3,904,607	1,930,997	724,565	342,835	308,707
Net income	-4,531,500	1,414,452	578,876	1,058,776	792,712
Dividend paid	-	-	-	-	-
INCOME PER SHARE					
(figures in €)					
Income after tax before depreciation allowances and provisions	0.03	1.02	0.92	1.14	0.92
Income after tax Depreciation allowances and provisions	-1.24	0.43	0.41	0.86	0.66
Dividend paid	-	-	-	-	-
PERSONNEL					
Average workforce	283	297	253	158	93
Payroll (in €)	11,039,511	7,642,478	5,918,440	3,671,980	2,103,628
Sums paid for employee benefits (in €) (Social security, welfare institutions, etc.)	5,188,981	3,661,796	2,977,731	1,746,815	958,263

Chapter 4

Assets - Financial situation - Results

7.8 Lawsuits and disputes

The management is aware of no disputes involving any serious risk to the Group's results or financial situation.

7.9 Inventory of portfolio securities

Bank	Securities	Unit value in K€	Total purchase value in K€	Quantity as of 31/12/01	Value in K€
Société Générale	MONEPLUS	18,700	1,124	60,600	1,133
Fortis	TRINITE CTC	3,517	28	8	28
CIC	TRESORERIE CIC	53	313	5,984	325
				BALANCE	1,476

VII EVENTS AFTER CLOSING

Within the context of its policy of concentrating on its core business activities (software publishing and distribution), BVRP sold its French specialist hotline operations to SR Téléperformance at the beginning of April 2002..

The sale of this business, which represented 26% of the company's consolidated revenues in 2001, will have a positive effect on 2002 and will generate a significant net capital gain.

4.3.6 AUDITORS' REPORT ON THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2001

Ladies and Gentlemen,

In accordance with the mandate given to us by your Ordinary General Meeting, we hereby present our report for the financial year ended 31st December 2001 on:

- the examination of BVRP Software's annual accounts prepared in euros, as attached to this report, and
- the specific verifications and information required by law.

The consolidated accounts were closed by the Board of Directors. We are required to express an opinion on these accounts on the basis of our audit.

4.3.6.1 Opinion on annual accounts

We conducted our audit according to the professional standards applicable in France, which require us to provide reasonable assurance that the annual accounts are free from material misstatement. An audit involves examining samples of some of the key elements that justify the data presented in these accounts. It also involves an appraisal of the accounting principles used, the significant estimations used for preparing the accounts and their overall presentation. We consider that our auditing provides a reasonable basis for the opinion expressed below.

We certify that the annual accounts, prepared in accordance with the accounting rules and principles applicable in France, are true and fair and give an accurate picture of the results of the transactions of the past financial year and of the financial situation and assets of the Company at the end of this financial year.

4.3.6.2 Specific verifications and information

In accordance with current French professional standards, we also performed the specific verifications required by law.

We have no comments to make regarding the fair presentation and the consistency with the annual accounts of the information given in the Board of Directors' management report and in the financial situation and annual accounts documents sent to shareholders.

As required by law, we have ensured that the information concerning the acquisition of holdings, takeovers and the identity of the capital holders was reported to you in the management report.

Paris, 13th May 2002
THE AUDITORS

Mr. Alain GATEAU



APLITEC represented by
Mr. Gérard LEPLÉ



Chapter 5

Administrative and management bodies

5.1

ADMINISTRATIVE BODIES

The objective and role of the Board of Directors is to oversee the management of the Group's activities. The fundamental objective of the Board is the long-term maintenance and development of the shareholders' equity, taking into account the interests of customers, shareholders, employees and suppliers. The Board also ensures that the Group fulfils its obligations on a continuous basis.

The Board of Directors met 17 times in 17 months during financial year 2000/2001, particularly for preparing and conducting the exchange bid on AB Soft and for the acquisition of Guildsoft, as well as for issuing shares which can be converted and/or exchanged for new or existing shares of the company, in addition to its more general activities of defining the Group's strategy and supervising its General Management.

