



A limited company with registered capital of €5,865,156
Head office: 1 bis rue Collange – 92300 Levallois-Perret
RCS Nanterre B 329 764 625 – Code APE 722A

REFERENCE DOCUMENT 2004

The present Reference document was submitted to the Financial Markets Authority (AMF) on April 1, 2005, in compliance with article 211-6 from Volume II of the AMF's general by-laws. It may not be used to endorse a financial operation unless it is completed with a transaction memo certified by the AMF (Paris Stock Exchange regulatory body).

Copies of this Reference Document are available from the Head Office of BVRP Software:
1 bis rue Collange, 92593 – Levallois Perret cedex

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CHAPTER 1 – PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT AND PERSONS RESPONSIBLE FOR THE FINANCIAL AUDIT

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 for shareholders as well as the public to assess the net asset situation, activities, financial solvency, results and future prospects of the company. No information likely to impact the interpretation of this document has been omitted."

Chairman and CEO
Bruno VANRYB

1.2. PEOPLE IN CHARGE OF AUDITING THE FINANCIAL STATEMENTS

- Statutory Auditors

Mr. Alain GATEAU

2, avenue MARCEAU, 75008 - PARIS

Mr. Gateau was appointed on February 4, 2000, for a period of six financial years. His office will expire at the end of the Ordinary Shareholders' Meeting that will be held to approve the accounts for the financial year ending December 31, 2005.

APLITEC SA represented by Mr. Pierre LAOT

44 Quai de Jemmapes, 75010 PARIS

Aplitec was appointed on February 12, 1998, for a period of six financial years. Their office was renewed for a period of six additional years by the Ordinary Shareholders' Meeting on May 27, 2004, until the end of the Ordinary Shareholders' Meeting that will be held to approve the accounts for the financial year ending December 31, 2009.

- Deputy Statutory Auditors

Mr. Guy COSSON

18 rue Notre Dame de Lorette, 75009 - PARIS

Mr. Cosson was appointed on February 4, 2000, for a period of six financial years. His office will expire at the end of the Ordinary Shareholders' Meeting that will be held to approve the accounts for the financial year ending December 31, 2005.

Mr. Jean-Pierre LARROZE

44 Quai de Jemmapes, 75010 PARIS

Mr. Laroze was appointed on May 27, 2005, for a period of six financial years. His term of office will expire at the end of the Ordinary Shareholders' Meeting that will be held to approve the accounts for the financial year ending December 31, 2009.

1.3. AUDITOR'S CERTIFICATION

As auditors of BVRP SOFTWARE and in application of article 211-5-2, in compliance with the general by-laws of the AMF, we have verified the information relating to the financial situation and financial statements of the company 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 information contained in this document.

In conformance with the professional standards applicable in France, our duties included an assessment of the sincerity of information relating to the financial statements of the company, and

verifying that this information matched with the accounts presented to us. We are also required to read the other information contained in the reference document and to identify any significant inconsistencies in the information concerning the financial situation, for the purposes of identifying any obvious irregularities that may have come to our attention, based on general knowledge of the company acquired during the course of our duties. This document contains no isolated estimated data that results from a structural planning process.

The annual accounts and the consolidated accounts for the financial years ending December 31, 2002, December 31, 2003, and December 31, 2004, made up by the Board of Directors were audited by us, according to the professional standards applicable in France and certified without reservation or comment. On the basis of these duties, we do not have any observations as to the fair presentation of the financial statements presented in this reference document.

Signed in Paris on April 1, 2005

THE AUDITORS

Mr. Alain GATEAU

APLITEC represented by

Gérard LEPLE

Pierre LAOT

1.4. COMMITMENT MADE BY THE INTRODUCER AND MARKET MAKER

The stockbroker firm Oddo-Pinatton has served as Introducer and Market Maker (IMM) for BVRP since its initial stock market listing. The contract shall be reviewed and amendments made annually. In terms of the most recent agreement signed on March 7, 2002, and renewed on January 1, 2005, the stockbroker firm Oddo-Pinatton has committed itself to ensuring the market making of BVRP Software shares until December 31, 2005.

1.5. PERSONS RESPONSIBLE FOR INFORMATION

- Mr. Bruno Vanryb, CEO

BVRP Software SA., 1 bis rue Collange
92593 – Levallois-Perret cedex
Tel: +33 (0)1 41 27 19 70 Fax: 01 41 27 37 60

- Mr. Thierry Bonnefoi, Chief Financial Officer

BVRP Software SA., 1 bis rue Collange
92593 – Levallois-Perret cedex
Tel: +33 (0)1 41 27 19 70 Fax: 01 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 the Constitution

The company was formed on May 28, 1984.

2.1.3. Headquarter

1 bis rue Collange
92300 Levallois-Perret

2.1.4. Period

The duration of the company is 60 years, lasting until May 28, 2044.

2.1.5. Legal Status

BVRP is a limited company with a registered capital of 5,865,156 euros 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, dated March 23, 1967.

2.1.6. Financial Year

Each corporate financial year begins on January 1 and ends on December 31.

2.1.7. Corporate Aims

Article 2 of the by-laws defines the corporate aims as:

- design 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;
- takeover, acquisition, operation or disposal of all processes and patents involved in these activities.

And generally, all industrial, commercial, financial, civil or fixed asset operations that may 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: 722A

2.1.10. Appropriation and Distribution of Profits

In application of the provisions in article 22 of the company's statutes, if the accounts for the financial year approved by the Shareholders' Meeting show a distributable income as defined by law, the Shareholders' Meeting will decide to report it under one or several reserve accounts for which it will determine the appropriation and use.

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

2.1.11. Shareholders' Meetings

Shareholders' Meetings are called and held as required by law. If decided so by the Board of Directors, they can be held by videoconferencing or other means of telecommunication with which shareholders can be identified.

Employee representatives may participate in Shareholders' Meetings according to the statutory rules in effect.

Collective Shareholder decisions are made during Ordinary, Extraordinary or Special Shareholders' Meetings, according to the nature of the decision to be made.

All shareholders may participate in meetings either by personal attendance or by proxy, regardless of the number of shares held, provided they can prove their identity and stock ownership through registration papers or a certificate from an authorized broker confirming the unavailability of shares until 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.

Shareholders participating through videoconferencing or other means of telecommunication that legally identifies them are considered present at the meeting and included in the quorum and the majority calculations.

The Shareholders' 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 scrutineer is performed by the two members of the Shareholders' 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 Shareholders' Meeting are recorded in minutes, as required by law.

Ordinary and Extraordinary Shareholders' 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.

At the Extraordinary Shareholders' Meeting held on October 31, 1996, it was decided to grant a double voting right to all fully paid shares for which the shareholder can prove nominative registration for at least two years in their own name. The double voting right was cancelled by the Mixed General Shareholders' Meeting on January 15, 2004, which modified article 12 of the company's by-laws. Consequently, as of January 15, 2004, no BVRP share has a double voting right.

2.1.12. Crossing of Thresholds

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 L.233-7 of the Code of Commercial Law and more particularly must immediately inform the company of this fact by registered letter with acknowledgment of receipt.

Apart from the legal limits, no statutory declaration is needed. In the event of failure to comply with this obligation, the provisions laid down in article L.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.

2.2. INFORMATION REGARDING SHARE CAPITAL

2.2.1. Share Capital

On January 27, 2005, the subscribed capital was €5,865,156 representing a total of 5,865,156 shares of the same category with a nominal value of €1.

There are no particular provisions in the articles of association relating to the change in capital or voting rights attached to the shares of which it is comprised (cf. 2.1.11 with regard to the cancellation of the double voting right).

2.2.1.1. Capital History

Since January 15, 2004, the capital increased from €4,718,305 to €5,865,156 with the issue of 1,146,851 new shares with a nominal value of €1 including:

- 96,929 shares subscribed by Board members exercising warrants;
- 546,174 shares subscribed through options related to the acquisitions of MediaGold Ltd. and MediaGold GmbH (199,999 shares), as well as the interest of the minority shareholders of Elibrium LLC (346,175 shares);
- 55,823 new shares subscribed through the group's employee stock option schemes;
- 447,925 new shares with the conversion of 4,525 convertible bonds.

2.2.1.2. Increase in Capital

Date	Operation	Number of Shares		Nominal Value	Share Capital
		Before	After		
May -84	Creation	200		100 F	20,000 F
09/10/1985	Increase in capital	200	500	100 F	50,000 F
10/27/1987	Increase in capital	500	2,500	100 F	250,000 F
10/27/1989	Increase in capital	2,500	4,805	100 F	480,500 F
01/10/1990	Increase in capital	4,805	4,805	500 F	2,402,500 F
06/10/1994	Increase in capital	4,805	6,225	500 F	3,112,500 F
07/25/1996	Increase in capital	6,225	6,848	500 F	3,424,000 F
08/14/1996	Increase in capital	6,848	6,848	1,170 F	8,012,160 F
08/14/1996	Reduction of nominal	6,848	801,216	10 F	8,012,160 F
12/11/1996	Increase in capital	801,216	1,202,216	10 F	12,022,160 F
07/15/1998	Increase in capital	1,202,216	1,226,092	10 F	12,260,920 F
01/20/1999	Increase in capital	1,226,092	1,402,219	10 F	14,022,190 F
09/14/1999	Increase in capital	1,402,219	1,416,159	10 F	14,161,590 F
03/10/2000	Increase in capital	1,416,159	1,466,662	10 F	14,666,620 F
04/25/2000	Increase in capital	1,466,662	1,615,995	10 F	16,159,950 F
04/25/2000	Reduction of nominal	1,615,995	3,231,990	5 F	16,159,950 F
08/02/2000	Increase in capital	3,231,990	3,278,990	5 F	16,394,950 F
05/18/2001	Increase in capital	3,278,990	3,456,592	5 F	17,282,960 F
05/21/2001	Increase in capital	3,456,592	3,601,218	5 F	18,006,090 F
10/17/2001	Increase in capital	3,601,218	3,648,420	5 F	18,242,100 F
10/17/2001	Conversion into euros	3,648,420	3,648,420	1 €	3,648,420 €
06/21/2002	Increase in capital	3,648,420	3,662,772	1 €	3,662,772 €
01/14/2003	Increase in capital	3,662,772	3,670,772	1 €	3,670,772 €
10/10/2003	Increase in capital	3,670,772	4,671,605	1 €	4,671,605 €
01/15/2004	Increase in capital	4,671,605	4,718,305	1 €	4,718,305 €
01/27/2005	Increase in capital	4,718,305	5,865,156	1 €	5,865,156 €

2.2.1.3. Capital and Voting Rights Distribution

To the company's knowledge, the breakdown of capital and voting rights as of January 27, 2005, was as follows:

Shareholders	Number of shares	Percentage of the capital	Percentage of voting rights
Roger Politis	168,938	2.88%	2.88%
Bruno Vanryb	124,458	2.12%	2.12%
Bertrand Michels	100,238	1.71%	1.71%

Andrew Goldstein	92,137	1.57%	1.57%
Thierry Bonnefoi	20,000	0.34%	0.34%
Robert Lang	15,267	0.26%	0.26%
FCP Jet Innovation 2	345,820	5.90%	5.90%
FCP Jet Innovation 3	166,500	2.84%	2.84%
FCP Development & Innovation	42,500	0.72%	0.72%
Turenne Associés	1,730	0.03%	0.03%
Marco Polo Investissement	100,000	1.70%	1.71%
Euridi	300,000	5.11%	5.12%
Sub-total 1 Jointly-held shares	1,477,588	25.19%	25.20%
Fidelity *	378,637	6.46%	6.46%
Edmond de Rothschild IP*	296,142	5.05%	5.05%
AGF Private Equity*	253,925	4.33%	4.33%
AFER Flore *	172,112	2.93%	2.94%
Held by the company	1,591	0.03%	-
Shares held in bearer form by the public	3,216,616	54.84%	54.86%
Shares held in nominative form by the public	68,545	1.17%	1.17%
Subtotal 2	4,387,568	74.81%	74.80%
Total	5,865,156	100%	100%

* *Estimates*

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

There are about 8,600 shareholders (source: Euroclear, December 2004). As of January 27, 2005, 1,342,452 shares were held in pure nominative or administered accounts, i.e. 22.9% of the share capital.

Taking into consideration the shares held by the company, the number of voting rights as of January 27, 2005, was 5,863,565.

2.2.1.4. Breakdown of Capital and Voting Rights in the Last Three Years

Shareholders	Situation as of 12/31/2004			Situation as of 12/31/2003			Situation as of 12/31/2002		
	Number of Shares	% of Capital	% of Voting Rights	Number of Shares	% of Capital	% of Voting Rights	Number of Shares	% of Capital	% of Voting Rights
Roger Politis	147,233	2.55%	2.55%	151,733	3.22%	3.17%	151,733	4.13%	6.99%
Bruno Vanryb	102,753	1.78%	1.78%	102,753	2.18%	2.15%	102,753	2.80%	4.91%
Bertrand Michels	100,238	1.74%	1.74%	100,984	2.14%	2.11%	100,984	2.75%	2.55%
FCP Jet Innovation 2	345,820	6.00%	6.00%	345,820	7.33%	7.22%	-	-	-
FCP Jet Innovation 3	166,500	2.89%	2.89%	166,500	3.53%	3.48%	-	-	-
FCP Development & Turenne Associés	42,500	0.74%	0.74%	42,500	0.90%	0.89%	-	-	-
Marco Polo Investissement	1,730	0.03%	0.03%	1,730	0.04%	0.04%	-	-	-
Euridi	100,000	1.73%	1.73%	100,000	2.12%	2.09%	-	-	-
	300,000	5.20%	5.20%	300,000	6.36%	6.27%	-	-	-
Fidelity *	378,637	6.57%	6.57%	376,603	7.98%	7.86%	312,603	8.52%	7.89%
AFER Flore *	172,112	2.98%	2.99%	172,112	3.65%	3.59%	132,112	3.60%	3.34%
AGF Private Equity*	253,925	4.40%	4.40%	-	-	-	-	-	-
Foothill Capital	-	-	-	-	-	-	96,739	2.64%	2.44%
E. de Rothschild Investment Partners *	296,142	5.14%	5.14%	-	-	-	-	-	-
Held by the company	1,591	0.03%	0.00%	8,525	0.18%	0%	2,545	0.07%	0%
Floating *	3,357,358	58.22%	58.24%	2,849,045	60.37%	61.13%	2,771,303	75.49%	71.88%
Total	5,766,539	100%	100%	4,718,305	100%	100%	3,670,772	100%	100%

* Estimates

Over the course of 2004, only one crossing of threshold was brought to BVRP Software's attention.

On December 31, 2004, following the acquisition of BVRP SOFTWARE shares bought on the market, Edmond de Rothschild Investment Partners, a company with simplified shares (47, rue de Faubourg Saint-Honoré – 75008 Paris), and acting for the fund account for which they ensure the management, declared on December 30, 2004, that they held 5% of the capital and voting rights for BVRP SOFTWARE, and held for the said account, 296,142 BVRP SOFTWARE shares and voting rights, or 5.15% of the capital and voting rights, base on a capital of 5,751,272.

Since January 1, 2005, two crossings of the threshold were brought to BVRP Software's attention.

On February 15, 2005, the company Euridi, declared that, following the divestment of securities on the market that took place between February 2 and February 10, 2005, had diminished their holdings of BVRP Software's capital and voting rights to 292,438 shares and voting rights, or 4.986% of the company's shares and voting rights.

By courier, dated February 15, 2005, the company Turenne Capital Partenaires, acting for the fund account for which they ensure management, declared on February 10, 2005 that, following the increase in capital that resulted most notably from the exercise of stock options and warrants, their holdings of BVRP Software's capital and voting rights had decreased to, for the said fund account, 554,820 shares and voting rights, or 9.46% of the company's shares and voting rights. Turenne Capital Partenaires specified that the funds for which they ensure management did not sell any BVRP shares since their capital initial investment in September 2003.

2.2.2. Authorized Non-Issued Capital

The Mixed General Shareholders Meeting held on January 15, 2004 (16th, 17th, 18th, 19th and 20th resolutions), authorized the Board of Directors to increase share capital by issuing securities that give immediate or future access to capital, while maintaining or canceling preferential subscription rights and/or to increase capital by incorporation of reserves, profits or issue premium.

In accordance with the powers given to the Board of Directors, it may increase capital in several stages, in France or abroad and to the extent and dates it chooses. The Board of Directors is authorized to issue company shares and all types of securities including equity warrants purchased and transferred for free, giving immediate and future access to company capital.

The Shareholders' Meeting has limited total capital increases for the aforementioned delegation to €1,000,000 (or the equivalent in foreign currency).

The nominal amount for shares additionally issued to maintain rights of certain option a bond holder will be added to that amount.

The Shareholders' Meeting has limited the amount of borrowing that may be implemented to €3,000,000 (or the equivalent in foreign currency), in accordance with the aforementioned delegation.

The Board of Directors was authorized to increase capital for a period of 26 months, i.e. until March 15, 2006. This authorization has not yet been used.

2.2.3. Potential Capital

Between January 15, 2004 and January 27, 2005, 643,103 warrants granting the right to subscribe to 643,103 shares and 4,525 convertible bonds granting the right to 447,925 shares were exercised or converted, and 55,823 stock options were exercised, granting the right to 55,823 shares.

All of the convertible bonds ("OCEANE") for the company were exercised or converted, before their expiration on August 6, 2004. As a result, as of the date of this present document, there are no more "OCEANE" bonds emitted by BVRP Software.

Supposing that the rights attached to the authorized stock options and warrants become exercisable and are exercised, BVRP Software's share capital would increase by an amount of €1,756,813.

The share capital would thus rise from €5,766,539 to €7,523,352 an increase of 30.5% spread over 2005 to 2010. It should, however, be noted that:

- warrants and part of stock options can only be exercised if certain objectives in the growth of net sales, income, or share price have been achieved.
- 56,850 shares that could feasibly be created are at exercise prices significantly higher than the current stock price.

Since January 1, 2005, 10,500 stock options, granting the right to 10,500 shares, and 119,017 warrants, granting the right to 119,017 shares, were exercised.

Tables summarizing the characteristics of the stock option and warrant schemes in force are included in chapter 6.1 of the annex to the consolidated financial statements.

2.2.4. Shareholders' Agreement

A shareholders pact, canceling the previous pact agreed between Mr. Bruno Vanryb, Mr. Roger Politis and Mr. Bertrand Michels, was signed on September 12, 2003 between the senior managers of BVRP Software, Mr. Bruno Vanryb, Mr. Roger Politis, Mr. Bertrand Michels and Mr. Thierry Bonnefoi, respectively CEO, General Managers and Chief Financial Officer and the Funds FCP Jet Innovation 2, FCP Jet Innovation 3, FCP Development & Innovation represented by the company Turenne Capital Partners and the companies Turenne Associés, Euridi and Marco Polo Investissements, to which Mr. Robert Lang and Mr. Andrew Goldstein, General Director of BVRP USA Software Inc., and General Director of Avanquest Deutschland GmbH respectively, joined on March 9, 2004. The agreement was published in an advice from the Financial Markets Authority dated December 22, 2003 (advice no. AMF 203C2202).

The aim of the pact was to institute between signatories:

- a reciprocal pre-emption right;
- a proportional tag-along right;
- a full tag-along right;
- a lock-up of certain shares held by the Managers;
- a lock-up of certain shares held by the Financial investors;
- various commitments for the Managers;

- the ability for the Financial Investors to be represented at BVRP's Board of Directors or to obtain a position of censor at the Board;
- an anti-dilution right to the benefit of the Financial Investors.

BVRP Software has not made any shareholder agreement with third parties which might have a significant impact on its share price.

2.2.5. Collateralization of Capital

To the company's knowledge, there is no collateral, guarantee or surety on BVRP Software capital.

2.2.6. Other financial instruments

The company has not issued any non-capital securities.

2.3. DIVIDENDS

The company has never distributed any dividends. 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. This position may nevertheless be reviewed each year.

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. STOCK MARKET

2.4.1. General Information

- Isin Code: FR0004026714
- Market: Euronext Paris – Eurolist
- Number of shares quoted on December 31, 2004: 5,751,272
- Closing price as of 12/31/2004: 13.85 €
- Market capitalization on December 31, 2004: €80 M
- IPO on December 5, 1996
- Initial listing price of the stock: €9.14 (before the nominal value was divided by two)
- Capitalization at time of IPO: €11 M

2.4.2. Historical Data

Month	Volume traded	Capital traded (in thousands of euros)	Average price in €	Highest in €	Lowest in €
January 2003	58,773	386	6.60	7.00	5.85
February 2003	109,043	737	6.20	7.77	5.35
March 2003	68,005	435	6.38	7.00	5.90
April 2003	67,382	427	6.35	6.91	5.60
May 2003	77,150	550	7.10	7.80	6.85
June 2003	39,527	286	7.23	7.45	7.00
July 2003	35,983	250	6.95	7.35	6.70
August 2003	51,097	367	7.18	7.40	6.75
September 2003	141,155	1,099	7.43	8.30	7.10
October 2003	661,228	5,070	7.91	8.24	7.42
November 2003	257,032	2,537	10.06	11.49	8.20
December 2003	202,356	1,756	10.90	11.90	9.81
January 2004	89,234	921	10.36	10.67	9.83
February 2004	155,773	1,624	10.17	10.85	9.66
March 2004	215,399	138	10.27	11.10	9.60
April 2004	175,930	1,873	10.64	11.00	10.02
May 2004	162,464	1,835	11.32	11.65	10.62
June 2004	83,037	926	11.19	11.55	10.60
July 2004	84,271	919	10.93	11.56	10.30
August 2004	76,507	852	11.16	11.47	10.85
September 2004	243,084	3,004	12.26	12.75	10.63
October 2004	91,179	1,112	12.19	12.60	11.60
November 2004	191,961	2,574	13.29	14.25	12.00
December 2004	217,937	3,045	13.86	14.30	13.51
January 2005	357,929	5,716	16.00	17.09	14.16
February 2005	285,381	5,054	17.42	18.20	16.56

Source: Euronext

2.4.3. Stock Repurchase Program

2.4.3.1. Program Voted at the Mixed Shareholders' Meeting Held on May 27, 2004

The 7th resolution of the Ordinary Shareholders' Meeting held on May 27, 2004, authorized the stock repurchase program which supersedes the previous repurchase program authorized by the Mixed Shareholders' Meeting of December 18, 2002. An information memo was issued for the program and approved by the AMF on May 6, 2004 (AMF reference no. 04-379).

