Registration Document
2003

Consulting and Engineering in Advanced Technologies

CONTENTS

Registration document 2003

This Registration Document was filed with the Autorité des Marchés Financiers on April 7, 2004 as number D.04-0426 in compliance with regulation 98-01. It cannot be used in support of a financial operation until it is supplemented by an information memorandum approved by the Autorité des Marchés Financiers.This English-language version of this annual report is a free translation of the original French text. In the event of a conflict in interpretation, reference should be made to the French version which is the authentic text. The auditor report applies to the French version of the financial review and of the financial statements.

Message from the Chairman

2003 was characterized by acute difficulties with our market compared to 2002.

It was especially affected by a drop in prices of which the extent could not have been foreseen. 40% of the drop in sales (down 9.52%) is due to this drop in prices.

In this context, actions carried out in 2002 and the efforts pursued during fiscal 2003 have yielded the following results:

- in Belgium and Luxembourg, return to balanced results,
- in France, significant losses which are on the rise compared to 2002, corresponding to the impact of the price drop,
- progressive improvement in equilibriums during the course of the year.

A considerable amount of progress was made towards the end of the year:

- price stabilization,
- improvement in the rate of idleness,
- resurgence of organic growth starting in the middle of the fourth quarter.

This improvement is encouraging for the year 2004, insomuch as:

- setting up of customers has remained solid,
- employee involvement has remained strong.

A factoring system was set up in order to meet current operating needs. In the event that growth makes a strong comeback, we are considering reinforcing our financial position in order to favor development.

The commercial offensive efforts launched at the end of 2002 and pursued in 2003 are considered to be positive and are going to be intensified in 2004.
As of now, our first estimates for first quarter sales in 2004 reveal an increase exceeding 5% compared to the first quarter of 2003.

Our goal is to reach balanced operations for the group over the entire 2004 period.

Issy-les-Moulineaux, April 5, 2004

Jean-Marie MAGNET

Activity

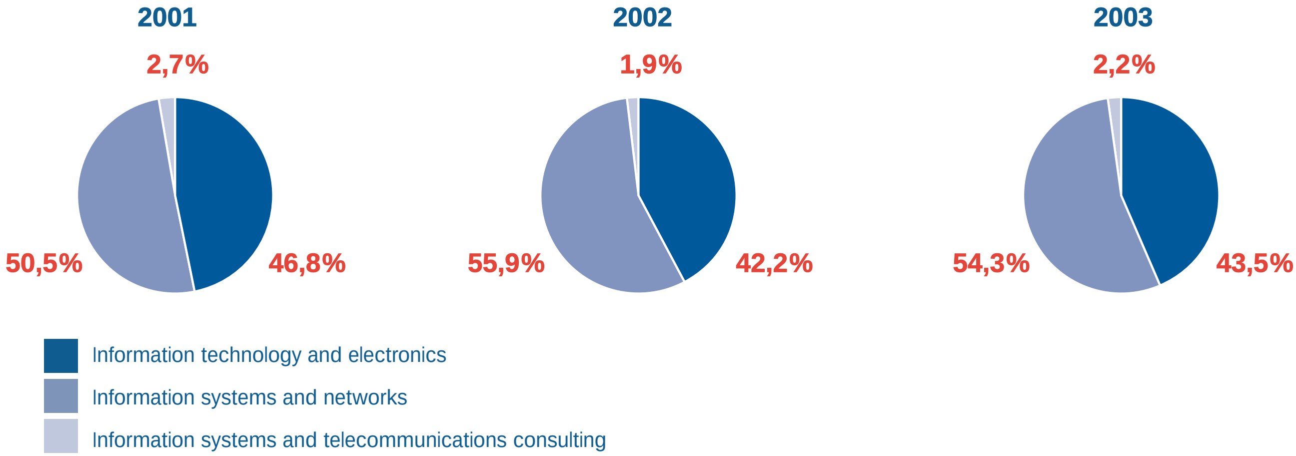
1 PROFILE

1.1 TURNOVER DISTRIBUTION BY CORE

Specializing in engineering and advanced technology consulting, AUSY supports the growth of its major customer accounts in the industrial and services sectors and offers the technical expertise of its consultants and engineers.

It offers comprehensive support concentrating on three areas of service:

– Information technology and electronics,
– Information systems and networks,
– Information systems and telecommunications consulting.



1.2 TURNOVER DISTRIBUTION BY BUSINESS SECTOR

1.2.1 Distribution by customer core

AUSY's experience and know-how have allowed it to earn the loyalty of major-account clientele and establish long-lasting partnership relations.

In % of Revenues	2003	2002	2001
Telecommunications Industry	16%	16%	19%
Electronics Industry	7%	8%	7%
Aeronautics Industry	9%	10%	7%
Space Industry	3%	2%	3%
Transportation Industry	8%	6%	9%
Automation Industry	0%	0%	1%
Multimedia Industry	1%	1%	1%
Other Industries	5%	6%	5%
Administration / Defence	6%	5%	4%
Banking / Insurance	23%	22%	27%
Telecommunications Operators	8%	8%	5%
Transportation / Services	11%	12%	9%
Retail / Distribution	3%	4%	3%

1.2.2 TOP 10 CLIENT GROUPS

GROUP	% OF REVENUES	%	BUSINESS SECTOR
THALES	8,9%	8,9%	Electronics, aeronautics, defence, multimedia, telecom, transportation, services
EADS	7,9%	16,8%	Aeronautics, space, defence
SAGEM	5,3%	22,2%	Defence, telecom
ALCATEL	5,1%	27,3%	Space, telecom, transportation
SIEMENS	3,8%	31,1%	Electronics, transportation
VIVENDI	3,5%	34,5%	Multimedia, telecom
FRANCE TELECOM	3,3%	37,8%	Multimedia, telecom
BANQUE POPULAIRE	3,3%	41,1%	Banking, insurance
PMU	2,6%	43,8%	Services
BOUYGUES TELECOM	2,5%	46,3%	Multimedia, telecom

There have not been any major changes in the list of our main clients over the last three years. The change in the significance of the top 10 client groups bears witness to the stability of AUSY's commercial relationships and the loyalty it enjoys with its clients.

The top 10 client groups represent 46.3% of group sales in 2003, 45.4% in 2002 and 42.3% in 2001.

Accounts such as Thales and EADS, which are present in multiple lines of business, alone actually total up to 40 decision centers and separate billing.

At the end of December 2003, the group had 405 clients (billing centers).

There is no business cycle in either information technology and electronics or in information systems and networks; business is continuous throughout the year. However, there is often a delay in client decision-making regarding the start of new projects at the beginning of the calendar year.

Client invoices are paid within standard periods. We have no special comment concerning the management of trade payables.

1.2.3 CLIENTS REFERENCES

Industry / Defence . . . . Alcatel, Alstom, Bombardier, EADS, EDF/GDF, General Electric, IBM, Johnson, Nortel Networks, Philips, Renault, Sagem, Schlumberger, Siemens, Snecma, Thales, Valéo.

Banking / Insurance . . . . AGF, AXA, Banques Populaires, BNP, Caisses d'Epargne, Caisse des Dépôts, Crédit Agricole, Crédit Foncier de France, Crédit Mutuel, CRICA, Generali, MAAF, MACIF, Mornay, Société Générale.

Telecom operators . . . . Bouygues Télécom, Cegetel, France Télécom.

Administration . . . . Agence de l'eau, ANPE, APAVE, HCL, Ministère de l'Economie et des Finances.

Services / Transportation / Distribution . Air France, Auchan, Carrefour, Intermarché, PMU, SNCF, Vivendi.