The Board of Directors currently has 8 members:

Chairman:

Mr. Bruno Vanryb

- Appointed: 7th March 1988
- Mandate expiration during the General Shareholders' Meeting ruling on the accounts of the financial year to be closed on 31st December 2002

Other posts held in French companies:

- Managing Director of BVRP Software SA.
- Board Member of AB Soft SA.
- Board Member of Irène Van Ryb SA
- Board Member of Librairie Online SA
- Board Member of Virtual Grossiste SA (previously Apsydoc)
- Board Member of SRBV SA

Other posts held in non French companies:

- Chairman of BVRP America Inc.
- Chairman of BVRP USA Software Inc.
- Chairman of Avanquest Inc
- Board Member of Kommunicate Ltd
- Chairman of Vicomsoft Ltd
- Chairman of Vicom Tech Inc.
- Chairman of BVRP UK Ltd

Board members:

Mr. Roger Politis

- Appointed: 7th March 1988
- Mandate expiration during the General Shareholders' Meeting ruling on the accounts of the financial year to be closed on 31st December 2002

Other posts held in French companies:

- Deputy Managing Director of BVRP Software SA
- Board Member of SRBV SA
- Board Member of Virtual Grossiste SA . (previously Apsydoc)
- Board Member of AB Soft SA
- Board Member of Librairie Online SA

Other posts held in non French companies:

- Board Member of Kommunicate Ltd
- Board Member of BVRP UK Ltd
- Board Member of Avanquest Inc.
- Board member of BVRP USA Software Inc.

Mr. Bertrand Michels

- Appointed: 18th May 2001
- Mandate expiration during the General Shareholders' Meeting ruling on the accounts of the financial year to be closed on 31st December 2002

Other posts held in French companies:

- Deputy Managing Director of BVRP Software SA
- Chairman of AB Soft SA
- Board member of Virtual Grossiste SA (previously Apsydoc)
- Chairman of ADI Holding SA
- Board member of ADI TPP SA

Mr. Robert Lang

- Appointed: 27th March 1998
- Mandate expiration during the General Shareholders' Meeting ruling on the accounts of the financial year to be closed on 31st December 2002

Other posts held in non French companies:

- Executive Vice-President of BVRP USA Software Inc.
- Board member of BVRP America Inc.
- Board member of BVRP USA Software Inc.
- Board Member of Avanquest Inc.

Mr. Jean Claude Vrignaud

- Appointed: 22nd October 1997

Other posts:

- Managing Director de Metasolv SAS
- Chairman of ACOMA Consulting Inc.

Mr. Denis Gillier

- Appointed: 29th January 1999

Other posts held:

- Chairman of Ozé SA

Mr. Alex-Serge Vieux

- Appointed: 29th January 1999

Other posts held:

- Manager de DASAR Expos SARL
- Board Member of Cortechnet SA

Other posts held in non French companies:

- Chairman of DASAR Inc
- Board member of Check Point Software Inc
- Board member of Orbital Plc
- Board Member of Vegavista Inc.
- Board Member of Qualys Inc
- Board Member of Mangrove Partners

Mr. Geoffrey Rowett

- Appointed: 4th February 2000

Other posts held in non French companies:

- Non-Executive Chairman de Genesys Telecommunication Plc
- Non-Executive Director of Belvedere House Management Company

The composition of the Board of Directors contributes a vast range of knowledge and experience to the Group

In 2000/2001, as in previous years, no directors' fees were paid.

5.2

SENIOR MANAGEMENT

- **Mr. Bruno Vanryb**
CEO

- **Mr. Bertrand Michels**
Deputy Managing Director

- **Mr. Christophe Peyrot**
Director for France

- **Mr. Roger Politis**
Deputy Managing Director

- **Mr. Thierry Bonnefoi**
Chief Financial Officer

- **Mr. David Wright**
Worldwide Director for OEM

The total remuneration and benefits in kind paid to members of BVRP Software management bodies in return for their work within the companies under their control was K€1,158 for the 2000/2001 financial year (17 months).

5.3

EMPLOYEE PROFIT SHARING PLAN

The employees of BVRP SA benefit from legal provisions in terms of profit sharing. The agreement introduced in 1997 was only applied in 1997 and 1998 for the respective amounts of K€148 and K€226.