The aims of these repurchases in decreasing order of priority were:

- stabilizing the market price of the company's shares by systematically acting against the current market 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;
- canceling acquired shares following the approval of a specific resolution by the Extraordinary Shareholders' Meeting.

The Shareholders' Meeting set the purchase price per share at:

- €30 maximum excluding costs;
- €4 minimum excluding costs.

BVRP Software may acquire a maximum 10% of its share capital.

Repurchase was authorized for a period of 18 months, i.e. until midnight on November 27, 2006.

The maximum authorized amount to be used in this program is 12,453,418 euros depending on reserves available, excluding legal reserves.

The 4th resolution of the Extraordinary Shareholders' Meeting on December 18, 2002, granted the Board of Directors the power to cancel, in one or several stages and for a maximum of 10% of capital within 24 months, shares acquired by repurchasing in application of provisions in article L.225-209 of the Code of Commercial Law. This authorization expired on December 18, 2004.

A community reform (Regulation CE 2273/2003 and Policy 2004/72 of April 29, 2004) translated in France by the AMF's general by-laws, modified the stock repurchase program scheme, which mainly limited their objectives. As a result, only the following objectives are permissible:

- Cancellation of shares;
- The coverage of option plans or debt certificates convertible into shares.

The AMF anticipates proceeding with the publication of two market practices in addition to the objectives foreseen by European Regulations:

- The market making agreement signed with an investment service provider, and in compliance with a business ethics charter recognized by the AMF;
- Purchase by the issuers for conservation and remittance subsequent to the exchange or payment, within the framework of the possible operations or external growth.

The AMF's position as of October 13, 2004 dictates that, "...the issuers using a current repurchasing program will be able to continue its implementation without having to obtain a new authorization by the General Shareholders' Meeting, nor having to establish a new policy issue sheet. However, at their next annual General Shareholders' Meeting, they will have to solicit a new authorization that is in compliance with the provisions of the European regulation."

As a result, at our next General Shareholders' Meeting, we will request a new authorization to proceed with stock repurchasing, in compliance with the new provisions in effect.

2.4.3.2. Summary of the Stock Repurchase Program

As part of the stock repurchase program authorized by the General Meeting on May 27, 2004, BVRP Software proceeded to purchases and sales of its own shares. On December 31, 2004, BVRP Software owned 1,591 of its company shares, representing 0.028% of the company's capital. The portfolio book value as of December 31, 2004 is €17,357.42, for a market value of €22,035.35.

123,990 shares were acquired for an average purchase price of 11.09 euros between January 1 and December 31, 2004. Since the beginning of the program, 66,805 shares were acquired for an average purchase price of 11.79 euros between January 1 and December 31, 2004. This program was implemented at no cost after offsetting capital gains. No shares have been cancelled in the last 24 months.

All transactions were done in the framework of the market making agreement signed with Oddo Pinatton Corporate. BVRP has not used any derivative instruments as part of its repurchase program.

CHAPTER 3 - INFORMATION CONCERNING ACTIVITY

3.1. PRESENTATION OF GROUP COMPANIES

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, BVRP focused 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.

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.

This strategy currently includes ranges of new products based on mobile telephone technologies, productivity and utility software packages.

BVRP Software sells its products through four main distribution channels:

- OEM sales, combining software with equipment (e.g. PC, modem, telephone, etc.). 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
- distributor sales, through which software is sold separately via networks of wholesalers and IT dealers and catalogue publishers (mail order selling)
- direct sales via e-commerce. Having developed its own e-commerce platform, BVRP sells its downloadable software to online purchasers from its Web sites
- License sales to companies either directly, or through a network of retailers.

Distributor & enterprise sales, as well as e-commerce activities are combined under the Avanquest banner, as each subsidiary of the BVRP Group was renamed Avanquest over the course of 2004.

During 2001 and 2002, BVRP sold its web agency activities and hotline services in order to concentrate on its core business activities, while increasing its product range and strengthening its international sales network. BVRP aims to become the world's leading global publisher providing both its own software, as well as software developed externally by its partners.

The sales network is broken down by geographic area through the different group subsidiaries (companies created by BVRP or that were acquired by BVRP through external growth operations). Each one is charged with selling both the software developed by BVRP, as well as the software developed by external publishers (publishing model).

The subsidiaries, located in France, the UK, Germany, Spain, the United States, and more recently China and Korea, allow the Group to benefit from synergies between businesses with complementary product lines and practices.

France: Activities in France are carried out through two companies based in Levallois Perret, at the company's head office. **Avanquest France** (formerly AB Soft), a company acquired in May 2001, localizes and sells a wide range of software through a vast distribution network: multi-specialists, mail order companies, second hand dealers, wholesalers, or chains. Besides BVRP products, Avanquest France also republishes for the French market: ACDSee™ – an image browser, WinZip® – the leading product in compression tools, Paint Shop Pro® – the best-selling graphics software, PC-cillin from Trend Micro and Monarch – a data extraction tool .

BVRP SA's teams are mainly responsible for OEM sales for the European territory, as well as e-commerce sales for France and other countries where the group has no subsidiaries. The BVRP Group employs 107 people in France, including administrative and R&D teams.

United Kingdom: The acquisition of MediaGold in October 2003 enabled the Avanquest network to acquire an uncontested leadership in this country. The group's four subsidiaries in the United Kingdom were merged into one entity – **Avanquest UK** – during the first quarter of 2004. The company, employing 78 people, serves large accounts, SMEs and individuals alike.

United States: Avanquest Publishing USA (formerly Elibrium), a BVRP subsidiary since 2002 and based in San Mateo, California, represents Avanquest in the United States for the retail market. Since its first software package from the famous MySoftware range was put on the market, Avanquest Publishing USA has sold more than 20 million of its products through more than 10,000 computer shops including Wal-Mart, Staples, Office Depot, etc. In February of 2005, BVRP acquired the California-based company called V Communications Inc., a leader in the field of utility software. This acquisition reinforces the group's position on the retail market as well as in e-commerce. **V Communications** merged with Avanquest Publishing USA in the month of March 2005.

BVRP USA Software, based in Denver, Colorado and founded in 1996, is in charge of the market release for the group's software through OEM agreements as well as e-commerce.

The BVRP Group currently has 107 employees in the US.

Germany: Avanquest Deutschland (formerly MediaGold GmbH) is a BVRP subsidiary since October 2003. Avanquest Deutschland sells all BVRP products in Germany through retailers, e-commerce and corporate sales. The company employs 9 people.

Spain: Avanquest Ibérica was created in June 2004, and purchased Outsource S.L. customer list. Avanquest Ibérica sells all of BVRP's products in the Spanish and Portuguese territories through retail, e-commerce and corporate sales. The company employs 4 people.

Asia: Since 2002, BVRP has a development center in Shanghai, China to further the development of each of the group's product divisions (mobility, productivity and utility). In order to ensure the development of the group's activities in Asia - the 2nd leading world market for software – BVRP created two subsidiaries in Korea and China. In this way, BVRP has equipped itself with the means necessary to increase OEM partnerships with the numerous manufacturers and operators of mobile telephones located in Asia. BVRP employs 30 people in China, and 2 in Korea.

In conjunction with the organization by geographic area, at the outset of 2005, BVRP implemented a product line organization, in order to optimize the sales of products for which the group owns the intellectual property. Three "product" divisions were created, each of which includes its own R&D team, and corresponds to one of the market segments for which the group intends to develop their offers:

- The "Mobility" division that manages the Communications, Mobility and Wireless lines of BVRP Software,
- The "Productivity" division that manages the Productivity line of MySoftware,
- The "Utility" division that manages the V Com brand utility software line, obtained as a result of the V Com acquisition.

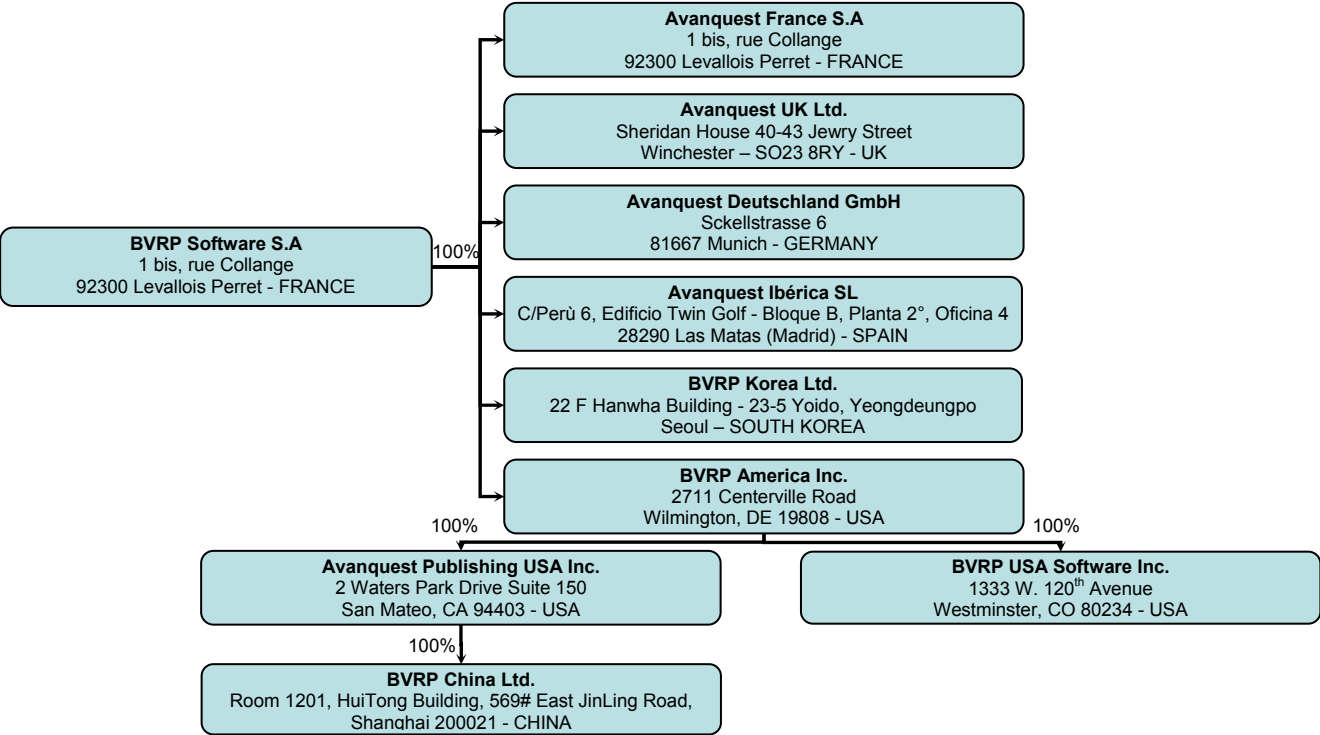
Relationship between Parent Company and Subsidiaries

Research and development activities are ensured by different entities of the group. In the case of communications and mobility products, the majority of R&D activities are operated by the BVRP SA (parent company) teams. Subsidiaries who sell BVRP SA-developed products pay royalties to the parent company.

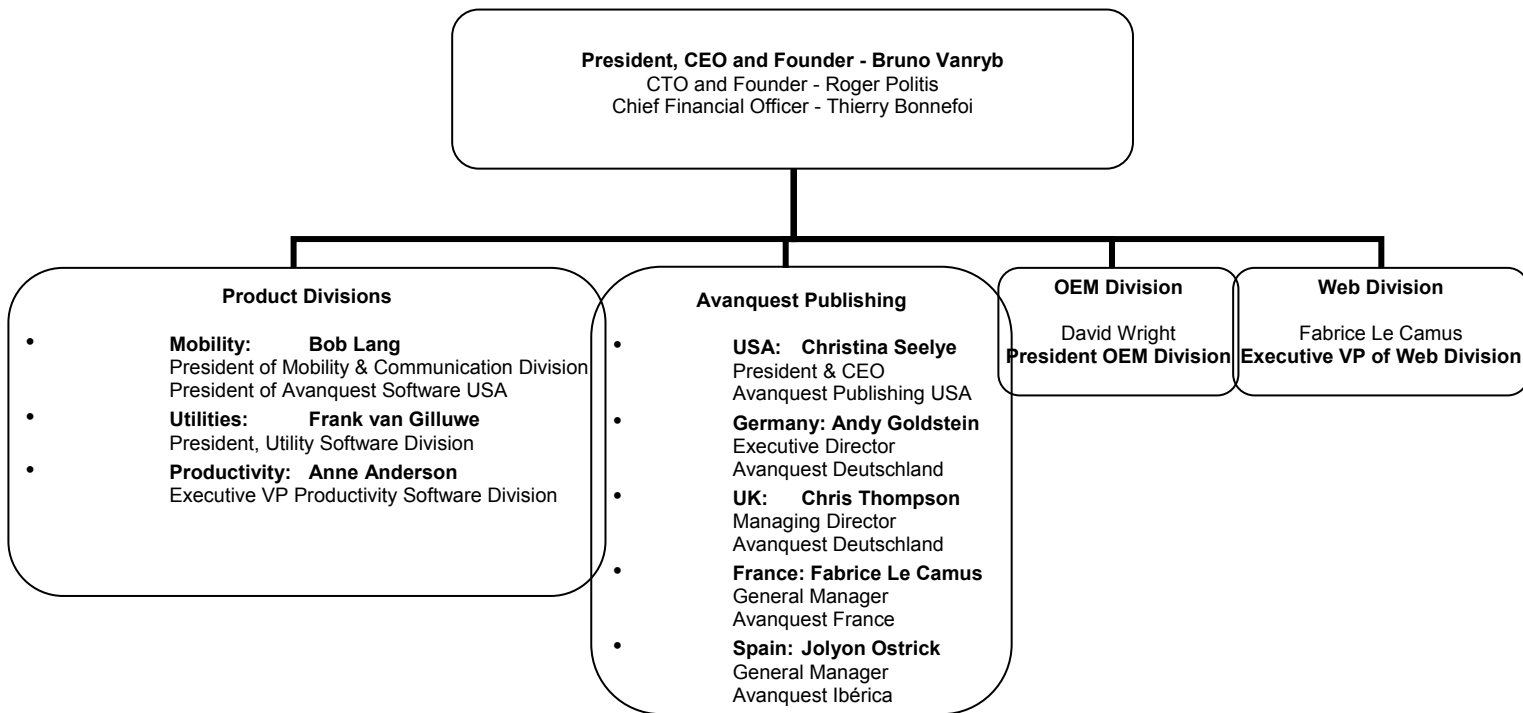
BVRP SA also implemented cash-flow conventions with each subsidiary in order to finance their working capital needs and investment requirements. Since the grouping of all French activities on the same site, BVRP SA ensures various administrative services for Avanquest France such as accounting, payroll and legal services. These services are provided at arms length and billed according to a monthly retainer or according to costs borne by BVRP and attributable to Avanquest France.

3.2. LEGAL AND FUNCTIONAL ORGANIZATION CHARTS

3.2.1. Legal Organization Chart



3.2.2. Functional Organization Chart



3.3. FAMILIES OF PRODUCTS

3.3.1. Communications

In 1995, BVRP Software released PhoneTools®. Now released as Classic PhoneTools® to the global market, this communications best-seller has changed the habits of more than 50 million users. Professional and personal users alike have been able to dispense with much of the equipment “cluttering” their offices and restricting their movements. The PhoneTools® range transforms a personal computer that is connected to a modem into a full-fledged communications tool: fax, telephone, answering machine, video-conferencing, e-mail and other features are combined into a single package.

Translated into more than 26 languages, this range of software responds to the demands of professionals with versions dedicated to faxing and e-fax – FaxTools® and FaxTools® eXPert – and a complete communications suite – PhoneTools® eXPert.

3.3.2. Diagnostic & Configuration

Today’s paradox is that technology is becoming increasingly complicated, yet is being used by a growing number of novice users. Hardware manufacturers are forced to invest in costly support services that do not always satisfy the most pressing needs of consumers. To respond to this very real need, BVRP Software is developing exciting new offers for both manufacturers and end-users. Modem Medic® and Modem Xpert® are troubleshooting and auto-repair tools for modems. LAN Wizard® is a tool dedicated to troubleshooting both wireless and fixed network configurations. For manufacturers, these tools result in less need for technical support, fewer unnecessary hardware returns and, therefore, greater satisfaction for both manufacturers and end-users.

3.3.3. Mobility

Registering a very strong increase over the last three years, the international market for mobile telephones represented approximately 675 million units sold in 2004. Responding to the trend toward a new generation of phones and personal digital assistants, BVRP Software offers a range of tools that give anyone who is often on the go, a truly mobile office.

Mobile PhoneTools® is the mobile communications solution for PCs. The goal: to offer all the communications functions that the user normally employs at the office. It is the ideal solution for all mobile users, useful for business and personal communications needs. Recipient of an innovation

award at the 2004 CES Trade Fair in Las Vegas, Mobile PhoneTools® has been updated and now helps users take advantage of the multimedia capacities of their mobile phones.

Pocket PhoneTools® is specifically designed for PDA users. With Pocket Theme Manager, users are able to fully customize their PDA, while the GPRS Manager means a click is all it takes to connect to the GPRS network and obtain a high-speed e-mail connection.

Network Nomad™ is the ideal connectivity tool for mobile users who have to secure access to their company's network and the internet without any set-up, wherever they may be.

3.3.4. Productivity

BVRP's American subsidiary, Avanquest USA, who boasts a solid presence in the US market is firmly established in over 10,000 retailers. They develop and publish the MySoftware product line, which makes the daily lives of millions of personal and business users easier than ever with its diverse range of software, including MyMailList, MyDatabase, and MyInvoices, among others.

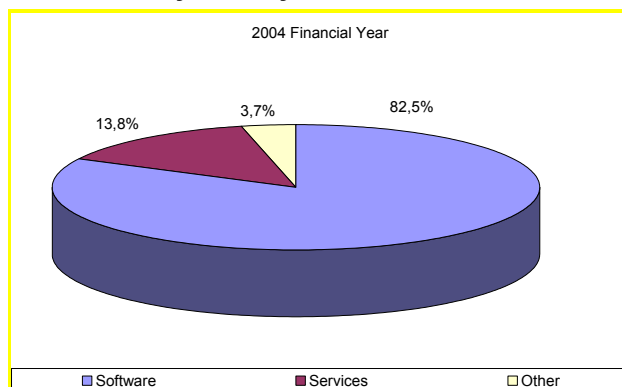
3.3.5. Utilities

BVRP expanded their line of "Utility" products with the acquisition of V Communications Inc. in February 2005. V Com was the publisher of a best-selling, award-winning line of utility software, including: SystemSuite™, Fix-It Utilities™, Partition Commander™, Web Easy™ and PowerDesk®. In a sector identified as being very buoyant, these products – often leaders in their market – enable the operation of PC to be optimized, repaired and secured. They include the compression and decompression functions, as well as data recovery.

3.4. BVRP GROUP ACTIVITIES

Software publishing and development is the Group's core business and represents 82.5% of revenue for the financial year.

Breakdown by Activity



In thousands of euros	2004 Financial year	2003 Financial year
Software	47,027	37,418
Services	7,895	7,615
Other	2,114	3,517
Total	57,036	48,550

3.4.1. Software Sales

BVRP sells its software products through four channels: The Group does not sub-contract.

3.4.1.1. OEM

Sales of software by BVRP Software through this channel are the result of OEM agreements signed with modem, microcomputer, personal assistant, and mobile telephone manufacturers. In this case, BVRP Software's products are one of the components of a hardware package.

BVRP Software is creating added value for its international OEM, PC, peripheral and mobile telephone manufacturer partners. BVRP's solutions are provided with the manufacturers' equipment to give a new dimension to the product and make it more user-friendly, more feature-rich and more competitive. For example, *Mobile PhoneTools*® and *Pocket PhoneTools*® are bundled with mobile phones, personal assistants and PC Bluetooth™ cards giving users fast internet access via GPRS, 1xRTT or UMTS, SMS/faxes transmission, phonebook and calendar management features to name but a few.

The aim is to facilitate connection and offer a range of user-friendly and intuitive communication tools with a few clicks of a mouse. This success with major telecommunications and IT companies is also due to the fact that BVRP software is localized and translated into some 30 languages.

BVRP Software's diagnostic and self-repair solutions are also developing in this direction. BVRP helps OEMs to reduce their maintenance and support costs by integrating into new PCs or networks such products as *Modem Helper*[®], *Modem Medic*, *Modem Xpert*[®] and *Lan Wizard*. These tools reduce technical support calls as well as unjustified returns of hardware by identifying the source of the technical problem, and if needed, by replacing the corrupted files. This generates significant savings for manufacturers while fostering greater customer satisfaction.

BVRP's OEM activities represent approximately 26% of their software turnover, and experienced growth by nearly 60% in 2004. The quality and universality of its products have won accounts with renowned IT and telecommunication corporations: Amigo, Askey, Bouygues, Billinton, British Telecom, Conexant, Dell Computers, France Telecom, Hewlett Packard, Lexmark, Motorola, Mitsubishi, NEC, Novatel Wireless, Optimus, Packard Bell, Philips, Pretec, Sagem, Siemens, Sonic Blue, US Robotics, Xircom, etc.

3.4.1.2. Retail and Corporate Sales

Management of its international software distribution network is a cornerstone of BVRP Software strategy. Its priority is to use the most appropriate channels of distribution to market the products required to satisfy demand as quickly as possible, thanks to its Avanquest network.

The Group has a high level of expertise in the field of software publishing, which ensures the controlled and reactive development of its offers. Combining internally developed software with best-selling software developed by partner publishers enhances the Group's global offer with a range of products that supply a proven market.

This year saw BVRP Software actively pursue the development of its sales networks.

Five BVRP entities, organized according to geographic area, share the main markets: France, the UK, Germany, Spain and the United States. Its recent acquisitions, AB Soft and Guildsoft in 2001, Elibrium in 2002, MediaGold in 2003, Outsource in 2004, and V Communications in 2005, along with partnerships with Questar in Italy, allow the Group to benefit from synergies between businesses with complementary product lines and practices.

BVRP can therefore offer a more varied and more widely distributed product to the various European, American and Asian markets. The objective is to develop worldwide or pan-European re-publishing agreements.