1.3 TURNOVER DISTRIBUTION BY AREA OF SERVICE

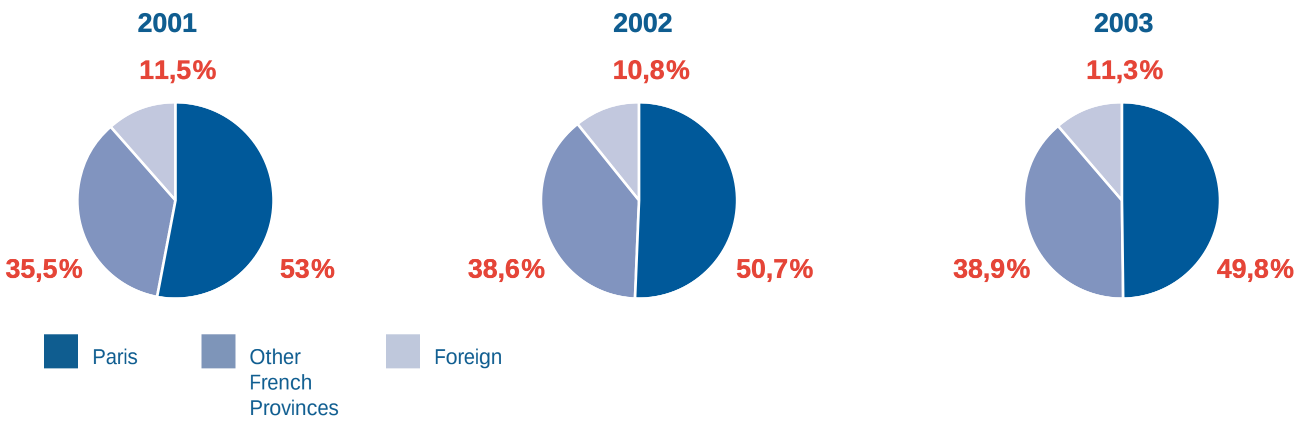
The engineers and consultants perform their work within the framework of projects carried out as fixed-price contracts, on our premises or in "service centers", as well as with projects developed through technical assistance on the clients sites.

The average duration for technical assistance projects is about 13 months in the field of network and information systems, as in the field of electronics and information technology.

Contracts executed as fixed-price contracts have increased as follows:
6% in 2000, 9% in 2001, 10% in 2002 and 10.5% in 2003.

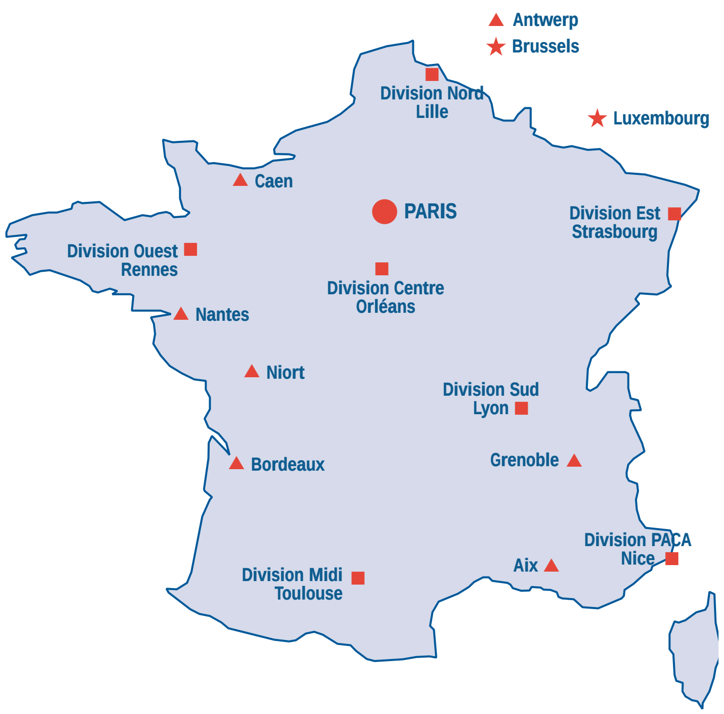
Technical assistance services are billed every month according to time spent. Services performed within the framework of a fixed-price contract are billed according to the schedule provided for in the contract and acceptance of work.

1.4 TURNOVER DISTRIBUTION BY GEOGRAPHICAL AREA



Decentralized organization

- ● Head Office, Parisian Divisions Consulting Department
- ■ Divisions
- ▲ Offices
- ★ Subsidiaries



1.5 KEY FIGURES

(In €M)	2003	2002	2001
Revenues	70,18	77,56	86,90
Operating income after employee profit sharing	(3,81)	(4,01)	5,63
Income before goodwill	(2,79)	(2,97)	3,21
Group share of income after goodwill	(3,32)	(6,67)	2,64
Cash flow from operating activities	(2,03)	(1,77)	3,87
Equity	8,41	11,73	18,87
Headcount at 31 December*	1 090	1 118	1 205

* Total headcount of companies in the full consolidation.

1.6 STOCK INFORMATION

At December 31, 2003, capital was made up of 2,133,973 shares each with a par value of €1 listed in the second marché on the Paris Stock Exchange.
There is only one category of stock.
AUSY has been listed since April 30, 1999.
Initial listing price was €21.04.
Adhesion to the Next Economy segment since 2002.

Stock market features

ISIN Code FR000072621
Reuters Code.......................................OSI PA
Bloomberg Code..................................OSI FP

Changes in Stock Price (Source: Euronext)

Trading month	No. days. listed	Highest price	Lowest price	Price average	No. Shares traded	Capital traded in euros
2002-09	21	8,07	4,90	6,47	8 632	51 034
2002-10	23	4,90	2,52	3,40	27 795	94 887
2002-11	21	5,45	3,35	4,24	26 640	114 723
2002-12	19	5,50	3,62	4,49	17 990	79 862
2003-01	21	4,05	2,80	3,65	5 921	21 227
2003-02	20	3,60	2,50	2,99	15 190	43 969
2003-03	21	2,91	2,15	2,50	17 689	44 741
2003-04	20	2,99	2,41	2,73	11 386	31 335
2003-05	21	4,45	2,75	3,82	18 482	65 597
2003-06	21	3,95	3,65	3,79	12 658	47 928
2003-07	23	3,88	3,49	3,68	11 609	42 340
2003-08	21	3,92	3,55	3,78	7 857	29 615
2003-09	22	4,95	3,71	4,55	54 600	243 832
2003-10	23	4,50	3,56	3,81	22 140	86 565
2003-11	20	6,30	3,80	5,55	200 222	1 142 578
2003-12	21	5,92	5,20	5,57	26 561	150 227
2004-01	21	6,00	5,50	5,66	18 228	103 970
2004-02	20	6,15	5,56	5,79	33 079	192 288

Publication date for financial disclosure

7 April 2004 . . . . 2003 annual earnings
6 May 2004 . . . . 2004 first quarter revenue
30 July 2004 . . . . 2004 second quarter revenue
29 September 2004 2004 first half consolidated earnings
5 November 2004. . . . . .2004 third quarter revenue

2 COMPANY ACTIVITY

2.1 BACKGROUND

1990: AUSY is founded by current Chairman and CEO Jean-Marie Magnet in an LBO transaction creating a specialized information technology firm with three initial sites: Paris, Lyon and Rennes.

1991: Expansion of Information systems and networks activity and creation of a new division dedicated to this line of business. Opening of Toulouse office.

1993: AUSY continues expansion and remains profitable despite slowdown in the information services market.

1994: Acquisition of two Itrec Company businesses (Lyon and Nantes) enables AUSY to expand its client base in its core activities.

1995: AUSY expands its national coverage with the creation of a Strasbourg office.