Chapter 5

Administrative and management bodies

5.4

INFORMATIONS ON STOCK OPTIONS

The table below indicates the number, the time limits, and the prices of stock options granted over the course of the past financial year to each of the corporate representatives both of the Company and of companies linked to it by the provisions of article L.225-180 of the Commercial Code:

Beneficiary	Number of shares granted	Subscription price	EGM having voted for the plan	Time limit
Robert Lang	60,000	3.93 €	10 th July 2001	5 th October 2008
Bertrand Michels	30,000	3.93 €	10 th July 2001	5 th October 2008
Denis Gillier	10,904	3.93 €	10 th July 2001	5 th October 2008

No option was called by the corporate representatives during the course of the financial year.

The table below indicates the number, the time limits, and the prices of stock options granted to the ten foremost employees; and the options called by them during the financial year.

	Number of options	Weighted average price	EGM having voted for the plan
Options granted to the ten leading employees	191,304	3.93 €	10 th July 2001
Options exercised by the ten foremost employees	15,322	5.36 €	31 st October 1996 16 th July 1998 22 nd December 1998

5.5

SPECIAL AUDITORS' REPORT ON THE CONVENTIONS COVERED BY ARTICLE L225-38 OF THE COMMERCIAL CODE

In our capacity as auditors for your company, we hereby present our report on the regulated conventions.

5.5.1 CONVENTIONS AUTHORISED DURING THE FINANCIAL YEAR

Pursuant to article L225-40 of the Commercial Code, we are pleased to submit to you the conventions covered by article L225-38 of this code.

It is not our duty to seek out the existence of other conventions, but to inform you, on the basis of the information we were given, of the essential characteristics and terms of those of which we were notified, without stating whether we consider them useful or well-founded. According to the terms of article 92 of the decree of 23rd March 1967, it is your duty to consider the value of concluding these conventions in order to decide whether or not to approve them.

We carried out our duties in accordance with the professional standards applicable in France, which require us to check the consistency of the information we were given against the source documents from which it was taken.

5.5.1.1 Cash management convention concluded with Seattle Lab

Purpose	Cash management
Description	Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at 2 points above the current Prime Rate
Authorized by	Board of Directors, 30 th October 2000
Person concerned	Mr. Bruno Vanryb

Effects of the convention on the financial year

The advance made on 31st December 2001 amounted to €2,474,953, including interest. The income posted as remuneration for this advance was €116,972 for the financial year

This convention replaced the one authorized by your Board of Directors on 15th June 2000

5.5.1.2 Convention concluded with Scuderia B&B

Purpose	Sponsorship convention
Description	Payment of a €15,245 subsidy in return for the Scuderia B&B team wearing BVRP Software SA's colors during the 2000/2001 season.
Authorized by	Board of Directors, 30 th October 2000
Person concerned	Mr. Bruno Vanryb

Effects of the convention on the financial year

The cost to your company during the financial year amounted to €15,245
As of 31st December 2001, €6,098 of this subsidy were yet to be paid.

5.5.1.3 Convention concluded with the Les Centaures association

Purpose	Membership of the association
Description	Annual subscription of €1,829
Authorized by	Board of Directors, 15 th December 2000
Person concerned	Mr. Bruno Vanryb

Effects of the convention on the financial year

During the 2001 calendar year, the amount charged off and paid to the association amounted to €1,829.

5.5.1.4 Convention concluded with AB Soft

Purpose	Friendly takeover bid for AB Soft's shares
Description	Project approval
Authorized by	Board of Directors, 1 st February 2001
Persons concerned	Mr. Bruno Vanryb - Mr. Roger Politis

Effects of the convention on the financial year

Mr. Bruno Vanryb traded all his shares in AB Soft for shares in BVRP Software SA at a ratio of 2 BVRP Software SA shares to 9 AB Soft shares.

Mr. Roger Politis traded all his shares in AB Soft for shares in BVRP Software SA at a ratio of 2 BVRP Software SA shares to 9 AB Soft shares.

5.5.1.5 Cash management convention concluded with Vicom Tech Ltd

Purpose	Cash management
Description	Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at 6.4% per annum.
Authorized by	Board of Directors, 20 th March 2001
Person concerned	Mr. Bruno Vanryb

Effects of the convention on the financial year

The advance made on 31st December 2001 amounted to €79,683, including interest.