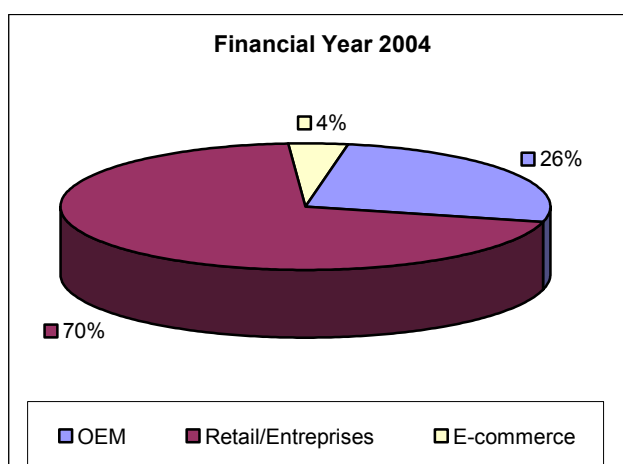
"Retail" is the only activity that is subject to significant seasonality; the last quarter traditionally represents between 28 and 32% of annual sales.

3.4.1.3. E-commerce

Buying on the internet became a definitive part of people's everyday habits in the recent past. BVRP Software's experience in terms of **e-commerce** is a major advantage for Avanquest's development. In fact, through e-commerce as a platform, the group offers electronic distribution of publisher partner software at the global level.

E-commerce activity is sustained by a boom in broadband connections and strong growth in the number of consumers who believe that buying on-line offers numerous advantages. In 2004, e-commerce sales represented 4% of BVRP's software sales. BVRP anticipated a significant investment in 2005 in order to ultimately double e-commerce sales.

Breakdown per distribution channel



In thousands of euros	2004 Financial Year	2003 Financial year
OEM	12,257	7,765
Retail/Corporate	32,880	26,935
E-commerce	1,890	2,718
Total software	47,027	37,418

3.4.2. Services and others

The service activity deals essentially with providing technical assistance, support or training for users of BVRP Group software.

"Other" sales consist mainly of sales of peripherals – non-strategic business acquired through the acquisition of AB Soft in 2001.

3.4.3. Breakdown by geographic zone

The breakdown by geographical area is as follows:

In thousands of euros	2004 Financial year	2003 Financial year
UNITED STATES	45.6%	45.8%
GREAT BRITAIN	24.0%	26.0%
FRANCE	16.9%	18.4%
GERMANY	6.4%	4.1%
OTHER EUROPEAN COUNTRIES	2.8%	2.8%
REST OF THE WORLD	4.3%	2.9%
TOTAL	100.0%	100.0%

This breakdown confirms the international character of the BVRP Group, with a particularly significant share in the United States, the top global market for our software. Our sales network in this country has been particularly strengthened by the acquisition of Elibrium at the end of 2002, and then V Com at the beginning of 2005.

3.5. THE MARKETS

3.5.1. Communication software

BVRP Software's communication software packages are marketed through every sales channel the company has at its disposal.

OEM software sales are the result of OEM agreements signed with modem, mobile telephone and microcomputer manufacturers, as well as telephone companies, who integrate BVRP software into their hardware packages.

The PC market, one of the markets addressed by BVRP Software's communication software packages, has been constantly growing for several years thanks to a reduction in hardware costs and to an ever-rapid technological evolution. A decrease in the price of computer components has also contributed to this significant growth. Market developments have contributed to the reduction in equipment costs for the general public, enabling sales to a wider clientele.

This data is confirmed by an IDC study, which showed that global PC sales in 2004 increased by 15% compared to 2003.

Relating to Internet connectivity, a DSL Forum/Point Topic study showed that the number of people who subscribe to ADSL service throughout the world increased by more than 56% between 2003 and 2004 - an increase that confirms the wide-spread use of broadband and communication technologies in general. BVRP Software offers products such as WinFax[®] Plus and WinPhone[®] eXPert for companies and individuals with ADSL.

BVRP Software's customers include the world leaders in the PC industry, such as Dell[™], #1 worldwide, and Hewlett Packard, #2 worldwide (source: IDC).

Prestigious peripheral developers such as Lexmark[™] and US Robotics[®] are also part of BVRP Software's client base.

Leading modem manufacturers also entrust BVRP Software; these include Amigo, Askey, Abocom, SIS, Taicom for the Asian market, and Conexant[™] for the American and European markets.

BVRP Software has also signed agreements with France Telecom and British Telecom, major telephone companies.

BVRP Software's main competitors on the communication software market are Symantec[™] and Smith Micro for the United States. The presence of European publishers such as RTE in France should also be noted.

3.5.2. Mobility

Software such as Mobile PhoneTools[®] represents BVRP's investment in the mobile market which is flourishing. This development is essentially due to:

- increasing number of mobile telephone sales and mobile telephone users
- increasing use of 2.5G and 3G telephony
- increasing use of Bluetooth[™]

Increasing number of mobile telephone sales and mobile telephone users

In 2004, the wide-spread use of mobile phones converted new users, boosting the number of subscribers for all mobile telephone operators.

According to a study by Deloitte & Touche, the number of subscribers should reach the 2 billion mark in 2005, up from 1.3 billion in 2003 (according to In-Stat/MDR).

This trend also led to a sharp increase in mobile phone sales. According to a Gartner study, 674 million units were sold worldwide in 2004, as compared to 520 million in 2003 – an increase of 30%.

Increasing use of 2.5G and 3G telephony

Following the GSM (2G), 2.5G and 3G telephones recently emerged on the mobile market, with the progressive introduction of first GPRS and subsequently UMTS.

GPRS uses a data packet switching system which improves speed provided for by GSM network. While the standard GSM network continues to be used for voice data, GPRS is used for the internet and Wap.

In 2003, the number of GPRS users in Europe was 15.7 million, i.e. 4.8% of the total number of subscribers, compared to 1.2% of users in 2002. In the United States, 62.9 million users subscribe to GPRS, which represents 39.1% of users compared to 7.1% in 2002 (source: Morgan Stanley, August 2002). Growth forecasts look very promising: in fact, according to the same study, the number of GPRS users for the United States should double.

Successor to GSM (2G) and GPRS (2.5G), the 3G mobile telephone system UMTS chosen by the European market is a universal mobile telecommunications system that offers a wide range of voice, data and image services.

According to a Strategy Analytics study, the international market experienced a virtual explosion, increasing from 3 million subscribers in 2003 to 20 million in 2004. The forecasts for 2005 show a projected increase to 40 million.

Currently only top-of-the-line telephones with data transfer meet current quality standards, but soon all telephones will meet these requirements, opening this flourishing market for BVRP.

Increasing use of Bluetooth[™]

The wireless technology "Bluetooth™" experienced true success. This wireless, radio transmission system that connects computers to telephones, computers and telephones to printers, PDAs, video players and cameras, etc. is being increasingly used in new top-of-the-line telephones, some IT terminals, video players, GSM accessories, etc.

According to an In-Stat/MDR study, in 2004, 146 million devices were sold that integrate Bluetooth™ technology, showing a 100% increase for the second consecutive year.

BVRP Software aims to become a major player and world leader in this fresh and rapidly expanding market.

BVRP Software designed Mobile PhoneTools® and GPRS Manager software to simplify the use of these new technologies and offer a range of additional communication features (fax, e-mail, MMS, etc.), in order to meet the growing demand of this mobile market.

All BVRP mobility software are Bluetooth™ compatible. An agreement with Broadcom, a global leader in Bluetooth™ "stacks", was signed in January 2005. This agreement enables BVRP and Broadcom to create an integrated Bluetooth™ solution for PCs and mobile phones.

BVRP Software is also present on the PDA market with pocket PhoneTools®, the essential fax and SMS transmission tool, which integrates a telephone directory and Wap site browser, and Pocket Theme Manager, which enables PDA customization.

BVRP Software's mobility market clients are PC manufacturers such as HP Compaq and Panasonic; pocket PC manufacturers such as HP / Compaq, SAGEM; or even mobile phone manufacturers such as Motorola, Alcatel, SAGEM, Philips, etc.

BVRP Software's major competitors on the mobility market are small manufacturers such as PCTel, RTE/Swapcom, Pocket Presence, Future Dial, Susteen, Birdstep, Smtih Micro, Teleca, Mobile Action and Thememaker, along with a few mobile manufacturers who develop their own product-integrated applications.

3.5.3. Diagnostic and connection tools

In the last few years, a growing number of professionals and individuals have been installing IT networks. This growth was boosted by technological developments, particularly the introduction of Wi-Fi. Wi-Fi, which is becoming increasingly used for wireless radio networks, offers a 20 to 100-meter range depending on obstacles. This is a clear advantage over Ethernet technology and fixed network systems.

According to Gartner Dataquest, the number of Wi-Fi hot spots in the world doubled between 2003 and 2004. The Wi-Fi market has experienced a 28% increase in value, according to Synergy Research.

Technical developments also appeal to individuals who are now more frequently setting up home networks. In the U.S., 10% of Americans use a wireless network (source: Insight Express). Fifty-one percent of SMEs are equipped with wireless networks (source: Forrester Research). Sales of Wi-Fi equipment therefore increased by more than 15% in value, and 51% in number of units, according to Infonetics Research, and should double by 2008.

In order to facilitate the installation of these networks, BVRP Software released diagnostic tools that will take over the installation and connection to wired or wireless Wi-Fi- networks.

BVRP Software diagnostic market customers include PC manufacturers (Dell™, NEC Packard Bell), telephone companies (France Télécom, British Telecom), mobile telephone manufacturers (Motorola) and modem and peripheral manufacturers (US Robotics®, Sitcom, BeWAN, etc.).

BVRP Software's main competitors for the diagnostic market are JW Hance, Globesoft, Birdstep and Diginext.

3.5.4. Utilities

The "Utilities" market, addressed by BVRP since the acquisition of V-Communications Inc. (V-Com), is mainly composed of products that enable PC operation to be optimized, repaired, and secured.

Software that enables data to be saved, transferred and partitioned has recently become a very important sector of the market, most notably in the US, where it represented 10 million dollars in sales in 2003. V-Com software packages, such as Copy Commander and Partition Commander, are best-sellers in their categories, with market shares of 10 to 20%.

The maintenance system segment is composed of repair and maintenance software. V Com is the leader of this segment of the market, which represented nearly 70 million dollars in revenue in the U.S. for 2003 (internal source).

Web design generated more than 15 million dollars in the U.S. for 2003 (internal source). V Com established themselves as an irrefutable contributor to this market.

BVRP Software's main competitors are Symantec, Stomp, EisenWorld, and Acronis. However, none of these operate on as many market segments as V Com.

3.6. RESEARCH AND DEVELOPMENT

2004 was marked by a considerable strengthening of BVRP's Research and Development structures, with two main objectives in sight:

- To become equipped with a flexible and high-performance tool, providing the Group's product divisions with innovative and competitive products, as quickly as possible.
- To ensure, beginning with the design and development stage for each product, that it will be adapted to all of the group's sales channels – OEM, internet, retail and corporate sales – when it is ready to be released on the market through Avanquest sales subsidiaries.

Taking into consideration the global perspective of these measures, the ultimate objective is obviously to take advantage of the best part of the group's intellectual property, by ensuring the most comprehensive distribution possible in all channels, and all areas.

To support these measures, R&D was re-organized into three distinct divisions, each specializing in a category of products and the specific knowledge and technologies that go along with it:

- The R&D teams for the "Mobility & Communications" division are based mainly at Levallois-Perret and in Shanghai. These teams develop the BVRP brand products such as the "classic" Winfax, Winphone (diagnostic utilities), but also new Mobility products such as Mobile PhoneTools[®], Lan Wizard[®] or Connections Manager[®]
- The R&D teams for the "Productivity" division, which features products from the "MySoftware" line such as MyMailList & MyInvoices, are based in San Mateo in the Silicon Valley, and Shanghai, China.
- The R&D teams for the "Utilities" division is organized around the newly acquired V Com, the author of well-known, best-selling products such as System suite, Fix-It utilities and Powerdesk. They are based in San Jose, California, Boulder, Colorado, and Shanghai, China.

Each of these three teams is led by a Research & Development director, who reports directly to the group's CTO. This ensures that the work methods, tools and processes are coherent; it also ensures maximum optimization of tool and common module development.

The R&D teams in China were expanded in order to strengthen this endeavor. Grouped together in a common and modern facility, the three R&D teams (one for each division) feature a total of thirty engineers, and work in harmony with the main teams to develop the group's products.

This global and coherent process enabled the group to equip themselves with the R&D tool that is crucial to their future development, and which will enable them to progressively increase the power of the products that will constitute their intellectual legacy for years to come.

In 2004, the investments in development were particularly significant in the field of wire-less technology:

- Completion of several large projects in mobile phone technologies, particularly with the release of the new versions of *Mobile PhoneTools*[®]. This "mobile integration" draws on core

BVRP skills in the field of wireless technologies, including cutting-edge solutions such as GPRS and CDMA connection management.

- Continued development of increasingly sophisticated Wizards and Diagnostic Tools; These now include wireless solutions, which further promote mobility, particularly with Lan Wizard[®], a Wi-Fi network configuration assistant that is marketed in conjunction with a number of connection terminal manufacturers.
- Automatic network access management for laptop computers, with the launch of Network Nomad[™],

Over the last few years, BVRP has made a number of major technological decisions that have required strong commitment on the part of the company. The market evolution we have been able to observe, such as the increasingly quick democratization of everything mobile that was encouraged by the distribution of wireless networks and the need to have simple and effective means, or data synchronization between portable terminals (telephone or PDA) and a PC, undoubtedly seems to validate these choices.

3.7. HUMAN RESOURCES

On December 31, 2004, the BVRP Software Group had 303 employees (compared with 282 on 12/31/2003). This increase mainly comes from the strengthening of R&D teams in France and China.

Breakdown of workforce by country:

	FRANCE	UNITED STATES	GREAT BRITAIN	GERMANY	SPAIN	CHINA	TOTAL
Employees	45	54	68	6	3	26	202
Engineers and Managers	58	19	9	2		2	90
Senior management	4	4	1	1	1	-	11
Total	107	77	78	9	4	28	303
Compared to 2003	101	84	80	9	-	8	282

BVRP's workforce (average age 34) shares common aspirations and contribute every day to the development of the Group. BVRP's performance depends on mobilizing and motivating its teams.

BVRP Software is made up of men and women who, for almost 20 years for some and a few months for others, accept new challenges every day. Since its creation in 1984, BVRP has stayed on course, regardless of changes in the economic climate, and has stuck to its principles: transparency, team spirit and respect.

- **Transparency:** thanks to a well-oiled communication machine, all employees in all corners of the globe are kept up-to-date with group activities and achievements, in real-time. There is an ongoing dialogue between management and the teams within the group, as well as its subsidiaries. They are always there to listen and are open to any discussion.
- **Team spirit:** In BVRP, there is no time for overly-elaborate decision-making processes that could paralyze the company. The group is built on a compact hierarchical structure, and services structured around key skills. What defines the men and women of BVRP the most? Team spirit, professionalism and, above all, a constant will to improve and move forward.
- **Respect:** At BVRP, our people are of utmost importance to us. Our aim is that each employee feels like they belong to the group, as our success naturally depends on everyone's development. Because talent is a precious and valuable commodity, it is vital that we listen to our employees' views and constantly strive for improvement. The group's Human Resource policy is clearly based on the confidence and respect of the Company toward the women and men who make BVRP Software what it is.

In a constantly changing world, BVRP must react in order to reconcile our internal operation with our external environment. We are attempting to motivate our human resources by fostering the delegation of power, valorization of individual skills; we are also promoting corporate values and culture, 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 that relate to the group's performance. 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. Customers

The Group's ten leading customers represent €24.6M or 43% of total revenues.

In the 2004 financial year, the Group's leading customer represented 12.0% of the consolidated revenues; the group's second leading customer represented 5.7% of the consolidated revenue, the third, 5.5%, and the fourth, 4.1%. Other significant customers each represented less than 4% of revenues.

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

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

- in the case of OEMs, by referencing its products with 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;

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 accounts are systematically reserved for based on the latest available information upon the closing of accounts

3.8.2. Suppliers

BVRP Software does not have supplier related risks 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 significant of which are the companies responsible for printing the manuals and product packaging, and the subcontractors who supply and make copies of 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 supplier sources.

Most Group companies that sell software developed by partner publishers are tied 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.

3.8.3. Exchange Rate

The Group's exposure to exchange rate risk mainly involves sales negotiated with customers in US dollars, net of expenses and possible investments or loan repayments in this currency, and representing a net amount of about \$7.6M in 2004.

The company has hedging 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 December 31, 2004, there was no foreign exchange hedging in process. New hedging entailed forward sales in the amount of \$2M at exchange rates varying between \$1.30 and \$1.31 for 1 euro, implemented at the beginning of 2005.

3.8.4. Interest rate

The loans taken out by BVRP SA (€5.2 M) have interest rates based on the 3 or 6 month Euribor. Avanquest USA LLC's bank debt was contracted at a variable rate, based on the American prime rate in the US.

Interest rates are hedged in the form of an interest rate swap, up to an amount of €1.4 M, which covers the quarterly maturities of one of BVRP SA's loans up to September 30, 2005. No other loans are hedged.

3.8.5. Liquidity Risk

These loans, subscribed by BVRP (each with an initial amount varying between €1 and 2M), were taken out for 4 to 5 year periods. Some include clauses that provide for the possibility of early repayment should certain financial ratios (covenants) not be observed. The ratios used differ from one contract to another. The most often used ratio is the net financial debt / equity ratio (calculated on the consolidated balance sheet) with a limit varying from 0.6 to 1.0, depending on the contracts. As of December 31, 2004, BVRP complied with all its covenants, particularly with a negative net financial debt / equity ratio.

The banking loan obtained by Avanquest USA also includes covenants, the main one being the maintenance of a current asset / short term debts (excl. loans) ratio higher than 1. As of December 31, 2004, Avanquest USA complied with all covenants.

The available cash balance on December 31, 2004, (€19.8 M), anticipated cash flows for the future and the Group's intact borrowing power prevents the occurrence of any liquidity risks.

Types of securities issued or loans taken on	Fixed rate or variable rate	Overall amount of credit lines	Maturities	Hedging
Bank loans in €	Variable rate	€5.4 M	2006 to 2008	Up to €1.4 M until 2005
Bank loans in \$	Variable rate	\$2.6 M	2006	No

3.8.6. Technology

As BVRP has its own technology, its product- and service-related knowledge does not depend on any outside source. BVRP believes that the evolution of technologies has been accurately anticipated in the software sector, at least concerning the next three years.

The technical risks related to software are insignificant. In fact, software sold in OEM or developed specifically is validated and approved by the customer before being released on the market. Furthermore, complex products designed for businesses undergo a trial phase with the potential client before the sale is finalized.

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

3.8.7. Legal risks, risks associated with intellectual and industrial property

With respect to intellectual property rights to its software and employee creations, BVRP is covered by article L.113-9 of the intellectual property code and section 201 of the US Code. In application of these provisions, all economic rights relating to products created by employees belong to the employer. During the drawing up and negotiation of customer contracts, BVRP takes great care in maintaining these rights by granting only intellectual property rights.

To preserve these rights and combat against hacking, all BVRP software is registered with the Agency for the Protection of Programs (APP).

Concerning industrial property, BVRP has over 70 registered brands and almost the same number of domain names. The most important brands 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.

BVRP is not exposed to specific legal risks apart from those relating to intellectual property and its civil liability in general.

3.8.8. Human resources

Like its competitors, BVRP Software depends on its professional teams. Hiring and retaining employees can prove to be difficult in a competitive context. 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. These schemes aim to encourage, retain and motivate managers, executives and employees in the Group's companies.

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.

3.8.9. Industrial and environmental risks

By the nature of its activity, the company faces little or no exposure to these types of risks.

3.8.10. Insurance

The company maintains insurance policies that Group management deems adequate. These policies and their appropriateness are reviewed annually. BVRP SA maintains insurance policies that include protection against operational losses, damage to merchandise and civil liabilities (of the company and its directors and officers). These policies are validated by the management committee.

The amount of coverage for operating losses amounts to €3.5M (with a deductible of 3 days' operating loss). The amount of coverage for damage to goods is limited to €2.5M (with a €2,000 deductible). The company's civil liability risks are covered up to €7.5M (with a €25,000 deductible).

The overall premium for these policies is around €52,000.

Furthermore, each of the Group's subsidiaries has its own local insurance policies adapted to its needs and in accordance with the local legal obligations.

3.8.11. Exceptionals and litigation

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 motivation and growth.

BVRP Software's research and development expenses for the 2004 financial year were €4.7 M, i.e. 8.2% of consolidated revenues (compared to €4.2 M and 8.8% the previous year).

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

The capitalized research and development fees during the financial year amount to €1.3 M as opposed to €1.0 M for 2003.

The relative value of the capitalized research and development costs was 28% of the total cost of research compared to 23% for the previous financial year.

The Group is continuing its investment program with the goal of adapting its products and services to developments in the marketplace, and to increase and internationalize the sale of its products.

3.9.2. External growth

In April 2004, BVRP acquired the remaining 49% of Elibrium (renamed Avanquest USA), and in June 2004 acquired the Spanish company Outsource (renamed Avanquest Ibérica), thus significantly strengthening the Avanquest network.

Finally, at the beginning of 2005, BVRP took control of the American publisher V Communications Inc., in order to strengthen their position on the utility software market. V Communications was then merged with Avanquest USA.

The Group continues to seek any external growth opportunities. However, the Group will only continue to look for investments and acquisitions from which its products may benefit technologically. For example, opportunities in the mobile or wireless fields, or to consolidate the "global publishing" strategy in Europe or Asia, bolstered by new distribution channels or new territories.

3.10. RECENT DEVELOPMENTS AND OUTLOOK

3.10.1. Major events in the financial year ended December 31, 2004

In April 2004, BVRP acquired the balance of the shares of Elibrium LLC not yet owned (49%). Elibrium LLC, since renamed Avanquest USA LLC, is now 100% owned by BVRP America. This acquisition was made for the amount of \$5.2M, of which \$1.3M was cash and the balance by issuance of BVRP shares.