1997: Repayment of 1990 LBO financing. Acquisition of an IXEL company concern (located in Paris and Orléans) reinforces AUSY's strategic position in the information systems field.

1999: AUSY stock is listed on the Paris Second Marché in order to increase its prestige, strengthen its capital, and support the strong growth of its activities and its plans for European development. First expansion outside France with the creation of AUSY Benelux based in Brussels.

2000: ISO 9001 certification of Issy-les-Moulineaux and Cesson-Sevigné sites. Expansion accelerates with the opening of offices in Aix-en-Provence, Bordeaux and Lille.

2001: AUSY confirms its European ambitions with the acquisition of On Site Group and the Belgian and Luxembourg subsidiaries of Groupe Actif France. Develops commercial networking market in France with the opening of new offices in Nice, Caen and Grenoble.

2002: Adhesion to the Next Economy segment of Euronext Paris. Certification ISO 9001 version 2000.

2003: New office in Antwerp.

2.2 THE IT SERVICES MARKET

2003: Declining demand for software and services.

For the second year in a row, the services and software market is on the decline compared to the previous year; between –2.7% (according to Markess International) and –0.9% (according to Pierre Audouin Conseil - PAC). However, the changes are very different according to the different market segments; info management is progressing (+7% to +9%), other activities such as engineering (-7% to –9%) and consulting (-10% to –12%) clearly show the deterioration in computer services (Syntec estimate, 10/2003).

Several reasons can be suggested:

– An unfavorable economic climate with an almost zero growth in GNP (+0.2% compared to 1.2% in 2002), international conflicts and pressure from a national point of view.

– The freezing or postponement of many computer projects while waiting for a comeback in the economy. This factor can be found in the zero growth in expenditures on information technology, due to a large part to IS Management (which accounts for half of the total volume in this expense) and which decreased by –0.9% in 2003 (PAC 2004). This trend is corroborated by the volume of investment in industry, down 3% in 2003 (INSEE, note on the state of the economy, 02/2004).

– The industrialization in the purchasing process; the phenomenon of rationalized purchasing that already exists in part in industry has progressively extended into other sectors of activity (Banks, Insurance, etc.). The goals are globalizing needs, reducing the number of suppliers and lowering the price of intellectual services. The number of references has therefore increased considerably.

– A negative price effect; according to PAC, *« with a drop in spending of 10%, 6 to 7 points are caused by the price effect and 3 to 4 points due to the volume effect »*. This pressure on prices was particularly felt in engineering and integration of applications.

2004 Outlook

A certain number of indicators tend to show that the beginning of 2004 seems to be starting out in a better direction:

– According to the INSEE, forecasts for growth in the GNP are +1.7% over the year 2004.
– In the field of computer engineering, the overall outlook for business is headed in a better direction compared to the previous year. In a highly competitive market, another drop in prices could nevertheless occur in the short term. (source DGEI - 03/2004).
– Industrialists' forecasts mention a turnaround in investment by more than 5% across the entire industry as in the manufacturing industry (INSEE 02/2004).

The volume of expenditures on information technology could therefore, according to preliminary estimates, show growth in 2004 between +2.7% (according to Markess) and +3.2% (according to PAC). As for expenditures in computer services, this should bounce back in 2004 (+6.6%), as long as prices are stabilized (PAC 2004).

The basics in a sustainable market

- In response to increasingly fierce competition, companies must renew their products more frequently and invest in more powerful computer applications.

- Companies must continue to innovate to win new markets or adapt to new regulations and standards.

- Research and development activities are outsourced as companies refocus on their core businesses and seek to reduce costs.

2.3 CORE LINES

AUSY's vocation is to accompany its corporate customers in the tertiary and industrial sectors and to build specific solutions that are adapted to their needs, while taking the functional, human, and technological dimension of the projects into account.

2.3.1. Information Technology and Electronics

Since its founding, the AUSY Group has developed a strong information technology practice directed toward major industrial companies. The group's engineers and consultants provide sophisticated engineering services to support industrial clients in outsourced research and development projects to design and build tomorrow's products for the general public and professionals.

In developing products for the mobile telephone, television and electronic payment systems sectors. Although AUSY Group does not sell finished products, it plays a major role in the research and development of consumer products. In addition, under contracts with major industrial groups, AUSY engineers participate in the production cycle of high-tech systems and subsystems such as onboard controllers for the civilian and military aeronautics sectors or for automotive instrumentation manufacturers. In the latter case, the AUSY Group's role can be compared with that of a design subcontractor.

Regardless of the field or industry, the AUSY Group's services are part of the production cycle of different products. Starting with a functional statement of work, the engineers are able to supervise projects from the preparation of specifications to operational maintenance, including all phases of the product development life cycle.

Finally, the AUSY Group brings its scientific expertise to bear in developing modeling, simulation, structural calculation and similar applications for major players in the nuclear, aerodynamics and cryptography fields.

Areas of Expertise

In addition to a thorough knowledge and of the various product development phases and knowledge of its clients' businesses, the group's engineers apply their expertise in the following fields:

- Real-time information processing
- Onboard systems and controllers
- Low-level software
- Software ergonomics and man/machine interface
- Programmable electronic components
- Electronic, digital or analog cards
- Microelectronics
- Signal processing
- Optronics
- Radio and high frequency
- Control and reporting systems.

Main Customers

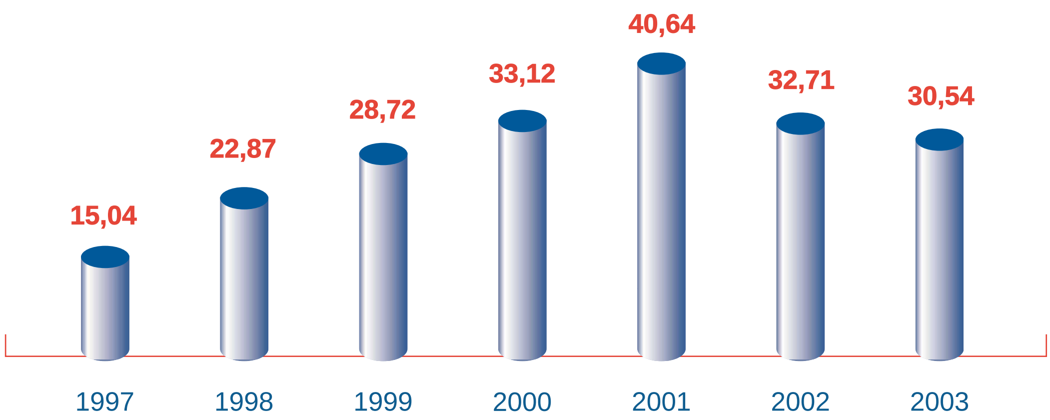
Our engineers support major accounts including:

Airbus, Alcatel, Alstom, Astrium, Bombardier, Bouygues Télécom, Cegetel, Dassault, EADS, EDF, France Télécom, General Electric, Johnson Controls, Matra Nortel, Philips, PSA, Renault, Sagem, Schlumberger, Siemens, Snecma, Thales…

Other Market Participants

AUSY is one of the leaders in this field. Its competitors include companies such as Altran, Alten, Brime, Coframi, SII…

Evolution in Revenues in Millions of Euros



2.3.2. Information Systems and Networks

In the information technology field, AUSY engineers support corporate management (financial, technical, production, administration, etc.) in the design and optimization of applications to improve the firms' operational performance.

AUSY can provide overall information systems design or assist in partial redesign to meet the needs of internal reorganization, technological change or system optimization.

AUSY engineers' expertise enables them to participate in all phases of a project life cycle, from preliminary studies through implementation.