The income posted as remuneration for this advance was €3,458 for the financial year.

5.5.1.6 Unilateral promise to sell Lab Production shares agreed by Mr. Bruno Vanryb

Purpose	Unilateral promise to sell Lab Production shares
Description	Sale to BVRP Software SA of all the Lab Production shares owned by Mr. Bruno Vanryb in the context of the sale of BVRP Software SA's holding in LAB Production to Lost Boys NV.
Authorized by	Board of Directors, 27 th April 2001
Person concerned	Mr. Bruno Vanryb

Effects of the convention on the financial year

On 3rd May 2001, Mr. Bruno Vanryb sold 125 Lab Production shares at a unit price of €237.82.

The sale price of €29,727.5 was paid in full to the assignor during the financial year.

Chapter 5

Administrative and management bodies

5.5.1.7 Unilateral promise to sell Lab Production shares agreed by Mr. Roger Politis

Purpose	Unilateral promise to sell Lab Production shares
Description	Sale to BVRP Software SA of all the Lab Production shares owned by Mr. Roger Politis in the context of the sale of BVRP Software SA's holding in Lab Production to Lost Boys NV.
Authorized by	Board of Directors, 27 th April 2001
Person concerned	Mr. Roger Politis

Effects of the convention on the financial year

On 3rd May 2001, Mr. Roger Politis sold 125 Lab Production shares at a unit price of €237.82. The sale price of €29,727.5 was paid in full to the assignor during the financial year.

5.5.1.8 Unilateral promise to sell Lab Production shares agreed by Mr. Denis Gillier

Purpose	Unilateral promise to sell Lab Production shares
Description	Sale to BVRP Software SA of all the Lab Production shares owned by Mr. Denis Gillier in the context of the sale of BVRP Software SA's holding in Lab Production to Lost Boys NV.
Authorized by	Board of Directors, 27 th April 2001
Person concerned	Mr. Denis Gillier

Effects of the convention on the financial year

On 3rd May 2001, Mr. Denis Gillier sold 106 Lab Production shares at a unit price of €237.82. The sale price of €25,208.92 was paid in full to the assignor during the financial year.

5.5.1.9 Convention concluded with LAB Production

Purpose	Discontinuation of the current account
Description	Discontinuation by BVRP Software SA of the corresponding current account of €1,219,593 in the context of the sale of Lab Production to Lost Boys N.V
Authorized by	Board of Directors, 27 th April 2001
Persons concerned	Mr. Bruno Vanryb - Mr. Roger Politis - Mr. Denis Gillier

5.5.1.10 Convention concluded with Mr. Bertrand Michels

Purpose	AB Soft share loan convention
Description	One AB Soft share lent to Mr. Bertrand Michels to enable him to retain his directorship of the company
Authorized by	Board of Directors, 7 th June 2001
Person concerned	Mr. Bertrand Michels

5.5.1.11 Convention concluded with Mr. Bruno Vanryb

Purpose	AB Soft share loan convention
Description	One AB Soft share lent to Mr. Bruno Vanryb to enable him to retain his directorship of the company
Authorized by	Board of Directors, 7 th June 2001
Person concerned	Mr. Bruno Vanryb

5.5.1.12 Convention concluded with Mr. Roger Politis

Purpose	AB Soft share loan convention
Description	One AB Soft share lent to Mr. Roger Politis to enable him to retain his directorship of the company
Authorized by	Board of Directors, 7 th June 2001
Person concerned	Mr. Roger Politis

5.5.1.13 Cash management convention concluded with AB Soft

Purpose	Cash management
Description	Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at the legal interest rate
Authorized by	Board of Directors, 13 th July 2001
Persons concerned	Mr. Bertrand Michels - Mr. Bruno Vanryb - Mr. Roger Politis

Effects of the convention on the financial year

The advance made on 31st December 2001 amounted to €604,026, including interest.
The income posted as remuneration for this advance was €8,054 for the financial year.