In April 2004, BVRP also named all of its publishing subsidiaries "Avanquest". This change in name (effective July 1st for the English subsidiaries) accompanies a re-organization geared toward improved communication locally and globally with software developers, distribution networks and major companies, in hopes of implementing a global brand. Avanquest®

The Avanquest network flourished in Asia, thanks to a partnership with a Japanese company called P&A, and in Spain at the end of June, 2004 with repurchase of the commercial list for Outsource, following the creation of Avanquest Ibérica SL.

In April 2004, AGF Private Equity funds acquired from the Société Générale all remaining convertible bonds (Océane), and then exercised the related conversion options at the beginning of August, 2004. All of the convertible bonds were therefore converted before the loan reached maturity.

BVRP created a subsidiary in Korea (BVRP Korea) at the end of 2004 in order to further the development of their sales activities in that country, most particularly in the mobility industry.

3.10.2. Group activity during the financial year

In 2004, the year of its 20th anniversary, the BVRP Group posted the best performance in its history. Consolidated turnover posted a growth of 17.5%, while the operating income greatly exceeds the objectives announced a year ago, with an advance of 75%, to €6.9M, or 12.1% of turnover. The net result per share tripled over 2003 to reach €0.65 (vs. €0.22 in 2003).

The Group's turnover (€57M) increased by 17.5% (9.4% on a like-for-like basis), thanks in particular to 26% growth in Software activity, Group's core business.

The confirmed success of the best-seller Mobile Phonetools®, coupled with steady growth in the historic line of communication software, enabled OEM business, a strong margin contributor, to post its best performance since it was created. Over the past year, OEM activity showed an increase of more than 61%, in relation to 2003. Representing 12% of software sales today, the mobile and wireless lines significantly contributed to this performance with a 500% increase in turnover, in just one year. With the signing of numerous agreements during the last quarter of 2004 (partnerships with Netgear, HP, Blueway, Intuwave, Optimus, Broadcom and Motorola Japan), we anticipate significant growth in this field in the months to come.

Retail and corporate sales also continue to develop, largely due to the international Avanquest network. This network enables the group to be present in almost every area, and in all sales channels, through our software publishing subsidiaries. The strengthening of sales of our existing products such as Ghostsurf in the US, the signing of new exclusive publishing contracts with new publishing partners, and the marketing of new versions of software such as WinFax® eXPert Réseau, ACDSee, PC-cillin Internet Security, MusicMatch Jukebox Deluxe and Power Translator, contribute to this increase in power.

This growth in turnover was fueled by the ongoing efforts in the area of R&D and marketing (which increased by 10.6% and 15.3%, respectively), whereas G&A costs remained flat, a reflection of the very strict cost-control policy applied by BVRP.

In thousands of euros	2004	2003	Change 2004 vs 2003	Proforma 2003	Change 2004 vs proforma
Software	47,027	37,418	+26%	40,764	+15%
Services	7,895	7,615	+4%	8,264	-4%
Other	2,116	3,517	-40%	3,117	-32%
Total	57,038	48,550	+17%	52,145	+9.4%

Note: The proforma data is shown at constant foreign exchange rate and constant perimeter. They include the turnover for Avanquest UK (formerly MediaGold UK) and Avanquest Deutschland (formerly MediaGold GmbH), companies acquired in October 2003.

3.10.3. Financial aspects of the financial year

Consolidated data in € M	2004 Financial year	2003 Financial year	Change
Turnover	57.0	48.6	+17.5%
Operating profits	6.9	3.9	+74.8%
Current income	6.8	3.0	+122.6%
Extraordinary income	-	0.2	NA
Net income (Group share)	3.8	1.0	+270.9%
Earnings per share (in €)	0.65	0.22	+195.5%
Earnings per share after potential dilution (in €)	0.50	0.15	+233.3%
Equity (group share)	36.2	23.9	+51.6%
Bond loans and other financial debts	7.4	13.5	-44.9%
Available cash flow	19.8	20.0	-1.0%
Net financial debts / equity ratio	-0.34	-0.27	

Continuing increase in profitability

BVRP again improved its operating profit in 2004; it reached 12.4% in the second half, another improvement for the sixth consecutive semester since 2001.

All of the major countries contributed to the increase in margins, with a spectacular rise in the contribution of the French companies. For the year as a whole, the operating income posts a 75% growth and greatly exceeds the initial objectives set by the Group's management.

The financial result, little affected by the drop in the dollar thanks to the hedging policy implemented during the year, is close to breaking-even and is greatly improved in comparison to the previous year. (-€0.1M vs -€0.9M in 2003).

The consolidated result, after amortization of goodwill, is multiplied by 3.7 over the previous year. It reaches €3.8M or 6.6% of turnover. Leaving out amortization of goodwill, the net income is €5.7M, for a record rate of 9.9%. It should be noted however, that BVRP benefited from an overall reduced tax rate (18%), particularly due to the use of the last tax losses carried forward in France, generating a €1M saving.

The Group's financial structure improved further, with an increase of 52% in its stockholders' equity and of 89% of its net cash. Cash available amounted to €20M, unchanged in relation to the previous year's close. These excellent results, coupled with the conversion of all convertible bonds still outstanding at 31 December 2003, made it possible to finance investments for the year (for a total of €9.9M).

3.10.4. Outlook for the future

Relying on a very healthy financial situation and wishing to benefit from the long-term growth potentials identified, the Group's management is setting ambitious objectives for 2005 combining growth, profitability and investment for the future. Several major projects have been undertaken since the start of 2005 in three areas considered strategic to the Group:

- E-commerce sales, the only area that did not grow in 2004, will have a specific focus for 2005. With the launch of Avanquest Online and the creation of a specific division dedicated to the e-commerce sale of all products in all territories, BVRP is targeting a sales increase of 200% for this channel in 2005.
- Development in Asia is also a major strategic focus, with the strengthening of the Shanghai R&D centers (more than 30 people to date). Two subsidiaries were also created in China and Korea in order to establish OEM partnerships with major players in these two countries.
- In order to exploit the Group's intellectual property and promote sales growth for products developed internally, three product divisions were created in 2005 (Mobility, Productivity, Utilities), each responsible for sales through all channels, worldwide.

For 2005, despite the uncertainties associated with the dollar's evolution, the Group's management expects a turnover of between €70M and €75M (increase of 23%-30%), with an operating income between 11% and 13% (IFRS standards). This forecast takes into account the significant investments planned for 2005 and that will ensure steady, long-term growth.

3.10.5. Events after closing

At the beginning of February 2005, BVRP announced the 100% buyout of the American company V Communications Inc. (V Com).

This strategic external growth operation will enable BVRP software, already a leader in Communications, Mobility and Productivity software, to be solidly positioned on the Utilities market, and to strengthen their position in the United States. BVRP will distribute the entire V Com line through their Avanquest publishing network, which covers all of the distribution channels throughout the world. This acquisition was totally self-financed, in the amount of \$8.5 M with a cash/share combination. An additional payment (earn-out) of up to \$5 M will be paid to V Com, also in the form of a cash/share combination, in terms of the 2005 and 2006 objectives attained, defined at the time of acquisition. A BVRP shareholder's meeting was convened on March 31, 2005, in order to discuss the issuing of shares and warrants to benefit the V Com shareholders, as remuneration for this acquisition.

BVRP also signed several significant sales agreements in January 2005, particularly with Broadcom and Motorola.

3.10.6. Projected timetable for financial announcements

Announcement	Projected date
Turnover 1 st Quarter 2005	Week of 04/25/2005
1st quarter 2005 results	Week of 05/16/2005
Ordinary General Shareholders' Meeting	Week of 05/30/2005
Turnover 2 nd Quarter 2005	Week of 08/01/2005
Half-year results 2005	9/20/2005
Turnover 3 rd Quarter 2005	Week of 10/31/2005
3rd quarter 2005 results	Week of 11/14/2005
Turnover 4 th Quarter 2005	Week of 01/30/2006

CHAPTER 4 - FINANCIAL STATEMENTS

4.1. CONSOLIDATED ACCOUNTS AS OF 12/31/2004

BVRP's consolidated accounts were prepared in compliance with reference 99-02 for legal reasons. Nevertheless, BVRP also established financial statements in accordance to IFRS standards. The information was included at the end of the consolidated annex, in paragraph X.

4.1.1. Profit and loss statement as of 12/31/2004

CONSOLIDATED PROFIT & LOSS ACCOUNT In thousands of euros	Notes	2004 Financial year	2003 Financial year	2002 Financial year
Sales of products and merchandise		50,666	40,486	31,805
Sales of services offered		6,370	8,064	5,757
NET TURNOVER	7.1	57,036	48,550	37,562
Capitalized R&D		1,350	992	989
Reversal of depreciation, provisions and deferred expenses		749	801	524
Other income		10	396	47
OPERATING REVENUES		59,145	50,739	39,122
Raw materials and purchases of merchandise		18,032	11,816	9,059
Other purchases and external costs		10,263	13,054	8,078
Taxes and duties		563	457	789
Payroll costs		16,674	14,748	14,707
Depreciation allowances and provisions		1,736	2,232	2,292
Other expenses		4,976	4,485	2,584
OPERATING EXPENSES		52,244	46,792	37,509
OPERATING INCOME (LOSS)	7.2	6,901	3,947	1,613
FINANCIAL INCOME (LOSS)	7.3	-108	-895	-939
CURRENT INCOME BEFORE TAX		6,793	3,052	674
EXCEPTIONAL INCOME (LOSS)	7.4	-14	246	5,326
Employee profit sharing		-	-	9
Income taxes	7.5	1,126	958	143
Results of consolidated companies		5,653	2,340	5,849
Goodwill amortization		1,888	981	319
NET INCOME	7.2	3,765	1,359	5,530
Share of minority interests		-	344	91
NET INCOME GROUP SHARE	7.2	3,765	1,015	5,439
Net income (Group share) per share (in euros)		0.65	0.22	1.48
Net income (Group share) per share after potential dilution (in euros)		0.50	0.15	1.01

Note: Net income per share is obtained by dividing net income (Group share) for the financial year, by the number of shares making up the capital as of December 31. Net income per share after potential dilution is calculated using the maximum number of shares that may be created at the end of the financial year.

As of December 31, 2004, the numbers of shares were 5,766,539 and 7,523,352, respectively.

4.1.2. Balance sheet as of 12/31/2004: Assets

In thousands of euros	Notes	As of 12/31/2004			As of 12/31/03	As of 12/31/02
		Gross	Depreciation and Provisions	Net	Net	Net
Goodwill	5.4	18,020	3,133	14,887	12,271	8,720
Intangible Assets	5.5.1	6,868	3,100	3,768	3,332	3,414
Tangible Assets	5.5.2	4,435	3,121	1,314	1,364	1,435
Financial Assets	5.5.3	206	0	206	110	206
FIXED ASSETS	5.5-5.6	29,529	9,354	20,175	17,077	13,775
Stock and goods in progress		3,903	340	3,563	1,947	1,263
Receivables and adjustment accounts	5.7-5.8	19,542	1,121	18,421	18,538	16,551
Cash	5.11	19,822	0	19,822	20,032	8,042
CURRENT ASSETS		43,267	1,461	41,806	40,517	25,856
TOTAL ASSETS		72,796	10,815	61,981	57,594	39,631

4.1.3. Balance sheet as of 12/31/2004: Stockholders' equity and liabilities

In thousands of euros	Notes	As of 12/31/2004	As of 12/31/03	As of 12/31/02
Share capital		5,767	4,718	3,671
Share premium		20,017	11,522	4,928
Consolidated reserves		6,618	6,607	2,205
Net income (Group share)		3,765	1,015	5,439
STOCKHOLDERS' EQUITY	6.1	36,167	23,862	16,243
Minority interests in the reserves		0	-1,134	-1,752
Minority interests in the results of the financial year		0	344	91
MINORITY INTERESTS	6.2	0	-790	-1,661
PROVISIONS FOR CONTINGENCIES AND LOSSES	6.3	343	444	669
Financial debts	6.4	7,421	13,477	11,166
Trade payable and related accounts		9,935	9,163	8,193
Other liabilities and adjustment accounts	6.7	8,115	11,438	5,021
Operating liabilities and adjustment accounts		18,050	20,601	13,214
LIABILITIES AND ADJUSTMENT ACCOUNTS		25,471	34,078	24,380
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		61,981	57,594	39,631

4.1.4. Cash flow statement

In thousands of euros	2004 Financial year	2003 Financial year	2002 Financial year
OPERATING ACTIVITIES			
NET INCOME OF THE INTEGRATED COMPANIES	5,653	2,340	5 530
Adjustment for non-cash transactions			
Depreciation, allowances and provisions	853	1,742	1,930
Capital gains and losses from transfer	740	-228	-6,921
Deferred taxes	527	211	-13
CASH FLOW	7,773	4,065	526
INCREASE (DECREASE) IN WORKING CAPITAL	-1,883	-810	1,815
CASH FLOW FROM OPERATIONS	5,890	3,255	2,341

INVESTMENT TRANSACTIONS			
Acquisition of intangible assets	-1,678	-1,057	-1,476
Acquisition of tangible assets	-426	-489	-406
Sale of tangible and intangible assets	22	99	25
Acquisition of financial assets	-664	-19	-11
Sale of financial assets	1	181	66
Net cash from acquisition/divestment	-7,136	-656	4,100
CASH FLOW FROM INVESTMENT	-9,881	-1,941	2,298

FINANCING TRANSACTIONS			
Capital increase or contribution	9,554	7,489	39
Net inflows (outflows) from loans	-5,763	3,641	-132
CASH FLOW FROM FINANCING	3,791	11,130	-93

CASH VARIATION	-200	12,444	4,546
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OPENING CASH BALANCE ⁽¹⁾	20,030	7,689	3,194
Exchange rate variation on cash balance	10	-104	-51
CLOSING CASH BALANCE ⁽²⁾	19,820	20,030	7,689

⁽¹⁾ Available funds and marketable securities = 20,032K€- Short-term financial liabilities 2K€

⁽²⁾ Available funds and marketable securities = 19,821K€- Short-term financial liabilities 1K€

Cash flow paid out due to changes in the consolidation scope can be analyzed as follows:

Amount paid out on the acquisition of 49% of Elibrium	-3,962
Payment of the balance on the initial price, and earn-out for the acquisitions of MediaGold GMBH and MediaGold UK	-3,164
Acquisition of Avanquest Ibérica	-10
Net cash from acquisition/divestment	-7,136

4.1.5. Notes to the consolidated accounts

I MAJOR EVENTS OF THE FINANCIAL YEAR

- In April 2004, BVRP acquired the balance of the shares of Elibrium LLC not yet owned (49%). Elibrium LLC, since renamed Avanquest USA LLC, is now 100% owned by BVRP America. This acquisition was made for the amount of \$5.2M, of which \$1.3M was cash and the balance by issuance of BVRP shares.
- In April 2004, BVRP also named all of its publishing subsidiaries "Avanquest". This change in name (effective July 1st for the English subsidiaries) accompanies a re-organization geared toward improved communication locally and globally with software developers, distribution networks and major companies, in hopes of implementing a global brand. Avanquest®
- The Avanquest network flourished in Asia, thanks to a partnership with a Japanese company called P&A, and in Spain at the end of June, 2004 with purchase of Outsource's customer list, following the creation of Avanquest Ibérica SL.
- In April 2004, AGF Private Equity funds acquired all unconverted convertible bonds (Océane) from the Société Générale. The conversion took place at the beginning of August, 2004. All of the convertible bonds were therefore converted before the loan reached maturity.
- BVRP created a subsidiary in Korea (BVRP Korea) at the end of 2004 in order to further the development of their sales activities in that country, most particularly in the mobile industry.

II CONSOLIDATION SCOPE

2.1. PRESENTATION OF THE GROUP COMPANIES

The companies included in the consolidated accounts of the BVRP Software Group as of December 31, 2004, are the following:

COMPANY	COUNTRY	PERCENTAGE OF CONTROL	PERCENTAGE OF INTEREST	CONSOLIDATION METHOD
BVRP SOFTWARE SA 1 bis rue Collange 92300 Levallois Perret	France			Parent company
AVANQUEST FRANCE SA 1 bis rue Collange 92300 Levallois Perret Consolidated since: 6/1/2001	France	100%	100%	Full integration
BVRP America Inc 2711 Centerville Road, Suite 400 Wilmington, DE 19808. Consolidated since: 12/7/2000	USA	100%	100%	Full integration
BVRP USA Software Inc 1333 W. 120 th avenue Westminster, CO 80234 Consolidated since: 8/1/1997	USA	100%	100%	Full integration
AVANQUEST USA LLC 2 Waters Park Drive San Mateo, CA 94403 Consolidated since: 12/31/2002	USA	100%	100%	Full integration
AVANQUEST UK LTD Sheridan House, 40-43 Jewry Street Winchester - Hampshire SO 23 8RY Consolidated since: 1/1/1999	England	100%	100%	Full integration
AVANQUEST DEUTSCHLAND GmbH Skellstrasse 6 81,667 München Consolidated since: 10/1/2003	Germany	100%	100%	Full integration
AVANQUEST IBERICA SL Calle Peru 6, Edificios Twin Golf 28290 Las Matas, Madrid Consolidated since: 7/1/2004	Spain	100%	100%	Full integration

III ACCOUNTING PRINCIPLES, RULES AND METHODS

3.1. CONSOLIDATION RULE AND METHODS

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

The subsidiaries are consolidated using the global integration method where BVRP SOFTWARE has direct majority control.

3.2. LENGTH OF FINANCIAL YEARS

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

3.3. PRINCIPLES OF EVALUATION

3.3.1. GOODWILL

3.3.1.1. GENERAL PRINCIPLES

The difference between:

- the acquisition price of the consolidated 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,

is, 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 included in the "Goodwill" category in the assets and is amortized using the straight-line method over a period of 10 to 20 years.

The goodwill is further depreciated when the inventory 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 that significantly affect the value.

3.3.1.2. APPLICATION OF THE EXCEPTIONAL METHOD FOR THE ACCOUNTING TREATMENT OF GOODWILL

Goodwill charged to premium paid

When share capital increases are open to all shareholders and intended exclusively to finance acquisitions of a company, the goodwill is directly offset against the stockholders' equity by reducing the premium.

These provisions applied to the 1998/1999, 1999/2000, 2000/2001 and 2002 financial years (see section 5.4.2 below).

3.3.2. INTANGIBLE FIXED 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 charges for the financial year in which they are incurred.

The capitalized research and development costs are depreciated over a period of 4 years starting 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 capitalized research and development costs is effected.

- Commercialization phase

As soon as the software or new feature is ready and available for sale, 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 recorded.

Customer list

The customer list is valued at its acquisition cost. It is 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 list is assessed and a 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.

3.3.3. TANGIBLE FIXED 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 declining or straight-line method, whichever is appropriate.

The depreciation periods are as follows:

Fixed assets	Depreciation	
	Mode	Period
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

Extraordinary amortization is recorded in the event of loss of value or change in service life.

3.3.4. LOANS AND INVESTMENTS

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

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

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

Any significant intra-group margins are offset.

3.3.6. RECEIVABLES

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

3.3.7. 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 exchange rate of the day of closing.

3.3.8. INVESTMENT SECURITIES

Investment securities are valued at their purchase price using 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 differences result in deferred taxes booked using the variable method (updating in accordance with the changes in corporation tax rates). The deferred tax credits are systematically taken into account and the deferred tax assets 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 stockholders' equity at the closing rate and its historical cost, as well as that resulting from the use of the average rate to determine the net income, appear as "Exchange rates differences" under the heading Stockholders' equity.

Exchange rate differences relating to a monetary element, which is an integral part of the net investment in a foreign subsidiary are recorded as equity until they are partially or totally sold.

3.3.11. OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES

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

IV PROFORMA FINANCIAL STATEMENTS

The 2004 Proforma data is used to describe what the Group's financial statement would have been in 2003, on a like-for-like basis, taking into account the 100% ownership of Elibrium (49% of the capital was acquired in April 2004), and the integration over the entire year of MediaGold GmbH and MediaGold Ltd., acquired in October 2003. The 2003 Proforma accounts are established at constant exchange rates, using the exchange rates applied during the 2004 financial year.

PROFORMA BALANCE SHEET: ASSETS In thousands of euros	As of 12/31/04	As of 12/31/03
Goodwill	14,887	16,050
Intangible Assets	3,768	3,322
Tangible Assets	1,314	1,354
Financial Assets	206	105
FIXED ASSETS	20,175	20,831
Stock and goods in progress	3,563	1,894
Other receivables and adjustment accounts	18,421	18,030
Cash and marketable securities	19,822	20,003
CURRENT ASSETS	41,806	39,927
TOTAL ASSETS	61,981	60,758

PROFORMA BALANCE SHEET: STOCKHOLDERS' EQUITY AND LIABILITIES In thousands of euros	As of 12/31/04	As of 12/31/03
Share capital	5,767	4,718

Share premium	20,017	17,198
Consolidated reserves	6,618	5,947
Group share net income	3,765	711
SHAREHOLDERS EQUITY	36,167	28,574
MINORITY INTERESTS	-	-
PROVISIONS FOR CONTINGENCIES AND LOSSES	343	444
Financial debts	7,421	11,799
Other liabilities and adjustment accounts	18,050	19,941
LIABILITIES AND ADJUSTMENT ACCOUNTS	25,471	31,740
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	61,981	60,758

PROFORMA PROFIT AND LOSS STATEMENT In thousands of euros	2004 Financial year actual	2003 Financial year proforma
NET TURNOVER	57,036	52,145
Other income	2,109	2,246
OPERATING REVENUES	59,145	54,391
Raw materials and purchases of merchandise	18,032	12,951
Other purchases and external costs	10,263	14,047
Taxes and duties	563	457
Payroll costs	16,674	15,747
Depreciation allowances and provisions	1,736	2,218
Other expenses	4,976	5,135
OPERATING EXPENSES	52,244	50,555
OPERATING INCOME (LOSS)	6,901	3,836
FINANCIAL INCOME (LOSS)	-108	-906
CURRENT INCOME BEFORE TAX	6,793	2,930
EXCEPTIONAL INCOME (LOSS)	-14	608
Net taxes	1,126	901
Results of consolidated companies	5,653	4,439
Goodwill amortization	1,888	1,926
NET INCOME	3,765	711
Share of minority interests	-	-
NET INCOME GROUP SHARE	3,765	711

The impact of changes in the scope on the 2003 proforma accounts can be drawn up as follows:

In thousands of euros	Actual 2003	Impact of acquisition	Impact of exchange difference	Consolidation adjustment	2003 Proforma
Turnover	48,550	4,502	-907		52,145
Other income	2,189	149	-93		2,245
Operating expenses	46,792	5,925	-2,162		50,555
Operating profits	3,947	-1,274	1,162		3,835
Financial income (loss)	-896	-2	58	-65	-905
Extraordinary income	246		362		608
Income taxes	957	1	-35	-22	901
Results of consolidated companies	2,340	-1,277	1,617	-43	2,637
Goodwill amortization	981		-44	988	1,925
Minority Interests	344			-344	0
Net income (Group share)	1,015	-1,277	1,661	-687	712

Impact of acquisitions and divestments during the financial year

The net impact of companies acquired during the financial year on the balance sheet is neutral since Elibrium was already consolidated using the full integration method, which means that this company's assets and liabilities were already included at 100% in the 2003 balance sheet.