In the area of "traditional" information management, the engineers support applications relating to a company's current functions (accounting, invoicing, inventory, payment, etc.).

AUSY offers system architecture consulting in support of project supervisor in customer team and/or serves as the project supervisor.

AUSY's increased market share, superior knowledge of its potential clients, targeted operational marketing and greater responsiveness in decision-making has drawn attention from senior management of the largest companies.

To meet their expectations, AUSY offers a BUSINESS SOLUTION approach based on implementing control systems for the company's major functions (CRM, ERP, e-business, Business Intelligence), drawing on its knowledge of the most advanced technologies.

The solutions implemented become indispensable factors in decision support, enabling:

- To improve the quality of customer relations
- To evaluate the relative profitability of products, services and client groups
- To implement customized campaigns and analyze their impact
- To conduct financial analyses on detailed data
- To detect growth trends more quickly
- …….

As part of its systems and networks services, AUSY advises its clients and offers telecommunications infrastructure solutions by contributing its expertise in:

- Selection of network software
- Selection of operators
- Coordination and selection of hardware
- Planning
- …….

In the area of network and systems engineering, AUSY addresses the challenges of hardware installation and monitoring, security of environments, and optimization of response time or machine resources.

Areas of Expertise

Drawing on their thorough knowledge of their clients' businesses, the AUSY teams deploy their expertise in the most advanced technologies in the following fields:

- Central systems
- N-tier architecture
- e-business, web sites, Internet/intranet
- Business intelligence
- Datawarehouse
- Operational and analytical CRM
- Control systems
- ERP
- Systems architecture
- Networks, hardware, operating systems, protocols, databases
- Security applications.

Main Customers

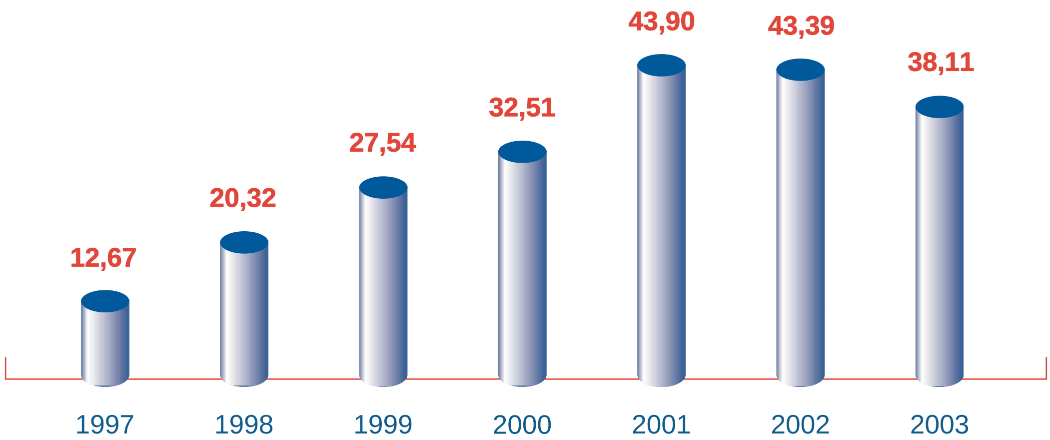
Main customers are major accounts in banking and insurance, industry, telecommunications, multimedia, etc:

AGF, Airbus, Air France, Auchan, Axa Assurances France, Banques Populaires, BNP, Bouygues Télécom, Caisses d'Epargne, Caisse des Dépôts, Cegetel, Crédit Agricole, Crédit Foncier de France, Crédit Mutuel, France Télécom, Generali, Groupe Mornay, IBM, Intermarché, La Poste, MAAF, Macif, MMA, PMU, PSA, SNCF, Société Générale…

Other Market Participants

AUSY's competitors in this market segment include Atos Origin, Cap Gemini Ernst & Young, GFI, Sylis, Sopra, Stéria, Teamlog, Transiciel, Unilog, etc.

Evolution in Revenues in Millions of Euros



2.3.3. Information Systems and Telecommunications Consulting

The members of the consulting department work with senior executives of major groups and provide solutions to corporate challenges by integrating the financial and strategic imperatives.

They contribute to the companies' improved performance through their in-depth knowledge of their clients' businesses, capitalized over numerous years by integrating strategy with more specific problems associated with organizational challenges and internal procedures.

In addition, they fully address all current issues relating to information and communications technologies: Customer Relations, e-Business, Security, ERP, Telecommunications, Networks and Outsourcing, establishing strategies in each of these areas with the assistance of the consulting department's experts.

The consultants work either directly with their clients or across multiple projects throughout the group's divisions, positioning themselves in the upstream phases of projects. The consulting department carries out:

- Strategic and marketing studies at the national and international level with and established network of contacts.
- Market analyses and opportunity studies.
- Organizational, functional and technical audits.
- Consultations and preparation of specifications.
- Support tasks ranging from assistance to project supervision in customer team.

The consultants also assist financial institutions in investment plans and technical qualification and marketing studies of third-party companies.

Areas of Expertise

In addition to a thorough knowledge of their clients' businesses, the consulting department offers expertise combining all critical components:

- Strategic aspects
- Functional aspects
- Technical aspects

The value added by the consulting department is based on a three-dimensional approach. This is the key factor that distinguishes it from its competitors.

This approach is used rather frequently and countries such as the United States, but much less so in France.

The telecommunications sector, and more generally the information technology and communications sector, is typical example of this combined approach of strategic support as well as functional and technical support with a high level of expertise.

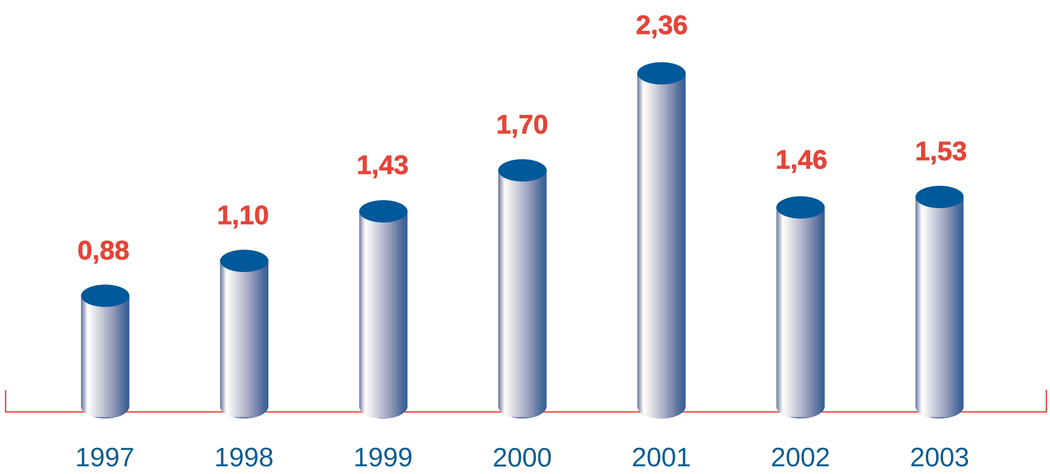
Main customers

The Consulting Department works primarily with major accounts in the banking sector (Caisses d'Epargne, Société Générale, Crédit Agricole…), in industry (Snecma, Renault, Sagem…), with telecommunications operators (France Telecom, Cegetel, Bouygues Télécom, Colt…), distributors (Carrefour, Metro), local municipalities (cities, regionals councils), and public or quasi-public administrations or bodies (Ministry of Industry, ANPE, hospitals, PMU).