5.5.1.14 Cash management convention concluded with Above Soft

Purpose	Cash management
Description	Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at the legal interest rate
Authorized by	Board of Directors, 13 th July 2001
Persons concerned	Mr. Bertrand Michels - Mr. Bruno Vanryb - Mr. Roger Politis

Effects of the convention on the financial year

The advance made on 31st December 2001 amounted to €54,324, including interest.
The income posted as remuneration for this advance was €968 for the financial year.

5.5.1.15 Convention concluded with Scuderia B&B

Renewal	Purpose of the sponsorship contract
Description	Payment of a €7,622 subsidy in return for the Scuderia B&B team wearing BVRP Software SA's colors during the 2002 season
Authorized by	Board of Directors, 10 th September 2001
Person concerned	Mr. Bruno Vanryb

Effects of the convention on the financial year

As of 31st December 2001, no payment had been made under this convention.

5.5.2 CONVENTIONS APPROVED DURING PREVIOUS FINANCIAL YEARS AND STILL IN FORCE DURING THE FINANCIAL YEAR IN QUESTION

In addition, in pursuance of the decree of 23rd March 1967, we have been informed that the following conventions that were approved during previous financial years were still in force during the last financial year.

5.5.2.1 Cash management convention concluded with BVRP Software Inc

Purpose	Cash management
Description	Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at the minimum tax deductible interest rate
Persons concerned	Mr. Bruno Vanryb - Mr. Robert Lang

Effects of the convention on the financial year

This convention had no effect on the financial year.

5.5.2.2 Cash management concluded with Lab Production

Purpose	Cash management
Description	Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at the minimum tax deductible interest rate
Persons concerned	Mr. Bruno Vanryb (as representative of BVRP Software SA) Mr. Roger Politis - Mr. Denis Gillier

Effects of the convention on the financial year

As of 2nd May 2001, the balance of the agreed advances, i.e. €1,219,593, was the amount held in the current account that was discontinued, as described in section I.9.
No payment was made.

Chapter 5

Administrative and management bodies

5.5.2.3 Convention concluded with the Les Centaures association

Purpose	Membership of the association
Description	Annual subscription of €1829
Person concerned	Mr. Bruno Vanryb

Effects of the convention on the financial year

During the first five months of the financial year (August to December 2000), the amount charged off and paid to the association amounted to €762.

5.5.2.4 Cash management convention concluded with SRBV SA.

Purpose	Cash management
Description	Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at a tax deductible interest rate
Persons concerned	Mr. Bruno Vanryb (as representative of BVRP Software SA) Mr. Roger Politis

Effects of the convention on the financial year

The advance was fully repaid as of 31st December 2001. The income posted as remuneration for this advance was €8,943 for the financial year. .

5.5.2.5 Convention concluded with Mr. Geoffrey Rowett

Purpose	Consultancy agreement of 31 st July 2000.
Description	Consultancy agreement with the Management Committee of BVRP Software SA in exchange for BVRP Software SA equity warrants The mandate was for 29 months as from 1 st August 2000. Mr. Geoffrey Rowett will be paid for his services through the exercising of equity warrants attributed to him by your Board of Directors on 23 rd December 1998.

10,000 equity warrants can be exercised without any other condition, in quantities of 5,000, as of August 2001 and the remainder as of August 2002.

13,835 warrants can be exercised if the objectives for BVRP stock price variation defined as follows are reached:

Calendar year	Stock price objective	Minimum stock price	Minimum and maximum number and date of exercising of warrants
2000	Average price in 1999+20 %	Average price in 1999+10 %	0 to 5,000 warrants in janvier 2001
2001	Average price in 2000+20 %	Average price in 2000+10 %	0 to 5,000 warrants in janvier 2002
2002	Average price in 2001+20 %	Average price in 2001+10 %	0 to 3,835 warrants in janvier 2003

Each warrant grants the right to subscribe two BVRP Software SA shares at a price of €15.09. The warrants are free and not negotiable. They must be exercised by 23rd December 2003 at the latest.

Person concerned Mr. Geoffrey Rowett

Effects of the convention on the financial year

10,000 warrants became exercisable during the financial year.

Mr. Geoffrey Rowett exercised 5,000 warrants during the financial year.

Paris, 13th May 2002
THE AUDITORS

Mr. Alain GATEAU



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