The impact of acquisitions and divestments on cash flow during the financial year is a net payment of €7,136K. The earn-out, not paid as of December 31, 2004, on the acquisitions of MediaGold GmbH and MediaGold Ltd amounts to €759 K.

V ADDITIONAL INFORMATION CONCERNING BALANCE SHEET: ASSETS

5.1. RESEARCH AND DEVELOPMENT COSTS

- Investments

The BVRP Software Group's research and development expenses for the 2004 financial year were €4.7 M, i.e. 8.2% of consolidated revenues (compared to €4.2 M and 8.8% the previous year).

The capitalized research and development fixed during the financial year amount to €1.3 M as opposed to €1.0 M for 2003.

- Periodic evaluation

The periodic evaluation of finalized 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.

5.2. CONCESSIONS, PATENTS AND SOFTWARE

This category includes the following items:

In thousands of euros	Gross	Depreciation	Net
Software developed by BVRP Software	2,644	1,170	1,474
Brands	26	5	21
Acquired software packages	800	648	152
Total	3,470	1,823	1,647

Projects no longer fulfilling asset criteria (technical and commercial profitability) have led BVRP to post an additional depreciation of €39K.

Furthermore, following a study of the software acquired and given the potential life expectancy of these software packages, a provision for depreciation of €100K was made for prudence.

5.3. CUSTOMER LIST

This item includes the OEM customer list acquired on December 23, 1998 from the Swedish company TRIO AB, as well as the Avanquest Ibérica customer list acquired from Outsource, on June 10, 2004.

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

Last year, the customer lists were assessed, taking into account the commercial aspects linked to the customers comprising the aforementioned assets (€147K); the same study carried out this year, did not lead to any new depreciation.

In thousands of euros	Gross	Depreciation	Net
OEM Trio customer list	1,694	1,033	661
Outsource customer list	100	5	95
Total	1,794	1,038	756

5.4. GOODWILL

5.4.1. GOODWILL RECORDED IN THE ASSETS

The goodwill recorded amounts to €14.9 M net. The main change over the financial year is due to the acquisition of Elibrium's (since renamed Avanquest USA) minority interests (49.02%) with an additional difference of \$6,337 K.

In thousands of euros	Period Of depr.	Gross amount	Previous Deprec.	Allowance for year	Foreign exchange difference in allowance	Total depreciation	Goodwill (net)
AVANQUEST UK	10 years	4,523	520	453		973	3,550
BVRP AMERICA	10 years	1,236	299	123		422	814
AVANQUEST USA	10 years	8,923	460	977	-118	1,319	7,604
AVANQUEST FRANCE	10 years	21	2	2		4	17
AVANQUEST DEUTSCHLAND	10 years	3,317	82	333		415	2,902
TOTAL		18,020	1,363	1,888	-118	3,133	14,887

The goodwill for Avanquest UK is comprised of the total goodwill recorded for the acquisitions of BVRP UK, Guildsoft and MediaGold UK, since these three companies were merged into Avanquest UK.

5.4.2. GOODWILL CHARGED TO STOCKHOLDERS' EQUITY

Application of the exceptional method for the accounting treatment of goodwill

When share capital increases are open to all shareholders and intended exclusively to finance acquisitions of a company, the goodwill is directly offset against the stockholders' equity by assigning them to the premium.

These provisions applied to the 1998/1999, 1999/2000, 2000/2001 and 2002. The following acquisitions are concerned:

In thousands of euros	Financial year	Gross Value	Theoretical total deprec.	Theoretical net value
AVANQUEST UK (formerly KOMMUNICATE)	1998/1999	4,760	2,856	1,904
BVRP USA	1999/2000	8,372	3,907	4,465
AVANQUEST UK (formerly BVRP UK)	1999/2000 and 2000/2001	11,295	5,036	6,259
AVANQUEST FRANCE	2000/2001 and 2002	6,684	2,395	4,289
TOTAL		31,111	14,194	16,917

5.5. MOVEMENTS AFFECTING THE FIXED ASSET CATEGORIES

5.5.1. INTANGIBLE FIXED ASSETS

In thousands of euros	Gross 12/31/03	Acquisitions	Sales/ transfers between categories	Change in perimeter / Foreign exchange adjustment	Gross 12/31/04	Deprec. and provision 12/31/04	Net 12/31/04	Net 12/31/03
Research & Development costs	698	1,214	-337		1,575	237	1,338	577
Start up costs	3	10			13	3	10	-
Concessions, patents	3,872	337	-729	-11	3,469	1,822	1,647	1,924
Customer list	1,694	100			1,794	1,038	756	831
Deposits		17			17		17	
Total	6,267	1,678	-1,066	-11	6,868	3,100	3,768	3,332

5.5.2. TANGIBLE FIXED ASSETS

In thousands of euros	Gross 12/31/03	Acquisitions	Sales/ Transfer between categories	Change in perimeter / Foreign exchange adjustment	Gross 12/31/04	Deprec. 12/31/04	Net 12/31/04	Net 12/31/03
Construction	-							
Facilities and installations	1,218	36	-240	-14	1,000	465	535	607
Transport equipment	52	84	-17		119	43	76	8
Office and IT equipment and furniture	2,898	306	121	-9	3,316	2,613	703	750
Total	4,168	426	-136	-23	4,435	3,122	1,314	1,365

5.5.3. LOANS AND INVESTMENTS

In thousands of euros	Gross 12/31/03	Acquisitions	Sales/ Transfer between categories	Change in perimeter / Foreign exchange adjustment	Gross 12/31/04	Prov. 12/31/04	Net 12/31/04
Loans to subsidiaries						-	-
Other financial fixed assets	110	71	30	-5	206	-	206
Total	110	71	30	-5	206	-	206

5.6. DEPRECIATION

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

In thousands of euros	Deprec. 12/31/03	Allowance for financial year	Sale / transfer between categories	Change in perimeter / Foreign exchange adjustment	Depreciation Total
Research & Development costs	134	188	-84		238
Start up costs	3				3
Concession, patents	1,934	812	-923	-1	1,822
Customer list	863	174			1,037
Total intangible assets	2,934	1,174	-1,007	-1	3,100
Tangible Assets	2,803	456	-125	-13	3,121
Total	5,737	1,630	-1,132	-14	6,221

5.7. RECEIVABLES AND ADJUSTMENT ACCOUNTS

In thousands of euros	As of 12/31/2004	As of 12/31/2003
Customer receivables and related accounts	15,400	14,569
Other receivables	2,087	3,381
Adjustment accounts	935	587
Total	18,422	18,537

5.8. PREPAID EXPENSES AND OTHER ADJUSTMENTS

The major amounts recorded in the prepaid expenses account are:

In thousands of euros	As of 12/31/2004	As of 12/31/2003
Prepaid royalties	32	229
Rent	146	42
Marketing and advertising	45	29
Other	712	287
Total	935	587

5.9. AGING OF RECEIVABLES

Receivables with a maturity greater than one year amount to €109 K.

5.10. HEDGING OF EXCHANGE RATE

The Group's exposure to exchange risk mainly involves sales negotiated with customers in US dollars net of expenses and possible investments or loan repayments in this currency, representing a net amount of about \$7.6M in 2004.

The company has hedging 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 December 31, 2004, there was no exchange coverage in process. New hedging entailed forward sales in the amount of \$2M at exchange rates varying between \$1.30 and \$1.31 for 1 euro, implemented at the beginning of the year 2005.

5.11. CASH BALANCE

The cash available (€19.8M) is mainly comprised of short term investments with a value almost identical to that of the ledgers.

VI ADDITIONAL INFORMATION CONCERNING THE BALANCE SHEET:

6.1. STOCKHOLDERS' EQUITY

- Capital

As of December 31, 2004, BVRP SA's share capital consisted of 5,766,539 shares with a nominal value of €1, all of which were in the same category.

- Capital and voting rights distribution

The Mixed Shareholders' Meeting held on January 15, 2004 approved, in its fifteenth resolution, on the proposal of the Board of Directors, to cancel the double voting right. The number of voting rights is therefore now equal to the number of shares.

- Changes in shareholders equity

In thousands of euros	Capital	Premium	Consolidated reserves	Period Earnings	Adjustments	Total stockholders' equity
Situation at the end of 12/31/2002	3,671	4,928	2,114	5,439	91	16,243
Appropriation of income			5,439	-5,439		0
Share capital increase of parent company	1,047	6,594				7,641
Consolidated income for the financial year				1,015		1,015
Exchange rate adjustment			-858		-179	-1,037
Situation at the end of 12/31/2003	4,718	11,522	6,695	1,015	-88	23,862
Appropriation of income			1,015	-1,015		0
Share capital increase of parent company	1,049	8,495				9,544
Consolidated income for the financial year				3,765		3,765
Exchange rate adjustment			-275		-729	-1,004
CONSOLIDATED STOCKHOLDERS' EQUITY AS OF 12/31/2004	5,767	20,017	7,435	3,765	-817	36,167

- Change in the number of shares

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

As of 12/31/2003	4,718,305
Creation of new shares	
Conversion of employee options	46,223
Conversion of warrants	20,794
Shares issued as a result of the MediaGold acquisition	199,999
Shares issued as a result of the Elibrium acquisition	333,293
Conversion of convertible bonds	447,925
As of 12/31/2004	5,766,539

- Other securities giving access to capital

The table below, established as of December 31, 2004, 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 Shareholders' Meeting of April 20, 2000.

Recipients	BVRP SA and Lab Production employees	BVRP USA employees	Kommunicate/Trio employees	BVRP Group employees	BVRP Group employees	BVRP Group employees
Date of meeting	07/16/98	07/16/98	12/22/98	07/10/01	12/18/02	04/21/04
Number of shares authorized	168,000	70,000	90,000	500,000	150,000	150,000
Date of the board of directors meeting	10/19/98	10/19/98	02/11/99	10/5/01	01/14/03	04/21/04
Number of shares attributed as of 12/31/2004	144,682	66,378	90,000	499,875	145,500	140,000
Number of recipients	146	12	31	160	29	4
Of which senior management	0	0	0	2	1	1
Subscription price	17.46 €	17.46 €	20.43 €	3.93€ 7.12€ 4.69€ 5.16€ 8.05€	5.16€ 8.05€	8.37€ 9.21€
Conditions of exercise	1/3 per year of presence	1/3 per year of presence or according to results and revenue objectives	1/3 per year of presence or according to results and revenue objectives	1/3 per year of presence or according to results and revenue objectives	1/3 per year of presence or according to results and revenue objectives	1/3 per year of presence or according to results and revenue objectives
Rights acquired as of 12/31/2004	143,114	61,378	26,642	403,985	48,333	20,000
Shares subscribed on 12/31/2004	0	47,482	7,310	53,423	0	0
Maximum potential shares*	143,114	13,896	7,932	365,056	149,500	150,000

*Taking into account lost or cancelled options

The tables below drawn up on December 31, 2004, give the date, price and mode of attribution of the warrants:

Recipients	American management	American management	Kommunicate management	Board members BVRP SA	BVRP SA Managers
Date of meeting	07/10/01	04/20/00 and 07/10/01	12/22/98 and 07/10/01	07/10/01	12/18/02
Number of shares authorized	123,180	20,000	170,000	5,000	240,000
Number of recipients	5	1	2	2	4
of which BVRP management	1	0	0	0	4
Date of the board of directors meeting	10/5/01	06/15/00 and 10/5/01	12/23/98 and 10/5/01	10/5/01	01/14/03
Number of shares attributed as of 12/31/2004	101 540	20 000	170 000	5 000	240 000
Subscription price	3.93€	36.78€	14.18 €	3.93 €	5.16 €
Conditions of exercise	1/3 per year according to result objectives		1/3 per year according to result objectives	1/3 per year of presence	1/2 per year depending on share price objectives
Rights acquired as of 12/31/2004	101,540	20,000	77,996	3,333	240,000
Shares subscribed on 12/31/2004	19,128	100	59,930	1,666	0
Maximum potential shares*	82,412	19,900	18,066	1,667	240,000

*Taking into account lost or cancelled options

Recipients	Board members BVRP SA	Lab Production Shareholders	MediaGold Shareholders	BVRP SA Managers	Elibrium Shareholders
Date of meeting	18/12/02	10/07/01	15/01/04	15/01/04	21/04/04
Number of shares authorized	10,000	36,950	299,999	300,000	121,653
Date of the board of directors meeting	14/01/03	5/12/01	15/01/04	14/09/04	21/04/04
Number of shares attributed as of 12/31/2004	10,000	36,950	299,999	300,000	121,653
Number of recipients	3	9	6	6	12
Of which senior management	0	0	1	6	1
Subscription price	5.16 €	26 €	7.59€	7.59€	11.28€
Conditions of exercise	½ per year of presence		Over 3 years depending on the earn-out of MediaGold Ltd and MediaGold GmbH	Depending on share price objectives	
Right acquired as of 12/31/2004	3,750	36,950	237,499	0	121,653
Shares subscribed as of 12/31/2004	833	0	199,999	0	0
Maximum potential shares*	6,667	36,950	100,000	300,000	121,653

*Taking into account lost or cancelled options

Supposing that the rights attached to the authorized stock-options and warrants become exercisable and are exercised, BVRP Software's share capital would increase by an amount of €1,756,813. The share capital would thus rise from €5,766,539 to €7,523,352 an increase of 30.5% spread over the years from 2005 to 2010. It should, however, be noted that:

- warrants and part of stock options can only be exercised if certain objectives in the growth of net sales, income, or share price have been achieved.
- 56,850 shares that could be created are at exercise prices significantly higher than the current stock price.

Since January 1, 2005, 10,500 stock-options, granting the right to 10,500 shares, and 119,017 warrants, granting the right to 119,017 shares, were exercised.

6.2. MINORITY INTERESTS

Following the purchase of the Elibrium LLC minority interests made in April 2004, BVRP now owns 100% of all their subsidiaries. There is therefore no longer any minority interest.

6.3. PROVISIONS FOR CONTINGENCIES AND LOSSES

Provisions were made at the end of December 2004 to provide for various contingencies or litigations of low importance.

In thousands of euros	Provisions as of 01/01/2004	Oper. Allow.	Excep. Allow.	Oper. Reversal	Excep. Reversal	Use	Provisions as of 12/31/2004
Contingency and loss provisions	444	9	25	35	5	95	343

6.4. FINANCIAL DEBTS

As of December 31, 2004, financial debts were comprised of the loans subscribed by BVRP SA with four banks in 2003, for which the main purpose was to partially finance the new acquisitions (€5.4 M), and a loan for Avanquest USA (€2.0 M).

These loans (each with an initial amount varying between €1 M and €2 M) were taken out for 4 to 5 year periods. Some include clauses which provide for the possibility of early repayment should certain financial ratios (covenants) not be complied with. The ratios used differ from one contract to another. The most used ratio is the net financial debt / equity ratio (calculated on the consolidated balance sheet) whose limit varies from 0.6 to 1.0 depending on the contracts. As of December 31, 2004, BVRP complied with all its covenants, particularly with a negative net financial debt / equity ratio.

The bank loan obtained by Avanquest USA also includes covenants, the main one being the maintenance of a current asset / short term debt (excl. loans) ratio higher than 1. As of December 31, 2004, Avanquest USA complied with all covenants.

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

In thousands of euros	Amount as of 12/31/03	Increase	Repayments	Change in perimeter / Foreign exchange adjustment	Amount as of 12/31/04
Convertible bonds	4,525		4,525		0
Loans with credit institutions	7,886	2,600	2,924	-202	7,360
Other financial debt	995	5	918	-72	10
Overdraft	2				2
Interest accrued	68		20		48
Total	13,476	2,605	8,387	-274	7,420

6.5. AGING OF DEBTS

The financial debt payable beyond one year is €5,206K. This amount mainly corresponds to maturities over one year for loans taken out by BVRP SA with credit institutions in 2003 and 2004 (€3,831 K), the part of the earn-out on the acquisition of MediaGold Ltd and MediaGold GmbH (€380K) and the part over one year of Elibrium's financial debts (€984K).

6.6. INTEREST RATE RISK

The loans taken out by BVRP SA (€5.2 M) have interest rates based on the 3 or 6 month Euribor. Avanquest USA LLC's banking debt was contracted at a variable rate, based on the American prime rate.

Interest rates are hedged in the form of an interest rate swap, up to an amount of €1.4 M which covers the quarterly maturities of one of BVRP SA's loans up to September 30, 2005. No other loans are hedged.

6.7. OTHER LIABILITIES AND ADJUSTMENT ACCOUNTS

In thousands of euros	As of 12/31/2004	As of 12/31/2003
Tax and social liabilities	3,488	3,013
Pre-paid income	1,979	2,431
Debts on acquisitions	759	3,923
Others	1,889	2,071
Total	8,115	11,438

6.8. ACCRUALS INCLUDED IN DEBT

In thousands of euros	As of 12/31/2004	As of 12/31/2003
Suppliers, accrual	3,421	2,702
Tax and social liabilities	1,954	1,860
Other debts	1,699	1,100

VII NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT

7.1. ANALYSIS OF BREAKDOWN OF SALES

The breakdown of sales by activity is as follows:

In thousands of euros	2004	2003
SOFTWARE	47,027	37,418
SERVICES	7,895	7,615
OTHER	2,114	3,517
TOTAL	57,036	48,550

The breakdown by geographical area is as follows:

In thousands of euros	2004	2003
FRANCE	9,660	8,910
UNITED STATES	26,013	22,240
GREAT BRITAIN	13,709	12,615
GERMANY	3,647	1,986
OTHER EUROPEAN COUNTRIES	1,575	1,361
REST OF THE WORLD	2,432	1,438
TOTAL	57,036	48,550

7.2. ANALYSIS OF PROFIT AND LOSS, CONTRIBUTION OF COMPANIES TO PROFITS

The contribution of each geographical area to the Group's profits and losses for 2004 is as follows:

2004 Financial year (in thousands of euros)	France	United States	England	Spain	Germany	TOTAL
Turnover	12,445	25,170	15,617	93	3,711	57,036
Operating profits	3,523	2,451	1,352	-128	-298	6,901
Results of integrated companies	3,478	1,448	930	-133	-70	5,653
Goodwill amortization and minority interests	-	-1,101	-454	-	-333	-1,888
Contribution to net income (group share)	3,478	347	476	-133	-403	3,765

In the previous year, the breakdown was as follows:

2003 Financial year (in thousands of euros)	FRANCE	UNITED STATES	ENGLAND	GERMANY	TOTAL
Turnover	11,976	22,414	12,682	1,478	48,550
Operating profits	182	2,296	1,206	263	3,947
Results of integrated companies	-99	1,392	792	255	2,340
Goodwill amortization and minority interests	-	-981	-262	-82	-1,325
Contribution to net income (group share)	-99	411	530	173	1,015

7.3. ANALYSIS OF FINANCIAL RESULT

The financial result shows a loss of €0.1 M, as opposed to €0.9 M for the previous financial year. The majority of this loss is due to net loan interest from investment income (€-0.2 M) compensated by net foreign exchange gains, thanks to a continual hedging policy (€+0.1M).

7.4. ANALYSIS OF EXTRAORDINARY RESULTS

No extraordinary income was accounted in 2004, as compared to a profit of €0.2 M in 2003.

7.5. INCOME TAX

Income tax charges for the financial year amount to €1.1 M, or an average rate of 18%. This rate, which is very low given the group's profitability, is a result of the tax loss carried forward that is still available, most particularly in France.

The income tax charge is as follows:

In thousands of euros	
Net consolidated result before tax	4,891
Reintegration of the non-deductible part of goodwill amortization	1,360
Taxable income	6,251
Theoretical Tax (34%)	2,125
Tax on the profit & loss account	1,126
Difference	-999
of which Tax credit	-51
Use of tax loss carried forward	-937
Other differences	-11

In application of the principle described in aforementioned paragraph 3.3.9, BVRP, which still has tax loss carried forward totaling €2.0 M, hence a potential savings of €0.7M, accounted for a deferred tax assets of €0.6M.

The difference between the balance of the deferred taxes assets is derived from the deferred taxes assets posted when Avanquest USA was consolidated (€0.2M).

DEFERRED TAXES, ASSETS	(in thousands of euros)
Balance carried forward on 01/01/2004	1,292
Variation in financial year in the P&L	-527
Impact of exchange and perimeter variations	72
Balance as of 12/31/2004	837

VIII NOTES ON OFF BALANCE SHEET ITEMS

8.1. ADDITIONAL PAYMENT CLAUSES FOR ACQUISITIONS, CUSTOMER LIST AND HOLDINGS

The purchase agreements for MediaGold Ltd and MediaGold GmbH provide for an additional payment depending on the achievement of profit objectives in 2003, 2004 and 2005. The objectives for 2003 were attained; therefore the additional price was paid during the 2004 financial year. Since the objectives for 2004 and 2005 have a reasonable chance of being achieved, BVRP has accounted the entire additional price (i.e. €0.4 M for MediaGold Ltd and €0.4 M for MediaGold GmbH) in debts. Should these objectives be achieved, this additional price will be paid by issuing 100,000 warrants, each giving the right to 1 BVRP share.

There are no other additional payments for acquisitions completed over the last few years.

8.2. STOCK OPTIONS

The Extraordinary Shareholders' Meeting of July 16, 1998, authorized the Board of Directors to issue 75,000 stock options to the Group's employees, giving their bearers the right to subscribe 150,000 shares in the company at a unit price of FRF 114.50 per share.