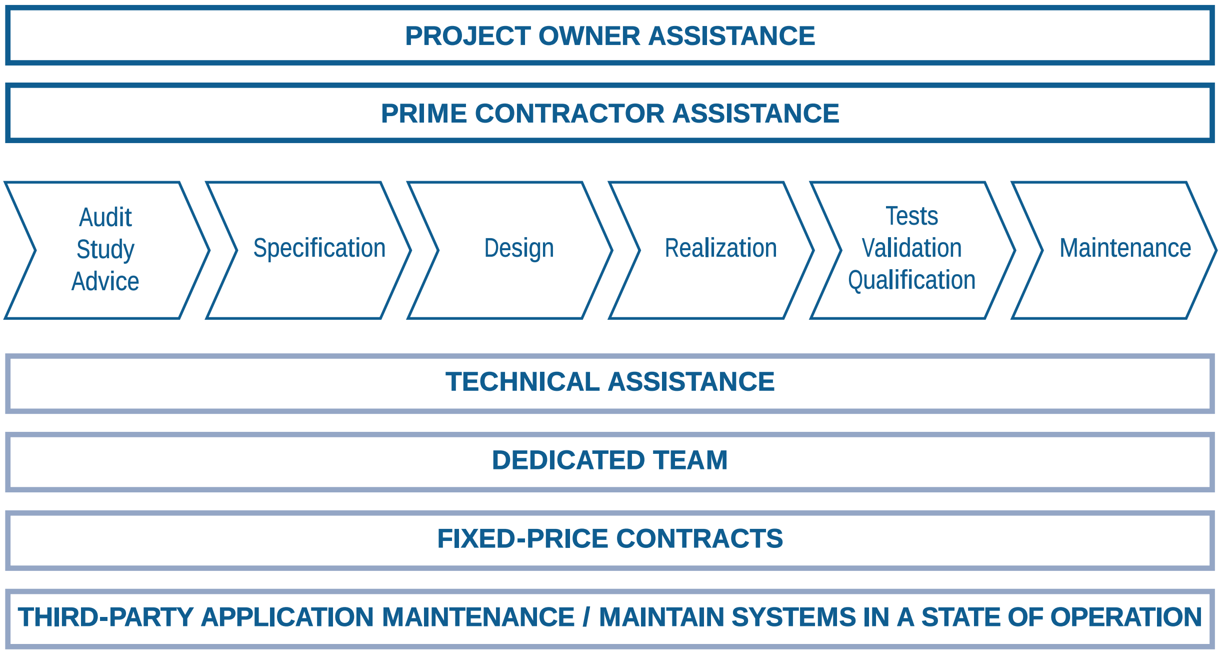
Other Market Participants

The key participants in this market segment are varied and are as likely to be major consulting firms (Fat Four or BCG, Mac Kinsey or Investment Banks) as smaller consulting firms positioned in specific market sectors, as is typically the case in telecommunications. AUSY also encounters competitors such as Alten, Altran, Sema or Cap Gemini.

Evolution in revenues in millions of euros



2.3.4. Services



AUSY consultants and engineers accompany their customers from the design stage of their projects right up to realization and maintenance.

The Group knows how to develop a technological and service offering with added value, thanks to capitalizing on know-how based on the in-depth knowledge of the customers, control throughout all the stages of a project, expertise in the most recent technologies and the existence of specific skills pools.

Service offering

Fixed-price contracts, dedicated team, third-party applications maintenance, maintain systems in a state of operation, etc.

Technological offering

Business Intelligence, scientific calculations, mobile telecommunications, unit testing, etc.

2.3.5. Examples of projects

In 2003, our corporate customers in the tertiary and industrial sectors placed their trust in us for our expertise in steering extensive organizational and development projects.

Here are a few projects that illustrate our ability to intervene in diverse environments and that require the problems that are native to each sector to be taken into account.

Aeronautics industry

• Participation in the overall architecture and in the implementation of various services, including the activity of webmaster on a gateway for an aeronautics manufacturer. This gateway will allow more than 40,000 employees to connect from anywhere in the world and to access the company's computer system, facilitating access to the core lines of the company with the goal of capitalizing on the know-how on existing lines and using standards in order to improve accessibility and interoperability between the various heterogeneous platforms from an internal point of view. From an external point of view, the stakes are to offer interactive services to partners, with the purpose of developing partnerships with high added value and to offer « ready-to-use » core lines.

Expertise: Architectures for WEB, J2EE, SOAP, SAP, LDAP, e-room.

• Standard unit software tests for a piloting function in the on-board computer of fighter planes. The software applications must meet securities standards, which require a significant number of tests to obtain certification (in-flight use).

Expertise: real-time embedded systems, processes for cross-development in C and ADA, RTRT testing tools, DOD 2167A standard.

Aerospace industry

• Military and civil communications satellite:
The new telecommunications satellite represents unprecedented leap forward in technology: It will make it possible to send a maximum amount of information to a greater number of subscribers in the military field and in a more secure manner in order to adapt, especially, to the different crises scenarios and therefore to the various theatres of operation between the countries where the French military are present and Metropolitan France. (It is scheduled to be put into service in 2004.)

AUSY is participating in the realization of this program at several levels: specification and definition of sub-systems, incorporation of ground stations, definition of operating routines, training operators, drafting of technical documents.

• Scrolling weather satellite:
AUSY works with ground image processing, integrating and validating ground sub-systems and the drafting of logistics documentation for computer platforms of the future scrolling weather satellite which can capture data from within large bands that extend from one pole to the other and overlap from one pass to the next, thus providing a twice-daily supply of information pertaining to the entire globe.

Telecommunications industry

• Analysis and implementation of a corporate data warehouse and set up of an analytical gateway making it possible to use data for a Belgian internet service provider. The data warehouse put into place covers the aspects of sales, marketing, finance, service center and activation processes.

Expertise: Datastage, Redbrick warehouse, informix, Business Objects.

• A world leader in cellular communications has entrusted a dedicated team with the responsibility of studying demands in the development of software or new services (MMI, melody, WAP, etc.), technical analysis, the drafting of technical and financial proposals and producing software in an international context (Europe and Southeast Asia).

Expertise: technical polyvalence: hardware, software, development basic software layers, application layers, GSM protocols, GPRS, Edge, systems integration.

Transport Industry

• For an automobile manufacturer, implementation of a common tool for aiding in electronic architectural design. The business of electronic architectural design makes it possible to obtain coherent and effective architectures while still managing the great diversity in the automobile offering (a single model in a catalog is cable of generating a large number of different electronic architectures with the choice of options):
- synthesis of all the electronic physical components in a vehicle or steering function (computer, sensor, actuator, etc.)

– synthesis of physical links (bus, wire-to-wire, etc.) between these components,
– synthesis of functionality provided by the components,
– synthesis in the flow of information circulating between the various components and their physical supports.

Expertise: Oracle, JVIEWS, JAVA.

• Within the framework of developing equipment for supervising and controlling railroad traffic for the high-speed Madrid-Barcelona line:
– development and integration of real-time software into ground equipment,
– unit testing and security analysis on the embedded code for communications and supervision software between the ground equipment and that present on board according to the ERTMS (European Railway Traffic Management System) standard.

The Madrid-Barcelona line will be the first application on a commercial line in the new European standard ERTMS

Expertise: ADA language, unit testing with Attol.

Energy Industry

• Integration under a Continuous management configuration for tele-control applications and the supervision of operating processes of hydroelectric power stations.

Expertise: configuration management, process supervision.

• Functional validation of a unit supervising the distribution equipment of an energy supplier.

Expertise: UDP/SNMP/TFTP networks.

Electronics industry

• Realization of two electronic boards and wiring plans for the cables of a demonstrator in order to realize a photolithographic tool for manufacturing semi-conductors. The goal is to reduce the degree of engraving even further and go beyond the 45nm limit before 2010 (today this limit is 0.13µm). The purpose of the demonstrator is to show that the Extrem Ultraviolet is the solution of choice for photolithographic processes under 50nm.