The scheme was implemented by the Board of Directors on October 19, 1998. One third of the subscription rights can be acquired each year, starting one year from the grant date, i.e. on October 19, 1999. The shares cannot be subscribed until five years after the date of grant of the subscription rights. The surplus discount would result in social contributions having to be paid in the year in which the options were exercised. Given the 5 year period described above, the liability for payroll taxes on capital gains is definitively excluded.

The Board of Directors has so far attributed 143,114 stock options to French employees. The potential debt in payroll taxes that would result if all rights attributed were subscribed can be estimated at €211 K as of December 31. This debt, which is uncertain, is not accounted for in the accounts.

The Extraordinary Shareholders' Meeting of July 10, 2001 authorized the Board of Directors to issue 500,000 stock options 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 implemented by the Board of Directors on October 5, 2001. French employees can acquire one third of the subscription rights each year, starting one year from the attribution date, i.e. October 5, 2002. The shares cannot be subscribed until four years after the date of attribution of the subscription rights. The surplus discount would result in social contributions having to be paid in the year in which the options were exercised, i.e. the 2005 financial year at the earliest. Due to the four-year period mentioned above, capital gains from the acquisition of these shares would not be liable for social contributions.

The Board of Directors has so far granted 203,766 stock options to French employees. The potential debt in payroll tax contributions that would result if all rights attributed were subscribed can be estimated at €70 K, as of December 31, 2003. This debt, which is uncertain, is not accounted for in the accounts.

The Extraordinary Shareholders' Meeting of December 18, 2002 authorized the Board of Directors to issue 150,000 stock options to the Group's employees, giving their bearers the right to subscribe 150,000 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 implemented by the Board of Directors on January 14, 2003. French employees can acquire one third of the subscription rights each year, starting one year from the grant date, on January 14, 2004. The shares cannot be subscribed until four years after the date of grant of the subscription rights. The surplus discount would result in social contributions having to be paid in the year in which the options were exercised, i.e. the 2007 financial year at the earliest. Due to the four-year period mentioned above, capital gains from the acquisition of these shares would not be liable for social contributions.

The Board of Directors has so far granted 23,000 stock options to French employees. The potential debt in payroll taxes that would result if all rights attributed were subscribed can be estimated at €16K as of December 31, 2004. This debt, which is uncertain, is not accounted for in the accounts.

8.3. LEASING COMMITMENTS

The value of goods financed through leasing contracts is €153K.

	In thousands of euros
Initial value	416
Depreciation	
Total for previous financial years	189
2004 Financial year	
Total	<u>11</u>
	200
Net Value	216
Fees paid	
Total for previous financial years	127
2004 Financial year	
Total	<u>75</u>
	202

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

	In thousands of euros
Outstanding fees	
One year at most	56
Beyond one year	<u>35</u>
Total	91
Residual purchase price	2
Total	93

8.4. PENSION COSTS

When they retire, some Group employees receive allowances calculated on the basis of collective bargaining agreements. The sum represented by these retirement allowances is not substantial and amounts to €153K.

Given the young 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.

8.5. COMMITMENT OF GUARANTEES GRANTED

BVRP provided a guarantee for certain assets included in their customer lists sold to SR Téléperformance when this activity was sold. This maximum guarantee of €6.5M expires on March 31, 2005. To-date, the acquirer has not exercised its guarantee and has indicated no intention of doing so.

BVRP guaranteed the reimbursement of 100% of Avanquest USA's capital. This maximum guarantee of €2.0 M (plus interest) was given to Cathay Bank.

8.6. COLLATERAL SECURITY GIVEN

All of Avanquest USA LLC's tangible and intangible assets were given as security for the company's financial debts. As of December 31, 2004, these debts amounted to €2.0 M.

To obtain a loan intended for financing the acquisition of MediaGold GmbH, BVRP SA guaranteed all securities held in MediaGold GmbH in favor of Fortis Bank.

BVRP has also guaranteed the Winfax brand in favor of this same bank, as a guarantee for two loans totaling €2.9M as of 12/31/2004.

8.7. COMMITMENT OF GUARANTEES RECEIVED

GUILDSOFT'S shareholders provided BVRP Software with a guarantee for the assets and liabilities appearing in GUILDSOFT's accounts as of September 30, 2001. This guarantee has expired for most of these assets and liabilities. Only tax liabilities are covered by the guarantee until September 2008.

The ELIBRIUM shareholders provided BVRP Software with a guarantee for the assets and liabilities appearing in Elibrium's accounts as of December 11, 2002.

The MEDIAGOLD GMBH shareholders provided BVRP Software with a guarantee for the assets and liabilities appearing in MEDIAGOLD GMBH's accounts as of September 30, 2003.

The MEDIAGOLD LTD shareholders provided BVRP Software with a guarantee for the assets and liabilities appearing in MEDIAGOLD LTD's accounts as of September 30, 2003.

The OUTSOURCE S.L. shareholder provided BVRP Software with a guarantee for the customer list acquired by Avanquest Ibérica SL.

8.8. SUMMARY OF COMMITMENTS ON CURRENT TRANSACTIONS

In thousands of euros		As of 12/31/2004	As of 12/31/2003
Commitments given			
	Foreign exchange hedging	0	885
	Interest rate hedging	1,400	1,800
	Total	1,400	2,685
Commitments received			
	Foreign exchange hedging	0	885
	Interest rate hedging	1,400	1,800
	Total	1,400	2,685

No other commitments have been given or received which may significantly affect BVRP's situation.

IX ADDITIONAL INFORMATION

9.1. GROUP'S WORKFORCE

As of December 31, 2004, the BVRP Software Group had 303 employees (compared to 282 on 12/31/2003).

Breakdown of workforce by country as of December 31, 2004:

	FRANCE	UNITED STATES	GREAT BRITAIN	GERMANY	SPAIN	CHINA	TOTAL
Employees	45	54	68	6	3	26	202
Engineers and Managers	58	19	9	2		2	90
Senior management	4	4	1	1	1	-	11
Total	107	77	78	9	4	28	303
Compared to 2003	101	84	80	9	-	8	282

The average age of BVRP employees is 34 years old.

9.2. REMUNERATION TO BOARD MEMBERS

The total remuneration and benefits paid to members of BVRP Software Board of Directors in return for their work within the companies under their control was €1,123 K.

Directors' fees in the amount of €32 K were paid to members of the Board of Directors during the financial year.

9.3. LAWSUITS AND DISPUTES

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

9.4. EVENTS AFTER CLOSING

At the beginning of February 2005, BVRP announced the 100% buyout of the American company V Communications Inc. (V Com).

This strategic external growth operation will enable BVRP software, already a leader in Communications, Mobility and Productivity software, to be solidly positioned on the Utilities market, and to strengthen their position in the United States. BVRP will distribute the entire V Com line through their Avanquest publishing network, which covers all of the distribution channels throughout the world. This acquisition was totally self-financed, in the amount of \$8.4 M with a cash/share combination. An additional payment (earn-out) of up to \$4.7 M will be paid to V Com, also in the form of a cash/share combination, in terms the 2005 and 2006 objectives attained, defined at the time of acquisition.

A BVRP shareholder's meeting was convened on March 31, 2005, in order to discuss the issuing of shares and warrants to benefit the V Com shareholders, as remuneration for this acquisition.

BVRP also signed several significant sales agreements in January 2005, particularly with Broadcom and Motorola.

X FIRST APPLICATION OF IFRS STANDARDS

As of December 31, 2004, BVRP established consolidated financial statements by applying the accounting rules and principles defined by the International Accounting Standard Board (IFRS standards).

IFRS1: First IFRS Adoption

An opening balancing sheet was established on January 1, 2003, in order to compare two financial years. In conformity with the IFRS 1 standard (first IFRS adoption), the company retained the principle of standard application with authorized exceptions. These exceptions were done using January 1, 2003 as the starting point, calculating the business combination restatements, use of the fair value appraisal and calculating of employee benefits.

Main Impacts of Applying IFRS Standards

The significant restatements linked to the application of IFRS standards relate to the following items:

- Business Combinations (IFRS 3): Certain restructuring costs paid by the acquiring company during an acquisition are not taken into account in the evaluation of goodwill. This restatement had no impact on the opening balance sheet (01/01/2003), but generates a reduction in Goodwill, at the end of December 2003 and the end of June 2004 (€-0.2M) with an impact on the result for the 2003 financial year.
- Assets Depreciation (IAS 36): The systematic depreciation of Goodwill over a period of 10 to 20 years is replaced by an "impairment test", according to the IFRS principles. The application of this method, assuming an actualization rate of 9.5% and a yearly growth rate of 2%, causes Goodwill depreciation not to be posted during the years 2003 and 2004, thus increasing the Goodwill net amount by €0.9M at the end of December 2003, and €2.7 M at the end of December 2004, in the balance sheets presented that follow IFRS standards, compared to the balance sheets presented that follow French accounting standards. The net income shows a gain of €0.9 M for the 2003 financial year, and €1.9 M for the 2004.
- Pension Costs (IAS 19): The sum represented by these retirement allowances, are recorded as a liability, while the financial statements published to date present these allowances in the annex, in the off-balance sheet category. In the BVRP group, only French companies are concerned. The allowances were calculated based upon collective bargaining agreements, as well as the assumption that retirement is taken at age 60, the actualization rate is 4.0%, and the salary increase rate varies between 1% and 4% per year, according to the employee's age. The impact on the opening balance sheet is an

increase of various debts in the amount of €0.14M. The impact on the results for 2003 and 2004 financial years is negligible.

- Stock options (IFRS 2): The Black Sholes method was used in order to determine the fair value of BVRP Group's employees stock options since January 1, 2003. The volatility history for the last eighteen months was used – 30%. In all, 346,625 stock-options were allocated in 2003 and 2004. In conformity with the IFRS principles, a payroll cost was accounted (in consideration of the share premium account) for the following amounts: €74 K for 2003 and €294 K for 2004.
- Company Shares: The value of own company shares, retained in the stock repurchase program approved on December 18, 2002 and May 27, 2004, is accounted as a reduction of stockholders' Equity, instead of marketable securities. The impact on the opening stockholders' Equity is a decrease of €0.1M, and has not changed since that time.

The profit & loss statements, balance sheets and cash flow statements established according to the IFRS standards are presented hereafter:

10.1. PROFIT AND LOSS STATEMENT AS OF 12/31/2004

CONSOLIDATED PROFIT & LOSS STATEMENT In thousands of euros	2004 Financial year	2003 Financial year
NET TURNOVER	57,036	48,550
Raw materials and purchases of merchandise	18,032	11,816
Other purchases and external costs	10,073	13,054
Taxes and duties	563	457
Payroll costs	16,976	14,830
Depreciation allowances and provisions	1,736	2,240
Other operating expenses (income)	2,953	,2,323
OPERATING INCOME (LOSS)	6,703	3,830
Financial income (loss)	-305	-896
CURRENT INCOME BEFORE TAXES	6,398	2,934
Income taxes	1,106	867
NET INCOME	5,292	2,067
Share of minority interests	-	344
NET INCOME GROUP SHARE	5,292	1,723
Net income (Group share) per share (in euros)	1.01	0.41
Net income (Group share) per share after potential dilution (in euros)	0.75	0.29

The net result per share is calculated by dividing the income for the period by the weighted average of the number of shares over the same period. The average number of shares issued was 4,194,539 during the 2003 financial year, and 5,242,422 for the 2004 financial year. The average numbers of potential shares were 6,007,097, and 7,080,050, respectively.

10.2. ASSETS AS OF 12/31/2004

In thousands of euros	As of 12/31/2004			As of 12/31/2003
Goodwill	17,809	433	17,376	13,027
Intangible Assets	6,868	3100	3,768	3,332
Tangible Assets	4,435	3,121	1,314	1,364
Financial Assets	206	-	206	110
FIXED ASSETS	29,318	6,654	22,664	17,833
Stocks and goods in progress	3,903	340	3,563	1,948
Trade accounts receivable	15,561	1,076	14,485	14,561
Other accounts receivable and adjustment accounts	3,981	44	3,937	3,976
Cash balance	19,701	-	19,701	19,924
CURRENT ASSETS	43,146	1,460	41,686	40,409
TOTAL ASSETS	72,464	8,114	64,350	58,242

10.3. STOCKHOLDERS' EQUITY AND LIABILITIES AS OF 12/31/2004

In thousands of euros	As of 12/31/2004	As of 12/31/2003
Share capital	5,767	4,718
Share premium	20,385	11,596
Consolidated reserves	6,937	6,327
Net income (Group share)	5,292	1,723
STOCKHOLDERS' EQUITY	38,381	24,364
MINORITY INTERESTS	-	-789
PROVISIONS FOR CONTINGENCIES AND LOSSES	343	590
Financial debts	7,420	13,477
Trade accounts payable and related accounts	9,913	9,163
Other liabilities and adjustment accounts	8,293	11,437
LIABILITIES	25,626	34,077
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	64,350	58,242

10.4. CASH FLOW STATEMENT

	2004 Financial year	2003 Financial year
In thousands of euros		
OPERATING ACTIVITIES		
<i>NET INCOME OF THE INTEGRATED COMPANIES</i>	5,292	2,067
<i>ADJUSTMENT FOR NON-CASH TRANSACTION</i>		
Depreciation, allowances and provisions	853	1,760
Capital gains and losses	740	-228
Deferred taxes	507	120
Others	312	87
CASH FLOW	7,704	3,806
<i>INCREASE (DECREASE) IN WORKING CAPITAL</i>	<i>-1,828</i>	<i>-660</i>
CASH FLOW FROM OPERATIONS	5 876	3 146
INVESTMENT TRANSACTIONS		
Acquisition of intangible assets	-1,678	-1,057
Acquisition of tangible assets	-426	-489
Sale of tangible and intangible assets	22	99
Acquisition of financial assets	-664	-19
Sale of financial assets	1	366
Net cash from acquisition/divestment	-7,136	-841
CASH FLOW FROM INVESTMENTS	-9 881	-1 941
FINANCING TRANSACTIONS		
Capital increase or contribution	9,554	7,489
Net receipts (outflows) from loans	-5,762	3,641
CASH FLOW FROM FINANCING	3,792	11,130
CASH VARIATION		
	-213	12,335
OPENING CASH BALANCE	19,921	7,689
Exchange rate variation on cash balance	-10	-103
CLOSING CASH BALANCE	19,698	19,921

10.5. IMPACT ON STOCKHOLDERS' EQUITY DUE TO TRANSITION FROM FRENCH ACCOUNTING STANDARDS TO THE IFRS ACCOUNTING STANDARDS

	01/01/2003	12/31/2003	12/31/2004
Stockholders' Equity French accounting standards	16,243	23,862	36,167
IDR restatement	-129	-146	-153
Restatement for own shares	-80	-108	-122
Goodwill restatement		756	2,489
Stockholders' Equity IFRS accounting standards	16,034	24,364	38,381

10.6. IMPACT ON THE BALANCE SHEET AND P&L STATEMENTS DUE TO TRANSITION FROM FRENCH ACCOUNTING STANDARDS TO THE IFRS ACCOUNTING STANDARDS

Impact on the opening balance sheet (01/01/2003) consists of:

- A decrease in stockholders' equity of €0.1M, related to accounting for the retirement allowances in the group's French subsidiaries, and a corresponding increase in other debts.
- A decrease in stockholders' equity of €0.1M, related to the company shares owned and a corresponding reduction in the same amount from the available cash.

The impact on the main items in the balance sheet and P&L established on December 31, 2004 is presented hereafter:

Accounts as of December 31, 2004 In thousands of euros	French Accounting standards	Impact of the transition to IFRS	IFRS Accounting standards
Goodwill	14,887	2,489	17,376
Intangible Assets	3,768		3,768
Tangible Assets	1,314		1,314
Other fixed assets	206		206
Stock and goods in progress	3,563		3,563
Trade accounts receivable	14,485		14,485
Other accounts receivable and adjustment accounts	3,936	1	3,937
Cash and marketable securities	19,822	-121	19,701
Total Assets	61,981	2,369	64,350
Share capital	5,767		5,767
Consolidated premium and reserves	26,635	687	27,322
Net Period Earnings	3,765	1,527	5,292
Total stockholders' equity	36,167	2,214	38,381
Contingency and losses provisions	343		343
Financial debts	7,421	-1	7,420
Trade payables and other debts	18,050	156	18,206
Total Stockholders' equity and Liabilities	61,981	2,369	64,350
Turnover	57,036		57,036
Payroll costs	-16,674	-302	-16,976
Other operating expenses and revenues	-33,461	104	-33,357
Operating income	6,901	-198	6,703
Financial income (loss)	-108	-197	-305
Extraordinary income	-14	14	-
Income taxes	-1,126	20	-1,106

Goodwill amortization	-1,888	1,888	-
Net income (loss)	3,765	1,527	5,292

10.7. PROFIT AND LOSS STATEMENTS PER DESTINATION

CONSOLIDATED PROFIT & LOSS STATEMENT In thousands of euros	2004 Financial year	2003 Financial year
TURNOVER	57,036	48,550
Costs of goods sold	20,733	17,135
Research and Development Costs	4,700	4,250
Support and service costs	2,705	2,680
Commercial and marketing expenses	11,539	10,006
General and administrative expenses	10,656	10,649
OPERATING INCOME	6,703	3,830
Financial income (loss)	-305	-896
Extraordinary income	-	-
Net taxes	-1,106	-867
Share of minority interests	-	-344
NET INCOME	5,292	1,723

10.8. SEGMENT REPORTING: 1ST LEVEL SEGMENTS

The breakdown by geographic area, established according to the asset localization area, was used for 1st level segmental reporting, since it is the closest to BVRP's actual activity organization. The breakdown of the Profit & Loss items and assets per geographic area is as follows:

	France	United States	Great Britain	Germany	Spain	Total
Turnover	12,445	25,170	15,617	3,711	93	57,036
Amortization and depreciation	1,234	150	329	17	6	1,736
Operating income	2,935	2,491	1,451	-46	-128	6,703
Breakdown of assets						
Goodwill	21	9,983	4,160	3,212	-	17,376
Intangible Assets	3,256	160	230	17	105	3,768
Tangible Assets	628	130	489	31	36	1,314
Financial Assets	23	129	-	54	-	206
Fixed assets	3,928	10,402	4,879	3,314	141	22,664
Stocks and goods in progress	805	1,527	339	892	-	3,563
Receivables	4,669	6,665	5,289	1,764	35	18,422
Cash	16,856	1,571	769	487	18	19,701
Current assets	22,330	9,763	6,397	3,143	53	41,686
Total Assets	26,258	20,165	11,276	6,457	194	64,350
Breakdown of certain liabilities items						
Provisions	345					345
Trade payables, tax and social liabilities	6,464	4,253	4,811	2,605	73	18,206
Investments for financial year	1,354	181	387	36	147	2,104

10.9. SEGMENT REPORTING: 2ND LEVEL SEGMENTS

The breakdown by sales channel was used as the second level segment. The main items are:

	OEM	Consumer	Corporate	Web	Other	Total

Turnover	15,604	24,184	15,069	2,093	86	57,036
Book value of assets	9,300	23,808	10,104	1,289	19,849	64,350
Investments for financial year	1,333	455	241	40	35	2,104

4.1.6. Auditor's report on consolidated accounts as of 12/31/2004

Dear Sir, Madam,

In accordance with the mandate assigned to us by your Ordinary Shareholders' Meeting, we audited BVRP Software SA's consolidated accounts prepared in thousands of euros, for the financial year ending December 31, 2004, as enclosed with this report.

The consolidated accounts were approved by the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on these accounts.

Opinion on the consolidated accounts

We conducted our audit according to the professional standards applied in France, which require us to provide reasonable assurance that the consolidated accounts are free from material misstatement. An audit consists of examining, by opinion polls, the convincing elements that justify the data contained in these accounts. It also includes assessing the accounting principles used and significant estimates made to balance the accounts and to evaluate the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed hereafter.

We certify that the consolidated accounts, according to 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.

Justification of our assessment

In application of the provisions of article L.225-235 of the French Commercial Code, we would like to point out the following specific facts:

Notes 3.1.1 and 5.4.1 in the annex to the consolidated financial statements explains the rules and methods relating to the inventory value of the goodwill. We have verified the adequacy of these methods and assessed the reasonable character of the estimates generated from them.

In note 10 of the annex, BVRP presents their consolidated financial statements as of 12/31/04. The annex explains the significant principles and restatements related to this application. We have verified the adequacy of these methods, their application and presentation.

The assessments that we made on all of the elements previously stated were within the framework of the audit process of the consolidated accounts as a whole, and therefore contributed to the opinion formed without reserve, expressed in the first section of this report.

Specific Verification

We have verified the information included in the report to the shareholders prepared by the Chairman of the Board. We have nothing to report with respect to its fairness and accordance with the consolidated financial statements.