• For a manufacturer of chip cards, software and hardware design, personalization in order to provide systems based on chip cards that would be integrated and defined according to customer specifications. This involves the fields of telephony and financial services according to the existing standards for SIM and USIM cards. The goal is to guarantee intelligent solutions for a large number of applications in order to reinforce security and improve user comfort in the world of internet and "contact without a professional".

Expertise: software realized with javacard, GSM / GPRS / UMTS telecom networks.

Banking / Insurance / Retirement

• Organization that manages retirement in the field of energy.

Project to create a Social Security Organization. This organization handles all retirement pensions, disability and death as well as family service payments for the agents associated with it (165,000 customers – quarterly amount of a payment: €700 million).

Within the framework of revamping the way retirement is financed and for the passing from the current special schemes to schemes of common law (ACOSS, CNAV, ARRCO, AGIRC), AUSY has set up a dedicated team with a contract for means and results.

The project will be developed in two stages:
– adapt the existing items; functional design and HR and payroll concerns,
– set up new flows and processes connected with the reform in financing, functional design.

The French market for the distribution of energy is opening up to foreign companies, and the employees of these companies will have to be associated to the new social security organization.

Expertise: high degree of skills in operational HR, payroll and retirement, People Soft, Oracle.

• Third-Party Application Maintenance including complete responsibility for a banking platform used by a dozen regional banks. The type of service revolves around two axes: maintaining applications (preventative, corrective and development) and the development of new projects as fixed-price contracts.

Expertise: experience with «service centers» (more than a hundred applications), functional knowledge of the baking field.

Telecommunication operators

• Third-Party Application Maintenance for applications that handle the billing of third-party operators using the network of a telecommunications operator. Implementation of a platform for internal development.

Expertise: database, IBM mainframe.

• For a french telecommunications operator: Assistance to the project owner within program management which handles the LAN, WAN, telephony and office networks for the large multinational corporations. Supervision of outsourcing contracts (about 200) and management of local operators.

• Assistance to project owner within the framework of a project for total revamping of a telecommunications operator's information system

The NSI (New Information System) is articulated around a CRM (customer relations management) software package for which implementation is scheduled over more than 4 years.

Intervention is necessary in many functional areas (accounting, marketing, sales, legal area, etc.) and the coordination of transversal actions:

– collect functional needs with the project owner contacts (MOA) and the integrator,
– draft specifications and validate design documents,
– monitor the installation by the integrator and specific developments
– validation of deliverables (documents, procedures, software, etc.)

Expertise: CRM, Clarify from Amdocs

Media/audiovisual

• A media operator for terrestrial radio-relay television and for the future digital terrestrial television (DTT) selected AUSY to provide project management assistance to produce the new remote management system (remote equipment management and supervision) for the DTT, which must be up and running in 2004. The changeover to digital technology will make it possible to broadcast 30 stations (instead of 6 at present with analog technology)

Expertise: management, strategy and quality consulting know-how.

Administration / public service

• Realization of a strategic study on the software industry which shows:

– the importance that free software is progressively taking in companies,
– the stakes pertaining to this development,
– the interest in positioning of service actors in this sector.

• Implementation of an Internet application to manage and organize (more than 100 sites) a breast cancer diagnostic program for women between the ages of 49 and 69 in France. The application manages all the personal and medical information of patients.

Expertise: PHP, database SQL server 2000, data encryption, authentication, certification, Business Objects.

Services

• Functional specifications of the new information system to capitalize on the technical documentary and legal know-how of an entity responsible for assuring technical verifications of construction (notably major projects)

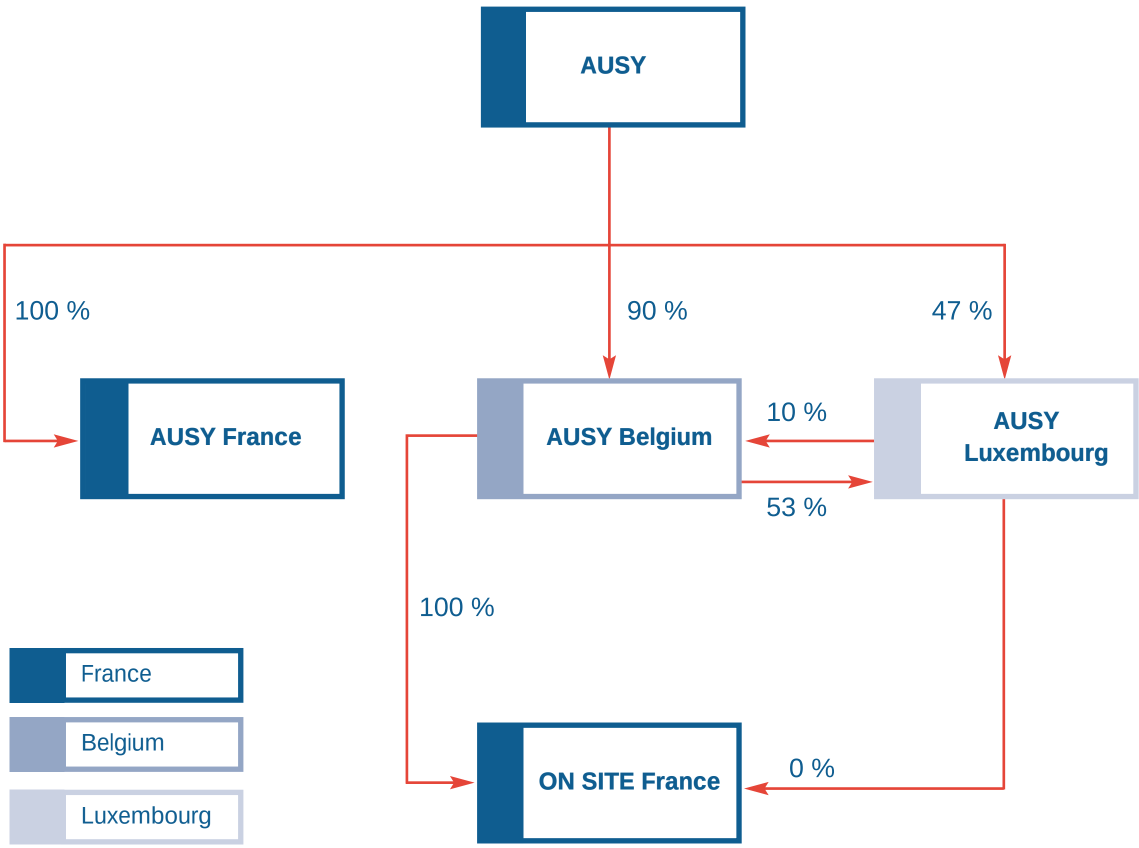
Expertise: groupware document management.

• Requested by the General Management of a group specialized in direct marketing for large accounts, an organizational and technical audit of the marketing service of one of its subsidiaries.

Expertise: business intelligence, marketing, SAS.

2.4 ORGANIZATION

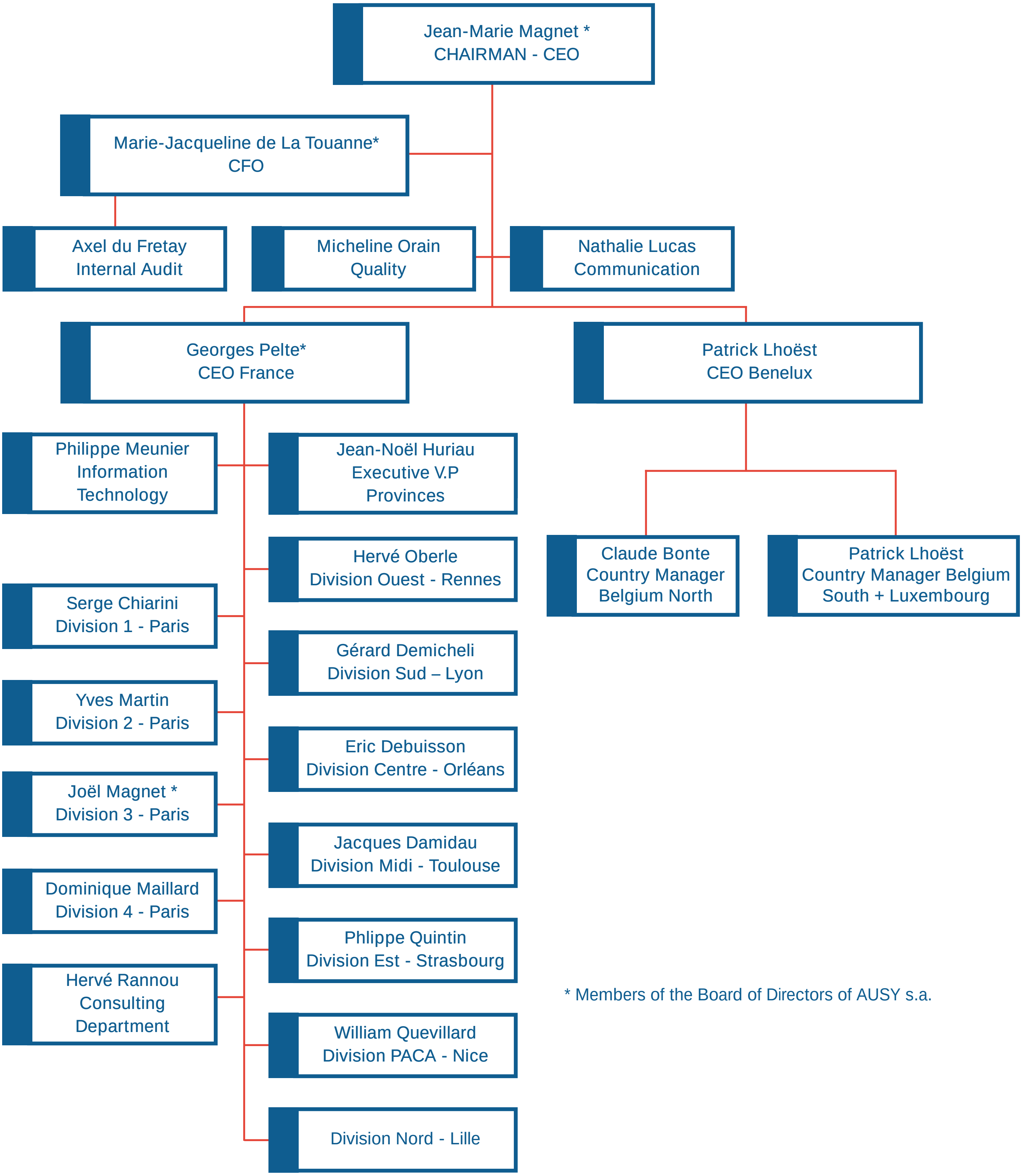
2.4.1. Organization chart



AUSY is the holding in the Group that supports the financing of acquisitions.

AUSY France bears the major part of the Group's activity.

2.4.2. Functional organization



* Members of the Board of Directors of AUSY s.a.

2.4.3 Operational and administrative organization

AUSY's organization is based on divisions, each covering a geographic or sales area.

The divisions meet several objectives:

- Progressive market coverage
- Implementation of a decentralized organization based on proximity
- Responsiveness to the market and changing needs

The divisions bring together the company's two lines of business:

- Information technology and electronics
- Information systems and networks

They each have an average of approximately 80 employees and are headed by a division manager. They are organized into local profit centers, i.e., local offices. The local offices, each specializing in a particular area, are interned under the direction of a manager who manages its resources.

The group has equipped itself with a team of people responsible for « large accounts» to accompany its major accounts.

Each office also has its own technical management. In addition to this structure that assigns markets to divisions and business to local offices, AUSY's consulting department operates across the group. It comprises twenty highly specialized consultants in the areas of networks, telecommunications and information systems structures.

The organization of Belux - two branch offices in Belgium (Brussels and Antwerp) and one in Luxembourg - is the same as in France.

The administrative and financial management of the company is assured by an internal audit department, an accounting department, a human resources administration department and a management control department. Management control has a dedicated software application: Syges. A manual of internal procedures is in the process of being developed.

2.5 HUMAN RESOURCES

2.5.1 Work force

As of December 31, the work force was constituted as follows:

	2003	2002	2001
Engineers and technicians	959	970	1 049
Administrative	131	148	156
TOTAL	**1 090**	**1 118**	**1 205**

2.5.2 Employees

Because the value of our company depends on the value of the men and women that participate in its development, human resources management is at the center of the group's priorities.

The main lines in the human resources policy are as follows:

- a decentralized process of recruitment that conjugates flexibility with responsiveness,
- a welcome booklet is remitted and there is a quality-awareness program right from integration,
- constant monitoring of employees during and after jobs,
- career management with an aim to evolve, and the development of mobility favored by organization in entities on a human scale,
- career training to accompany changes within the group and technical training in order to improve expertise,
- a survey taken among the employees in order to better understand their desires and expectations,
- distribution of an internal information letter.

In 2003, the group spent €0.627 million on training (compared to €0.813 million in 2002), the equivalent of 7,537 hours (11,391 hours in 2002).

Engineers and consultants come primarily from the major engineering schools or have a 3rd degree university diploma, and have experience (or debutants with significant training periods), having preferably gained their first experience in a functional or technical area.

2.6 CERTIFICATION AND QUALITY

AUSY France has been committed to a quality approach since 1996. The purpose of this company-wide project was to align and harmonize our practices on the basis of a unique quality system involving all employees.

Today, it is an integral part of the firm's day-to-day activities.

The quality system conforms to 1994 ISO 9001 standards and was certified in January 2000 by AFAQ. The quality system's major assets are its pragmatism and adaptability. The geographic scope initially included the Issy and Cesson entities. It was extended during follow-up audits to other entities as they were established, according to well-established internal procedures.

As of December 31, 2003, eight entities representing 90% of AUSY France's activities were certified.

In 2002, the quality system adopted a management approach to comply with version 2000 of ISO standard 9001. The renewal audit, which was successfully completed, made it possible to extend the functional scope to maintenance services.

The quality system implemented at the level of key enterprise processes responds to four objectives:

- Improve customer satisfaction,
- Increase employee commitment,
- Increased use of performance contracts,
- Implement a policy of continuous improvement.

A number of satisfaction surveys that were conducted serve as the primary indicator for targeting areas of improvement.

As part of the quality approach, training programs completely adapted to the defined objectives and involving all the firm's employees, are developed internally.

Finance

1 CORPORATE GOVERNANCE

There are two Corporate Governance bodies:
– the Board of Directors,
– the Audit Committee.

The Strategic Committee was suspended in 2003.

1.1 THE BOARD OF DIRECTORS

Composition of the Board of Directors:

• Chairman and director:

Jean-Marie MAGNET

Jean-Marie MAGNET, chairman of the board of directors, exercises general management of the company.

Date of initial appointment: December 18, 1989.

Term renewed for six years by the General Meeting of Shareholders of June 24, 1998.

The renewal of his term as director is submitted for a vote to the General Shareholders' Meeting of June 30, 2004.