Signed in Paris on March 24, 2005

THE AUDITORS

Mr. Alain GATEAU

APLITEC represented by
Pierre LAOT and Gérard LEPLÉ

4.2. EXTRACTS FROM BVRP SOFTWARE S.A. FINANCIAL STATEMENTS AS OF 12/31/2004

4.2.1. Profit and loss statement as of 12/31/2004

In thousands of €	France	Export	12/31/04	12/31/03	12/31/02
NET TURNOVER	2,556	15,117	17,673	13,208	14,693
Capitalized R&D			1,214	873	978
Reversal for depreciation, provisions and deferred expenses			618	331	697
Other income			450	-	30
OPERATING REVENUE			19,955	14,412	16,398
Purchases of merchandise			-	4	-
Purchases of raw materials and supplies			800	721	457
Inventory variation (raw materials and supplies)			-	-	1
Other purchases and external costs			7,768	6,715	7,879
Taxes and duties			333	332	306
Salaries and wages			3,806	3,457	4,496
Payroll taxes			1,885	1,670	2,128
Allowance for depreciation on fixed assets			1 058	1,029	1,105
Allowances for provisions on fixed assets			100	150	147
Allowances for provisions on current assets			11	385	373
Other expenses			848	430	257
OPERATING EXPENSES			16,609	14,893	17,149
OPERATING INCOME (LOSS)			3,346	-481	-751
Financial income from investments			909	1,150	481
Income from other securities, non-performing debt			357	233	181
Other interest and related income			166	14	47
Reversal for depreciation, provisions and deferred expenses			6	503	-
Positive exchange rate difference			509	176	310
Net income from disposal of securities			245	198	90
FINANCIAL INCOME			2,192	2,274	1,109
Depreciation allowances and provisions			350	1,071	1,122
Interest and related charges			308	658	180
Negative exchange rate difference			404	618	557
FINANCIAL EXPENSES			1,062	2,347	1,859
FINANCIAL INCOME (LOSS)			1,130	-73	-750
CURRENT INCOME BEFORE TAXES			4,476	-554	-1,501
Exceptional income			66	348	8,466
Exceptional expenses			572	751	3,786
EXCEPTIONAL INCOME (LOSS)			-506	-403	4,680
INCOME BEFORE TAXES			3,970	-957	3,179
Income taxes			-64	-	47
NET INCOME or LOSS			4,034	-957	3,132

4.2.2. Balance sheet as of 12/31/2004: Assets

In thousands of €	Gross Amount	Depreciation and Provisions	Net as of 12/31/2004	Net as of 12/31/2003	Net as of 12/31/2002
Intangible Assets	5,721	2,465	3,256	3,076	3,182
Tangible Assets	1,736	1,170	566	659	763
Investment in subsidiaries	41,729	1,657	40,072	34,386	29,090
Other financial fixed assets	6,388		6,388	4,404	3,858
FIXED ASSETS	55,574	5,292	50,282	42,525	36,893
STOCKS AND GOODS IN PROGRESS					
Stocks of raw materials	1	1	-	-	-
RECEIVABLES					
Customer receivables and related accounts	4,984	370	4,614	3,834	3,522
Other receivables	2,817	45	2,772	2,959	1,606
CASH BALANCE					
Marketable Securities	13,304		13,304	15,020	4,316
Cash	3,188		3,188	3,314	1,652
ADJUSTMENT ACCOUNTS					
Pre-paid expenses	295		295	130	125
CURRENT ASSETS	24,588	415	24,173	25,257	11,221
Unrealized losses on foreign exchange transaction	1,698		1,698	1,392	322
TOTAL	81,860	5,707	76,153	69,174	48,436

4.2.3. Balance sheet as of 12/31/2004: Stockholders' equity and liabilities

In thousands of €	12/31/04	12/31/03	12/31/02
Share capital [of which paid: 5 767]	5,767	4,718	3,671
Paid-in capital, premiums	49,058	40,563	34,174
Legal reserve	197	197	197
Mandatory reserve	117	-	-
Other reserves	3,652	3,652	3,652
Retained earnings	-2,474	-1,400	-4,532
INCOME (LOSS) FOR THE FINANCIAL YEAR	4,034	-957	3,132
Regulated provisions	42	52	62
STOCKHOLDERS' EQUITY	60,393	46,825	40,356
Provisions for contingencies	2,005	1,766	344
Provisions for losses	10	-	-
PROVISIONS FOR CONTINGENCIES AND LOSSES	2,015	1,766	344
FINANCIAL DEBTS			
Convertible bond	-	4,525	4,950
Bank borrowing	5,483	5,183	164
Various loans and financial debts	602	-	41
OPERATING DEBTS			
Trade payables and related accounts	4,082	4,449	1,015
Tax and social liabilities	1,504	1,289	1,044
OTHER DEBTS			
Debts on fixed assets and related accounts	759	3,923	-
Other debts	1,118	896	508
ADJUSTMENT ACCOUNTS			
Pre-paid income	15	16	-
DEBTS	13,563	20,281	7,722
Unrealized gains on foreign exchange transactions	182	302	14
TOTAL	76,153	69,174	48,436

4.2.4. Extracts from the notes to the statutory accounts

I MAJOR EVENTS OF THE FINANCIAL YEAR

- In April 2004, BVRP acquired the balance of the shares of Elibrium LLC no longer owned (49%). Elibrium LLC, since renamed Avanquest USA LLC, is now 100% retained by BVRP America. This acquisition was made for the amount of \$5.2M, of which \$1.3M was cash and the balance by issuance of BVRP shares.
- In April 2004, BVRP also named all of its publishing subsidiaries "Avanquest". This change in name (effective July 1st for the English subsidiaries) accompanies a re-organization geared toward improved communication locally and globally with software developers, distribution networks and major companies, in hopes of implementing a global brand: Avanquest®
- The Avanquest network flourished in Asia, thanks to a partnership with a Japanese company called P&A, and in Spain at the end of June 2004 with the repurchase of Outsource's commercial list, following the creation of Avanquest Ibérica SL.
- In April 2004, AGF Private Equity funds acquired from the Société Générale all unconverted convertible bonds (Océane). The conversion took place at the beginning of August, 2004. All of the convertible bonds were therefore converted before the loan reached maturity.
- BVRP created a subsidiary in Korea (BVRP Korea) at the end of 2004 in order to further the development of their sales activities in that country, most particularly in the mobility industry.

II TABLE OF SUBSIDIARIES AND HOLDINGS

Name – Head Office	Share capital	Stockholders' Equity (excl. share capital and before profits)	% of ownership	Gross share value	Loans, advances	Turnover	Profit
Units in €			Dividends	Net share value	Guarantee given		
SUBSIDIARIES (50% and over)							
AVANQUEST FRANCE SA 1 bis, rue Collange 92300 Levallois-Perret	1,298,646	-63,627	100%	5,727,942	-	8,516,035	403,982
			-	5,727,942	-		
BVRP AMERICA Inc* 2711 Centerville Road Suite 400 Wilmington, DE 19808	13,816,709	-7,503,722	100%	21,847,476	5,042,001	18,785,962	696,289
			-	21,847,476	1,924,233		
AVANQUEST UK** Sheridan House 40-43 Jewry Street Winchester Hampshire SO 23 8RY	124,814	-724,793	100%	11,705,233	120,000	17,407,356	961,364
			908,563	10,048,425	-		
AVANQUEST DEUTSCHLAND Sckellstrasse 6 81667 München	41,000	-425,608	100%	2,438,597	927,324	3,711,260	-70,191
			-	2,438,597	-		
AVANQUEST IBERICA C/Peru, 6 Edificios Twin Golf Bloque B, Oficina 4, 2a PI 28290 Las Matas MADRID	10,000	-	100%	9,900	252,117	92,823	-132,649
			-	9,900	-		

* Consolidated data for BVRP America Inc, BVRP USA Software and Avanquest USA.

** Consolidated data for Avanquest UK (formerly Kommunicate), Guildsoft, BVRP UK and MediaGold UK.

BVRP S.A. is the consolidating entity of the BVRP Group.

III EVENTS AFTER CLOSING

At the beginning of February 2005, BVRP announced the 100% buyout of the American company V Communications Inc. (V Com).

This strategic external growth operation will enable BVRP software, already a leader in Communications, Mobility and Productivity software, to be solidly positioned on the Utilities market, and to strengthen their position in the United States. BVRP will distribute the entire V Com line through their Avanquest publishing network, which covers all of the distribution channels throughout the world. This acquisition was totally self-financed, in the amount of \$8.4 M with a cash/share combination. An additional payment (earn-out) of up to \$4.7 M will be paid to V Com, also in the form of a cash/share combination, in terms the 2005 and 2006 objectives attained, defined at the time of acquisition. A BVRP shareholder's meeting was convened on March 31, 2005, in order to discuss the issuing of shares and warrants to benefit the V Com shareholders, as remuneration for this acquisition.

BVRP also signed several significant sales agreements in January 2005, particularly with Broadcom and Motorola.

4.2.5. Company results for the last five financial years

CLOSING DATE	12/31/04	12/31/03	12/31/2002	12/31/2001	07/31/2000
Duration of financial year	12 months	12 months	12 months	17 months	12 months

CAPITAL AT THE END OF THE FINANCIAL YEAR	=====	=====	=====	=====	=====
Share capital (in €)	5,766,539	4,718,305	3,670,772	3,648,420	2,499,394
Number of shares					
- ordinary	5,766,539	4,718,305	3,670,772	3,648,420	3,278,990
- with preferential dividend right			-	-	-
Maximum number of shares to be issued					
- by conversion of bond		452,500	495,000	500,000	-
- by subscription rights	1,756,813	1,465,943	1,211,673	1,363,075	1,403,080
TRANSACTIONS and RESULTS (figures in €)	=====	=====	=====	=====	=====
Revenues	<u>17,672,815</u>	<u>13,208,083</u>	<u>14,692,693</u>	<u>30,037,633</u>	<u>21,450,206</u>
Income before taxes, profit sharing allowances, depreciation and provisions	5,265,764	1,056,864	6,652,553	-1,139,170	3,532,811
Income taxes	-63,997	-	47,312	-512,277	187,362
Employee profit sharing	-	-	-	-	-
Allowances, depreciation and provisions	1,295,943	2,014,017	3,473,703	3,904,607	1,930,997
Net income (loss)	4,033,818	-957,153	3,131,538	-4,531,500	1,414,452
Dividends paid		-	-	-	-
INCOME PER SHARE (figures in €)	=====	=====	=====	=====	=====
Profit after tax, and profit sharing, before allowances, depreciation, provisions.	0.92	0.22	1.80	0.03	1.02
Profit after tax, profit sharing, allowances, depreciation, provisions.	0.70	-0.20	0.85	-1.24	0.43
Dividends	-	-	-	-	-
STAFF	=====	=====	=====	=====	=====
Average headcount	77	72	121	283	297
Payroll (in €)	3,805,781	3,456,819	4,495,746	11,039,511	7,642,478
Sums paid for employee benefits (in €) (Social security, welfare institutions, etc.)	1,885,147	1,670,245	2,128,358	5,188,981	3,661,796

4.2.6. Auditor's report on annual accounts as of 12/31/2004

Dear Sir, Madam,

In accordance with the mandate given to us by your Ordinary Shareholders' Meeting, we hereby present our report for the financial year ended December 31, 2004 on:

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

The annual accounts have been closed by the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on these accounts.

Opinion of the 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 consists of examining, by opinion polls, the convincing elements which justify the data contained in these accounts. It also includes assessing the accounting principles used and significant estimates made to balance the accounts and to evaluate the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed hereafter.

We certify that the annual accounts, which have been established according to French accounting principles, are current and give a fair picture of the results of the business activities as well as the company's financial situation and its assets at the end of this financial year.

Justification of our assessments

In application of the provisions of article L.225-235 of the French Commercial Code and relating to the justification of our assessments, we would like to point out the following specific facts:

Notes 2.2.3 in the annex explains the rules and methods relating to the estimate of the investment use value. We have verified the adequacy of these methods and appreciate the reasonable character of the estimates generated from them.

The work we have done on this topic was part of our audit work and contributed to the formation of our audit opinion which was an opinion without reserve.

Specific verifications and information

We have also gone ahead with, in conformance with the professional standards required in France, the specific checks that are laid down by the 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 account documents sent to shareholders.

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

Signed in Paris on March 24, 2005

The Auditors

Mr. Alain GATEAU

APLITEC represented by
G rard LEPL  Pierre LAOT

4.3. **AUDITOR'S FEES**

	Aplitec				Mr. Alain Gateau			
	Amount in euros 2004	Amount in euros 2003	% 2004	% 2003	Amount in euros 2004	Amount in euros 2003	% 2004	% 2003
Audit								
• Audit work regarding individual and consolidated accounts	93,490	95,100	68%	78%	27,490	25,611	100%	100%
• Other	,43,850	26,290	32%	22%				
Sub total	137,340	121,390	100%	100%	27,490	25,611	100%	100%
Other services	-	-						
Sub total	-	-	-	-				
TOTAL	137,340	121,390	100%	100%	27,490	25,611	100%	100%

CHAPTER 5 – CORPORATE GOVERNANCE

5.1. MEMBERS OF THE BOARD OF DIRECTORS AND THEIR ROLE

5.1.1. Members

The Board of Directors currently has 9 members and one censor. Its current membership enables BVRP to benefit from various expertises, relating to activity with Mr. Lang and Mrs. Seelye for the North American and Asian markets, Mr. Goldstein and Mr. Michels for the European market and Euridi and Turenne Capital Partners for the financial community.

Chairman of the Board of Directors:

- **Mr. Bruno Vanryb**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies
03/07/1988	AOGM ¹ 2009	- CEO of BVRP Software S.A - Chairman of Avanquest France SA - Board Member of the Creative Factory S.A.	- Chairman and CEO of BVRP America Inc. - Chairman of BVRP USA Software Inc. - Chairman of Avanquest Inc. - Chairman of Avanquest Ibérica S.L - Chairman of Avanquest UK Ltd - Chairman of Avanquest Publishing USA Inc. - Representative Director of BVRP Korea Ltd - Chairman of BVRP UK Ltd - Chairman of MediaGold UK Ltd

Board members:

- **Mr. Roger Politis**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies
03/07/1988	AOGM 2009	- Deputy Managing Director of BVRP Software SA - Board Member of Avanquest France SA	- Board Member and Executive Vice-President of BVRP USA Software Inc. - Board Member of Avanquest Publishing USA Inc. - Board Member of Avanquest UK Ltd - Board member of BVRP UK Ltd

- **Mr. Bertrand Michels**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies
06/28/2001	AOGM 2009	- Managing Director of Better Technology SARL - Managing Director of SCI Michels-Peyrot - Managing Director of SCI BLC	None

- **Mr. Robert Lang**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies
03/27/1998	AOGM 2009	None	- General Manager and board member of BVRP USA Software Inc. - Board Member and Treasurer of BVRP America Inc. - Board Member of Avanquest Publishing USA Inc.

- **Mr. Jean Claude Vrignaud**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies

¹ Annual Ordinary General Meeting

10/22/1997	AOGM 2009	None	- Chairman of ACOMA Consulting Inc
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- **Mr. Gilles Quéru**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies
11/13/2002	AOGM 2009	- Chairman of Neolane SA board of trustees - Joint manager of Mandelieu CHQ	None

- **Mrs. Christina Seelye**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies
06/27/2003	AOGM 2009	None	- CEO of Avanquest Publishing USA Inc.

- **Mr. Andrew Goldstein**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies
01/15/2004	AOGM 2010	None	- Chairman and CEO of MediaGold GmbH - Board Member of Avanquest Ibérica Ltd - Board member of MediaGold Ltd

- **Mr. Jean-François Dufrasne permanent representative of Euridi**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies
01/15/2004	AOGM 2010	- Member of DELBARD SA Board of Trustees	None

Censor

- **Mr. Olivier Hua permanent representative of Turenne Capital Partners**

Appointment date	Term of office	Positions held in French companies	Positions held in foreign companies
01/15/2004	AOGM 2010	- Chairman of Aonix Board of Trustees - Chairman of iPricot Board of Trustees - Representative of Turenne Capital Partners as censor of Intego - Board Member of Turenne Capital Partenaires	None

5.1.2. Role

We invite you to refer to point 5.5 “Chairman’s report on the conditions of preparing and organizing the works of the Board of Directors as well as on the internal control measures put in place by the company” below.

5.2. MANAGEMENT COMMITTEES

The Group has an executive committee with three members:

- **Mr. Bruno Vanryb**
Chief Executive Officer
- **Mr. Roger Politis**
Deputy Managing Director
- **Mr. Thierry Bonnefoi**
Group Chief Financial Officer

The committee is in charge of the Group’s activities jointly with the directors of each subsidiary who report to the committee. The Executive Committee reports directly to the Board of Directors.

An “extended” management committee, made up of a Group executive committee and directors of the subsidiaries and/or Business units² meets three to four times a year.

5.3. INTERESTS OF MANAGERS

5.3.1. Remuneration and benefits paid to Directors

The table below indicates the total gross remuneration and benefits paid or due to each corporate representative during the 2004 financial year by BVRP Software as well as the companies controlled as defined in article L.233-16 of the French Code of Commercial Law.

Data in euros	Gross remuneration due for the financial year		Directors fees due for the financial year	Total gross remuneration due for the 2004 financial year	Total gross remuneration due for the 2003 financial year
	Fixed part	Variable part			
Bruno Vanryb	275,783	81,087	4,000	360,870	305,585
Roger Politis	272,777	81,087	4,000	353,864	302,332
Bertrand Michels	38,112		7,000	45,112	161,766
Robert Lang	140,900	88,844	4,000	233,744	224,385
Christina Seelye	125,944		4,000	129,944	138,755
Jean-Claude Vrignaud			7,000	7,000	7,000
Gilles Quéru			7,000	7,000	7,000
Euridi			7,000	7,000	
Turenne Capital Partenaires			7,000	7,000	

Note: Remunerations paid in currencies other than the euro are converted at the average rate for the financial year.

These amounts include the remuneration due for the 2004 financial year, a part of which was paid at the beginning of the following financial year. Therefore the bonuses, for which calculations are based on achieving consolidated operating profit objectives, or for certain subsidiary managers on the operating profit of said subsidiary, are paid during the quarter following the close of the financial year when the objectives are achieved. Likewise, the directors’ fees remunerating involvement in the Board of Directors during the year 2004 are paid at the beginning of the following year.

The Mixed Shareholders’ Meeting held on December 18, 2002, set directors’ fees for the subsequent financial years at 46,000 euros. Due to an increase in Board members’ responsibilities, their intensive involvement in the Board’s work and the determination to recruit members that can bring added value to the company, BVRP Software has decided to pay directors’ fees as of the 2003 financial year. These were paid in application of the allocation rules fixed by the Board of Directors, and shown below.

An independent board member (in accordance with the Bouton report) will receive a maximum of €7,000 in directors’ fees as long as he attends at least four Board meetings during the financial year. The same rule is applied for the other Board members but the maximum amount of directors’ fees that can be paid to each member is limited to €4,000.

5.3.2. Stock options

BVRP Software only issues stock options, hereafter referred as to “Options”, which are preferred over stock purchase options.

50,000 Options were granted over the course of the 2004 financial year by the company to Mrs. Seelye, the only Board member who received options from the company or companies controlled by BVRP, as defined in article L.233-16 of the French Commerce Code, in return for the work or the terms he/she is serving.

Mr. Robert Lang, BVRP Board Member, exercised 23,157 options over the course of 2004. Mr. Lang is the only Board member for the company and the companies defined in articles L.225-180 and L.233-16 of the French Commercial Code, who exercised options during the last financial year.

² Profit centers

5.3.3. Company assets directly or indirectly belonging to senior management or members of their families

Nil

5.4. EMPLOYEE PROFIT SHARING PLAN

5.4.1. Profit sharing plan

The employees of BVRP Software 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 €148K and €266K.

5.4.2. Stock options

The table below indicates information relating to stock options operations during the 2004 financial year for employees:

	Number of options allocated / shares subscribed	Average price	Plan
Options granted during the financial year by BVRP and by any other group company, to the ten employees with the highest number of options granted	90,000	8.56	April 21, 2004
Options exercised during the financial year by the ten employees whose number of subscribed options is the highest	23,066	3.93	October 05, 2001

5.5. CHAIRMAN'S REPORT ON THE CONDITIONS FOR PREPARING AND ORGANIZING THE ACTIVITIES OF THE BOARD OF DIRECTORS AS WELL AS ON THE INTERNAL CONTROL PROCEDURES

In the terms of article L.225-37, paragraph 6 of the French Code of Commercial Law (amended by law no. 2003-706 on August 1, 2003): "the Chairman of the Board of Directors reports at the annual ordinary general shareholders' meeting of the conditions for preparing and organizing the works of the Board of Directors as well as the internal control procedures put in place by the company".

The aim of this report, therefore, is to provide you with the information required by law. Hence, you will initially be notified of the conditions for preparing and organizing the Board of Directors' activities, and then of the internal control measures put in place by the company.

I. CONDITIONS FOR PREPARING AND ORGANIZING THE BOARD OF DIRECTORS' ACTIVITIES

A. Preparation and organization of the Board of Directors' activities

Even though BVRP is a medium-sized group, it conforms to the principles of corporate governance, most specifically by applying those principles are applicable to its size.

These include: the creation of a compensation committee within the Board of Directors, the creation, in 2004, of a college of censors, the adoption of an internal policies and procedure manual, and, since its IPO, the permanent presence of independent board members, as defined in the 2002 Bouton report.

We therefore invite you to refer to point 5.1 of the reference document to become acquainted with the members of BVRP's Board of Directors.

The Board of Directors defines the company's large strategic policies; policies that will be implemented under its control by General Management. Subject to the powers officially granted to the Shareholders' Meetings and those restricted by the company's aim, it takes care of any interesting topics relating to the proper operation of the company and, by its deliberations, rules on the matters concerning it.

In accordance with the legal provisions and the company's statutes, each BVRP board member must also be a company shareholder. Nevertheless, no minimum share holding threshold, other than the legal threshold, is imposed on board members. The same rule is also applied to the college of censors.

Board members are appointed, renewed and revoked by the Ordinary General Shareholders' Meeting. They can always be re-elected. The board member's term of office lasts six years; the term expires at the end of the Ordinary General Shareholders' Meeting which is called to approve the past financial year's accounts and is held in the year in which their term expires.

The Board of Directors created a compensation committee, composed of two independent Board members. The committee meets once a year and is responsible for making proposals to the Board of Directors relating to the remuneration of the Managing Directors and the Deputy General Manager and, more generally, to any issue relating to the Group's remuneration policy.

The Board of Directors is also comprised of a college of censors. It is composed of a maximum number of censors equal to one fourth of the current number Board members, and its main aim is to advise the Board of Directors on applying the statutes and managing the company. Today it is composed of only one censor. The censor sits on the Board of Directors for consultative purposes, but does not have the right to cast a vote. Censors are, upon the Board of Directors' proposal, appointed, renewed and revoked by the Ordinary General Shareholders' Meeting. They can always be re-elected, but cannot be a board member, a general manager or a deputy general manager of the company. The censor's term of office lasts six years; the term expires at the end of the Ordinary General Shareholders' Meeting that is held to approve the past financial year's accounts and in the year in which their term expires. Legal entities can be censors and it is their responsibility to appoint a permanent representative. The censors are called to attend the Board of Directors' meetings in the same form and according to the same periods as the Board members.

Generally and independently of the Board of Directors' meetings, each Board member benefits from permanent information and particularly receives a financial and operational report of the company sent by the CEO. To prepare the Board's activities, the working documents are to the Board members ahead of time, or given to them at the beginning of the meeting, as necessary.

The Board of Directors meets at least once a quarter, particularly to deal with closing the annual and half-year accounts, quarterly financial elements and external growth operations in progress. Where possible, a schedule is drawn up ahead of these meetings so that the largest number of Board members may attend. Apart from these regular meetings, the Board meets as many times as needed.

For the time being, the Board of Directors has not implemented a method for evaluating its activity.

B. Report on the Board's activities during the past financial year

During 2004, BVRP's Board of Directors met six times. The Board Member attendance rate over the financial year was 63%.

Different themes have been covered during the Board of Directors' meetings.

The Board of Directors draws up a report of its works for the past financial year, every year.

The Board member situation was also examined, more specifically concerning compliance with the term of office regulations. Finally, it authorized the conclusion of regulated agreements, particularly with subsidiaries.

The Board of Directors also focused on studying and preparing the company's financial reports, examining and closing the budgeted accounts for 2004, the annual company consolidated accounts for 2003, and the half-year consolidated accounts for 2004, as well as the quarterly situations. The Board has devoted 4 meetings to these topics.

After consulting General Management and the Group Management Committee, the Board of Directors has also implemented new employee profit-sharing plans, as well as a system to increase senior management's shareholding. These methods have resulted in allocating stock-options and issuing warrants.

The Board, as a result of a proposal from the Compensation Committee, has set the remuneration amount for the CEO and the Deputy General Manager, for the next financial year.

Finally, the Board of Directors dealt with numerous themes that related to the year in progress. We would mention the finalization of the project to repurchase all minority interests of Elibrium LLC, giving future access to Elibrium's share capital, including Elibrium's American holding BVRP America Inc.; the achieving of the MediaGold GmbH (Avanquest Deutschland) and MediaGold UK (Avanquest UK) earn-out objectives; the set-up of trademark license agreements with Avanquest subsidiaries; the

definition of the acquisition strategy as well as the study of potential targets, more particularly V Communications Inc. bought during the first quarter of 2005.

C. Limitations to the Managing Director's and Deputy General Manager's powers

The Board of Directors has not deemed it necessary to limit the powers of the CEO and the Deputy General Manager.

ii. INTERNAL CONTROL MEASURES

In the terms of article 117 of law no. 2003-706 dated August 1, 2003, relating to financial security, "the chairman of the Board of Directors [...] states in a report [...] the internal control procedures put in place". The law does not give a definition of internal control, and in France there is no official reference to rely on to describe or evaluate the internal control of a company. BVRP therefore decided to rely on the definition of the COSO (*Committee of Sponsoring Organizations of the Treadway Commission*), a renowned framework in the United States.

This framework defines internal control as a process intended to give reasonable assurance for the whole company to achieve fundamental objectives. The fundamental objectives are: achieving targets and optimizing operations, the reliability of financial information, the conformity to the laws and rules in force to which the company is subject, as well as managing and preventing risks of fraud or errors.

The aim of the internal control put in place by BVRP therefore is to give reasonable assurance – but not certainty – that the aforementioned objectives are and will be achieved.

A. Achieving targets and optimizing operations

Apart from the *stricto sensu* internal control procedures described below, BVRP has sent out two questionnaires, the first of which is intended for all subsidiary managers, and the second for finance managers. The goal of these questionnaires is to enable the Chairman to understand and directly receive the information required for drawing up this report – a report that is drawn up in collaboration with the Group's Financial Department – but also to ensure that the subsidiary managers and finance managers are aware of the risk management policy implemented within the Group.

Group-level procedures:

BVRP is organized in a decentralized manner, by geographic areas, with one or several subsidiaries or business units in each area. This decentralization has enabled the company to be reactive and close to its clients, hence strengthening its efficiency and client satisfaction, whilst enabling it to recruit new partners.

The Group's Management Committee has put numerous Group procedures in place that are equally applicable to all subsidiaries and business units.

For example, these relate to bank account signature authorization procedures, authorization to hire new staff and legal procedures. The Legal Department, reporting to the Group's Chief Financial Officer, exercises centralized securing of contracts which are validated and followed-up (with the exception of those whose importance is deemed insignificant in financial and/or territorial terms).

All internal control procedures linked to operations are initially driven at the subsidiary or business unit level by its manager. The implementation follow-up and the proper operation of these procedures are assured by the Group's finance department.

Control of operations: every month, the subsidiary or business unit manager sends a report to the Executive Committee detailing his unit's monthly performance, which includes financial analyses, significant elements of the marketing and sales policies, product development and important facts relating to human resources or the competition.

This monthly report is also an opportunity for the unit's managers to analyze its strengths, weaknesses, opportunities and risks.

For an in-depth study of the risk factors that have an impact on BVRP, we invite you to refer to the "Risk Factors" section of the reference document.

The Executive Committee meets about eight times a year. It reports directly to BVRP's Board of Directors, which it keeps constantly informed of the Group's performance.

An extended Management Committee meeting is held three times a year; all subsidiary and business unit managers participate in dealing with the strategy for the group and each of its entities, in dealing with budgets and more generally any issue relating to the Group's organization.

Local-level procedures

Locally, internal control is the responsibility of each subsidiary or business unit manager. It is his responsibility to implement and ensure that all procedures enacted by the parent company are correctly operating, as well as adequate procedures that relate to the risks it has identified. Hence, each geographic area defines its purchasing, human resource procedures, etc., under the responsibility and control of its manager.

For example, the French subsidiaries have implemented procedures relating to human resources, purchasing, securing and saving IT data, and dividing tasks in the administrative and financial areas.

B. Reliability of financial information

As with operations, BVRP's financial information organization is decentralized.

Each subsidiary's accounts are drawn up by the local accounting and financial teams, under the responsibility of their manager. They are subject to the diligences of local auditors.

As for operational matters, the subsidiary managers draw up a monthly financial report concerning their activities. This report is sent to the Executive Committee and the Group's management control department. The latter analyzes both the subsidiaries' reports and the accounting situations for each month. The Group's management control also carries out specific analyses and controls at the Executive Committee's (to which it sends its studies) request.

The consolidated accounts are drawn up by the Group's Financial Department, based on the data collected from its IT systems and on the accounts drawn up by the subsidiaries. These consolidated accounts are audited by BVRP's auditors who closely collaborate with the subsidiaries' auditors for this purpose.

BVRP's company and consolidated accounts are then validated by the Executive Committee, who then forwards the results to the Board of Directors once the accounts are closed.

Generally, all Group financial information is drawn up by the Group's Finance Department under the control of the Executive Committee. The final validation is done by the Board of Directors.

The Group's finance department also monitors off-balance sheet commitments and monitors assets under the direction of the Executive Committee.

C. Conformity to the laws and regulations in force

BVRP is a limited company listed on the Euronext Paris Eurolist and is therefore exposed to the requirements inherent to listed companies, to which it must very strictly comply.

Its main activity, publishing and republishing software, is an activity that is mainly governed by copyright law as well as industrial property law.

BVRP's organization is strongly centralized in terms of procedures in accordance with the laws and regulations in force. Managing these problems is the responsibility of the group's Legal Department placed under the responsibility of the Group's Financial Department.

The Legal Department works closely with the subsidiary and business unit managers and coordinates the actions undertaken outside France with the help of the company's external advisors.

A very specific role is also incumbent upon the auditors as part of their diligences and audits – these relate to respecting the accounting and financial standards in force.

D. Managing and preventing risks of fraud or errors

Preventing risks of fraud or errors is the responsibility of all BVRP employees. Nevertheless, it is initially the responsibility of the subsidiary and business unit managers to manage and prevent these risks within their units.

The main risks of fraud or errors relate to the company's finances, which are subject to the aforementioned procedures in terms of bank account signatures, verifying and validating financial information, as well as securing IT data.

Moreover, BVRP has implemented an insurance program that is regularly reviewed by Group Finance Department and the Executive Committee.

We invite you to refer to section 3.8.10 "Insurance" of the reference document.

BVRP's development means that its structure must be adapted. Hence, the procedures described above are designed to permanently adapt to changes in the company's structure. The aim of the Executive Committee and the Board of Directors is to ensure that the level and organization of internal control within the company is adequate with regard to the Group's structure, whilst enabling it to remain flexible and reactive. These are the keys to BVRP's success in an ever-changing technological and economic environment.

Bruno Vanryb
Chairman of the Board

5.6. AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF BVRP SOFTWARE'S BOARD OF DIRECTORS, REGARDING THE INTERNAL CONTROL PROCEDURES RELATING TO DRAWING UP AND PROCESSING ACCOUNTING AND FINANCIAL INFORMATION

Dear shareholders,

As auditors of BVRP Software SA, and in application of the provisions of the last paragraph of article L.225-235 of the French Commercial Code, we present our report on the report drawn up by your company's Chairman, in accordance with the provisions of article L.225-37 of the French Commercial Code for the financial year ended December 31, 2004.

Under the responsibility of the Board of Directors, it is the management's responsibility to define and implement adequate and efficient internal control procedures. It is the Chairman's responsibility to specifically state in his report the conditions for preparing and organizing the works of the Board of Directors, and the internal control procedures put in place within the company.

It is our responsibility to notify you of the observations we have formulated on the information and statements contained in the Chairman's report concerning the internal control procedures relating to drawing up and processing accounting and financial information.

We have carried out our tasks according to the professional doctrine applicable in France. This requires the implementation of diligences that are designed to assess the sincerity of the information contained in the Chairman's report concerning the internal control procedures relating to drawing up and processing accounting and financial information. These diligences mainly include:

- Acquainting ourselves with the objectives and general organization of the internal controls, as well as the internal control procedures relating to drawing up and processing the accounting and financial information, presented in the Chairman's report.
- Acquainting ourselves with the tasks underlying the information given in the report.

On the basis of our work, we do not have any observations to formulate on the description of the company's internal control procedures relating to drawing up and processing the accounting and financial information contained in the Chairman of the Board of Directors' report, drawn up in application of the provisions of the last paragraph of article L.225-37 of the French Commercial Code.

Signed in Paris on March 24, 2005

THE AUDITORS

Mr. Alain GATEAU

APLITEC represented by

G rard LEPL 

Pierre LAOT

5.7. AUDITORS' SPECIAL REPORT

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

I CONVENTIONS AUTHORISED DURING THE FINANCIAL YEAR

Pursuant to article L225-40 of the Commercial Code, we have been advised of the conventions that have been first authorized by your Board of Directors.

It is not our duty to seek out the existence of other conventions, but to inform you, based on 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. It is your responsibility, under the terms of article 92 of the 23 March 1967 Decree, to evaluate the benefits resulting from these agreements prior to their approval.

We conducted our work in accordance with professional standards applicable in France. These standards require us to perform the necessary procedures to verify that the information provided to us is consistent with the documentation from which it has been extracted.

1.1. CONVENTION CONCLUDED WITH AVANQUEST FRANCE S.A. (FORMERLY AB SOFT S.A.)

<u>Subject</u>	Trademark license agreement
<u>Description</u>	License for the Avanquest trademark conceded by BVRP Software SA to its subsidiary, for the payment of a fee equal to 1.5% of its subsidiary's turnover.
<u>Authorized by</u>	Board of Directors, September 14, 2004
<u>Board Member involved</u>	Mr. Bruno Vanryb Mr. Roger Politis

Effects of the convention on the financial year

For the 2004 financial year, the fees billed for this purpose amount to 86,722.52 euros.

1.2. CONVENTION CONCLUDED WITH AVANQUEST UK LTD (FORMERLY KOMMUNICATE LTD)

<u>Subject</u>	Trademark license agreement
<u>Description</u>	License for the Avanquest trademark conceded by BVRP Software SA to its subsidiary, for the payment of a fee equal to 1.5% of its subsidiary's turnover.
<u>Authorized by</u>	Board of Directors, September 14, 2004
<u>Board Member involved</u>	Mr. Bruno Vanryb Mr. Roger Politis

Effects of the convention on the financial year

For the 2004 financial year, the fees billed for this purpose amount to 195,561.50 euros.

1.3. CONVENTION CONCLUDED WITH AVANQUEST IBERICA SL

<u>Subject</u>	Trademark license agreement
<u>Description</u>	License for the Avanquest trademark conceded by BVRP Software SA to its subsidiary, for the payment of a fee equal to 1.5% of its subsidiary's turnover.
<u>Authorized by</u>	Board of Directors, September 14, 2004
<u>Board Member involved</u>	Mr. Bruno Vanryb Mr. Andrew Goldstein

Effects of the convention on the financial year
The convention did not apply during the financial year.

1.4. CONVENTION CONCLUDED WITH AVANQUEST DEUTSCHLAND GMBH (FORMERLY MEDIAGOLD GMBH)

Subject Trademark license agreement
Description License for the Avanquest trademark conceded by BVRP Software SA to its subsidiary, for the payment of a fee equal to 1.5% of its subsidiary's turnover.
Authorized by Board of Directors, September 14, 2004
Person Interested Mr. Andrew Goldstein

Effects of the convention on the financial year
For the 2004 financial year, the fees billed for this purpose amount to 44,709.46 euros.

1.5. CONVENTION CONCLUDED WITH AVANQUEST USA LLC (FORMERLY ELIBRIUM LLC)

Subject Trademark license agreement
Description License for the Avanquest trademark conceded by BVRP Software SA to its subsidiary, for the payment of a fee equal to 1.5% of its subsidiary's turnover.
Authorized by Board of Directors, September 14, 2004
Board Member involved Mr. Bruno Vanryb
Mr. Roger Politis
Mr. Robert Lang
Mrs. Christina Seelye

Effects of the convention on the financial year
For the 2004 financial year, the fees billed for this purpose amount to 120,197.31 euros.

1.6. CONVENTION CONCLUDED WITH AVANQUEST USA LLC (FORMERLY ELIBRIUM LLC)

Subject Cash convention
Description Cash advances granted by BVRP Software, remunerated at a rate of 6% and automatically renewable in 12 month periods.
Authorized by Board of Directors, April 21, 2004
Board Member involved Mr. Bruno Vanryb
Mr. Roger Politis
Mr. Robert Lang
Mrs. Christina Seelye

Effects of the convention on the financial year
As of December 31, 2004 the advance made on amounted to €1,584,211.71, including interest. The financial income posted as remuneration for this advance was €94,909.36 for the financial year.

1.7. CASH CONVENTION CONCLUDED WITH AVANQUEST IBERICA SL

Subject Cash convention
Description Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at 2 points above the one-month Euribor rate.
Authorized by Board of Directors, May 11, 2004
Board Member involved Mr. Bruno Vanryb
Mr. Andrew Goldstein

Effects of the convention on the financial year

As of December 31, 2004 the advance amounted to €252,117.06, including interest. The financial income posted as remuneration for this advance was €4,117.06 for the financial year.

1.8. AUTHORIZATION TO CONVERT THE CONVERTIBLE LOAN GRANTED TO AVANQUEST USA LLC (FORMERLY ELIBRIUM LLC) INTO SHARE CAPITAL

<u>Subject</u>	Conversion of loan to capital shares
<u>Description</u>	Conversion of 2 million dollars into Elibrium LLC capital shares
<u>Authorized by</u>	Board of Directors, April 21, 2004
<u>Board Member involved</u>	Mr. Bruno Vanryb Mr. Roger Politis Mr. Robert Lang Mrs. Christina Seelye

Effects of the convention on the financial year

As of April 29, 2004 the loan granted by BVRP Software SA to Avanquest USA LLC was converted into Avanquest USA LLC share capital in the amount of 2 million dollars.

1.9. CONVENTION CONCLUDED WITH BVRP AMERICA INC.

<u>Subject</u>	Contribution of Avanquest USA LLC (Formerly Elibrium LLC) shares
<u>Description</u>	Contribution of Avanquest USA LLC securities to BVRP America Inc in the amount of 5,676,282.74 euros
<u>Authorized by</u>	Board of Directors, April 29, 2004
<u>Board Member involved</u>	Mr. Bruno Vanryb Mr. Roger Politis

Effects of the convention on the financial year

As of June 1, 2004, BVRP Software SA brought the shares they held in Avanquest USA LLC to BVRP America Inc. for the amount of 5,676,282.74 euros. In compensation for this contribution, BVRP America Inc. proceeded in favor of BVRP Software SA for an increase in capital in an amount equal to the shares contributed.

II CONVENTIONS APPROVED DURING PREVIOUS FINANCIAL YEARS AND STILL IN FORCE DURING THE CURRENT FINANCIAL YEAR

In addition, in pursuance of the decree of 23 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.

2.1. CONVENTION CONCLUDED WITH BVRP USA SOFTWARE INC.

Subject Cash convention
Description Cash flow advances granted by BVRP Software SA according to the subsidiary's needs paid at two points above the current Prime Rate.

Effects of the convention on the financial year
The convention did not apply during the financial year.

2.2. CASH CONVENTION CONCLUDED WITH BVRP AMERICA.

Subject Cash convention
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.

Effects of the convention on the financial year
The convention did not apply during the financial year.

2.3. CASH CONVENTION CONCLUDED WITH BVRP UK (FORMERLY V COM TECH LTD)

Subject Cash convention
Description Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at 6.4% per annum.

Effects of the convention on the financial year
As of December 31, 2004 the advance had been reimbursed. The financial income posted as remuneration for this advance was €2,498.11 for the financial year.

2.4. CASH CONVENTION CONCLUDED WITH AVANQUEST FRANCE S.A. (FORMERLY AB SOFT S.A.)

Subject Cash convention
Description Cash advances made on the basis of both company's needs and paid at the legal interest rate.

Effects of the convention on the financial year
As of December 31, 2004 the advance made by Avanquest France S.A. to BVRP Software SA amounted to €602,037.95, including interest. The financial income posted as remuneration for this advance was €12,121.57 for the financial year.

2.5. CASH CONVENTION CONCLUDED WITH AVANQUEST DEUTSCHLAND GMBH (FORMERLY MEDIAGOLD GMBH)

Subject Cash convention
Description Cash advances made by BVRP Software SA on the basis of the subsidiary's needs and paid at 2 points above the three-month Euribor rate.

Effects of the convention on the financial year

As of December 31, 2004 the advance made amounted to €927,323.68, including interest. The income posted as remuneration for this advance was €29,698.11 for the financial year.

2.6. CONVENTION CONCLUDED WITH AVANQUEST UK LTD (FORMERLY KOMMUNICATE LTD)

Subject Cash convention

Description Cash flow advances granted by BVRP according to the subsidiary's needs paid at two points above three month EURIBOR.

Effects of the convention on the financial year

As of December 31, 2004 the advance made amounted to €120,000, including interest. The financial income posted as remuneration for this advance was €1,977.84 for the financial year.

2.7. CONVENTION CONCLUDED WITH BVRP AMERICA INC.

Subject Loan agreement

Description Loan granted by BVRP to the subsidiary at two points above the current Prime Rate, calculated and payable quarterly.

Effects of the convention on the financial year

As of December 31, 2004 the loan amounted to €3,457,789.24, including interest. The financial income posted as remuneration for this advance was €224,257.19 for the financial year.

2.8. CONVENTION CONCLUDED WITH AVANQUEST FRANCE S.A. (FORMERLY AB SOFT S.A.)

Subject Cancellation of AB Soft's debt by BVRP Software SA with clause of repayment in case of return to profit

Description Cancellation of AB Soft's debt as of November 30, 2002 by BVRP Software for an amount of €1,922,417.12. This cancellation is accompanied by a clause of repayment in case of return to profit.

Effects of the convention on the financial year

The convention did not apply during the financial year.

2.9. CONVENTION CONCLUDED WITH MRS. CHRISTINA SEELYE

Subject BVRP share loan convention

Description Loan of one share to Mrs. Christina Seelye.

2.10. CONVENTION CONCLUDED WITH MR. BRUNO VANRYB

Subject Avanquest France S.A. share loan convention

Description Loan of one Avanquest France S.A. share to Mr. Vanryb, in order to enable him to hold the position of Board Member in the company.

2.11. CONVENTION CONCLUDED WITH MR. ROGER POLITIS

Subject Avanquest France S.A. share loan convention

Description Loan of one Avanquest France S.A. share to Mr. Politis, in order to enable him to hold the position of Board Member in the company.

2.12. CONVENTION WITHIN THE FRAMEWORK OF THE ACQUISITION OF AVANQUEST USA LLC'S MINORITY INTERESTS (FORMERLY ELIBRIUM LLC)

Subject Convention within the framework of the acquisition of Avanquest USA LLC's minority interests

Description Acquisition by BVRP Software SA of 738,462 Avanquest USA LLC shares and 250,000 Avanquest USA LLC warrants belonging to Mrs. Seelye.

Effects of the convention on the financial year

As of April 21, 2004, the 738,462 warrants were acquired in exchange for 30,442 warrants in BVRP Software SA. These options grant the right to subscribe to 30,442 BVRP Software SA shares at a unit price of 9.39 euros. On the same date, the 250,000 Avanquest USA LLC warrants were acquired in exchange for 10,306 warrants in BVRP Software SA. These warrants grant the right to subscribe to 10,306 BVRP Software SA shares at a unit price of 11.28 euros.

2.13. CONVENTION CONCLUDED WITH MR. BRUNO VANRYB.

Subject Non-compete clause and severance agreement in case of termination of employment

Description Convention providing compensation for termination and a non-compete clause in the event certain events occur such as the removal or non-renewal of functions, following a restructuring or internal growth operation.

Effects of the convention on the financial year

The convention did not apply during the financial year.

2.14. CONVENTION CONCLUDED WITH MR. ROGER POLITIS

Subject Non-compete clause and severance agreement in case of termination of employment

Description Convention providing compensation for termination and a non-compete clause in the event certain events occur such as the removal or non-renewal of functions, following a restructuring or internal growth operation.

Effects of the convention on the financial year

The convention did not apply during the financial year.

2.15. CONVENTION CONCLUDED WITH MR. BERTRAND MICHELS

Subject Non-compete clause and severance agreement in case of termination of employment

Description Convention providing compensation for termination and a non-compete clause in the event certain events occur such as the removal or non-renewal of functions, following a restructuring or internal growth operation.

Effects of the convention on the financial year

On November 5, 2003, the Board of Directors revoked Mr. Bertrand Michels' term as Deputy General Manager. In application of the convention, compensation in the amount of 38,112 euros was paid in 2004.

Signed in Paris on March 24, 2005

The auditors

Mr. Alain GATEAU

APLITEC
Represented by

Gérard LEPLÉ

Pierre LAOT