• Directors:

Georges PELTE

Date of initial appointment: December 18, 1989

Term renewed for six years by the General Meeting of Shareholders of June 24, 1998.

The renewal of his term as director is submitted for a vote to the General Shareholders' Meeting of June 30, 2004.

Joël MAGNET

Date of initial appointment: December 18, 1989

Term renewed for six years by the General Meeting of Shareholders of June 24, 1998.

The renewal of his term as director is submitted for a vote to the General Shareholders' Meeting of June 30, 2004.

Marie-Jacqueline BIGOT de La TOUANNE

Appointed by the General Meeting of Shareholders of June 24, 1992 for a term of six years.

Term renewed for six years by the General Meeting of Shareholders of June 24, 1998.

The renewal of his term as director is submitted for a vote to the General Shareholders' Meeting of June 30, 2004.

Benoît della FAILLE de LEVERGHEM

Appointed by the General Meeting of Shareholders of June 27, 2001 for a term of six years.

Miguel REYNDERS

Appointed by the General Meeting of Shareholders of June 27, 2001 for a term of six years.

The operating mode is described in the Chairman's report on Internal Control (see 1.3).

The terms exercised by each one of the directors, their compensation, and the agreements are detailed in the management report for the group (see 5.2). To the Company's knowledge, all corporate officers comply with rules limiting multiple appointments provided for under the French Commercial Code.

Stock options and financial instruments are covered in the section pertaining to the company's capital (see 2.2.3). 1,200 stock options were granted to members of the Board of Directors in connection with the stock subscription plan adopted by the Board of Directors on July 5, 1999.

The Company has not granted any of the following to Board members:
– director's fees,
– loans or guarantees, (including directors),
– special supplemental pension plan.

There are no assets that belong directly or indirectly to the executive officer or members of his family.

1.2 THE AUDIT COMMITTEE

The Audit Committee has three members:

- Marie-Jacqueline de La Touanne, Group Chief Financial Officer and Director,
- Axel du Fretay, Internal Auditor,
- Dominique Nordera, external consultant, responsible for consolidation.

The Audit Committee does not contain any independent members in the sense of the BOUTON report.

The operating mode of the Audit Committee is covered in the report of Internal Control (see 1.3).

For the 2002/2003 period, the Committee directed its work on risk identification and evaluation, improvement in the internal processes of elaborating financial statements and review of work performed by internal and external auditors.

1.3 CHAIRMAN'S REPORT ON INTERNAL CONTROL

Chairman of the Board of Directors' report on the condition for preparing and organizing the Board's work and on the internal control procedures set up by the company

This report describes internal control within AUSY through Corporate Governance, participants in internal control, organization and internal procedures.

This report concentrates on the most pertinent items: the process of elaborating consolidated financial statements, elaborated by AUSY SA, and internal control of AUSY France, major subsidiary in the group and bearer of operational activity. Other entities in the group and not covered by this report, but must follow the finance and accounting procedures defined by AUSY SA.

Note that the purpose of the internal control procedures in effect in the company is:

– on the one hand, make sure that the efforts in management or realizing operations as well as the behavior of the personnel fall in line with the framework defined by the direction given to the company's activities by the social entities, by applicable laws and regulations, and by the values, standards and rules that are internal to the company;

– and, on the other hand, check that the management, financial and accounting information distributed to the company's social entities truly reflect the activity and situation of the company.

One of the objectives of the internal control system is to forecast and control risks that result from the activity of the company and risks of error or fraud, especially within the areas of accounting and finance.

A system of internal control designed to meet the various objectives described above do not however provide certainty that the objectives that have been set will actually be reached. This is due to the limits that are inherent with any procedure.

In order to establish this report, the Chairman has enlarged his view by reviewing Internal Audit's work reports on the balancing of accounts as well as the work and annual report from the Audit Committee.

I – Corporate Governance

a. Board of Directors

Its members are: J.-M. Magnet, G. Pelte, M.-J. de La Touanne, J. Magnet, B. della Faille and M. Reynders.

J-M Magnet, Chairman of the Board of Directors, exercises general management of the company.

In light of the size of the group and the shareholding structure of the company, the Board does not have any Independent Directors in the sense of the BOUTON report.

The Board operates in accordance with its Rules and Regulations, of which the purpose is to state Operating methods of the Board of Directors in the interest of its members, of the company and of its shareholders. More particularly, the Rules and Regulations organize the information that is due every half-year by the directors to the company pertaining to the transactions that they carry out on their shares, in order to allow the company to meet its obligation of declaring movements in shares of its officers with the AMF.

Within the framework of their work and deliberations, all of the necessary items are distributed to the directors before the meetings. The Board met four times in 2003.

b. Audit Committee

In accordance with its Operating Charter, its role is primarily to identify and evaluate risk. It has three members: M.-J. de La Touanne, Group Chief Financial Officer and Director, A. du Fretay, Internal Auditor and D. Nordera, external consultant, responsible for consolidation.

This Committee meets four times a year. At each meeting and outside of the meetings, the members review and evaluate each risk.

c. Power limitations to the General Manager

The Board of Directors has not set any limits to power.

II – Participants in Internal Control

a. Internal Audit

The role of Internal Audit includes in particular managing internal procedures and standards, accounting audits and investigations in all areas that have a direct or indirect impact on financial statements, at its own initiative, at the request of each Department or of the Audit Committee.

Internal Audit follows an annual audit schedule, established with the Audit Committee and performs its work in accordance with its Internal Audit Charter.

b. Quality

Quality ensures that ISO 9001 Version 2000 standards are applied and performs Quality internal audits.

c. Management Control

Management Control's first function is to ensure the reliability of the information keyed into the billing and management tool (Syges tool) by the Offices and the precision of the recording of production.

III - Organization of the financial and administrative departments

a. General Organization

AUSY SA includes the activities of General Management for the Group, Cash Flow Management, Internal Audit and Communications. The other entities in the group have centralized Accounting and Administrative Management, including accounting, social, administrative and management control activities.

Requirements concerning the separation of duties are respected within the limit of constraints linked to the size of the Company.

b. Consolidation

The consolidation process takes place as follows: consolidation reportings are established by entity, the reportings are validated, consolidation is elaborated by an external consultant and the consolidation is reviewed by the Group's Financial Management.

The accounting standards used by the subsidiaries are directly comparable to the Group's standards.

c. Reporting

The Group has set up internal activity reporting bearing on the pertinent activity indicators.

This periodic reporting, produced by the Offices with the Syges application or elaborated individually, is reviewed by the Management.

Group cash management is subject to reporting elaborated at the level of each entity of the Group and centralized at the level of AUSY SA. The cash management department receives this reporting.

d. Off-balance sheet commitments

All new contracts or operations are subject to evaluation and regular monitoring if an off-balance sheet commitment is detected. The procedure for compiling these is currently being formalized.

e. Budgets

Budgets pertaining to sales, direct costs and sales structure are elaborated with internally-developed applications according to the same approach as the realization reports established on the group's computerized management tool. Each budget is reviewed in detail by General Management. This data serves as a base for elaborating the objectives defined by General Management and Financial Management.

f. Closing of the books

At the level of each legal entity as well as at the level of the Group, each situation is reviewed by the Financial Management and Internal Audit.

Letters of representation are signed by each financial and operational manager.

IV – Internal procedures

AUSY applies general procedures and procedures pertaining to finance and accounting information.

a. General procedures

General procedures concern operational matters and are derived from the application of standards ISO 9001 V2000 for the major part of AUSY France, from internal memos and oral instructions. The authorities defined within the framework of the quality system are to be refined in 2004.

To serve as support for personnel management, a welcome booklet has been set up and is updated regularly.

The other entities in the group have their own internal procedures.

b. Procedures pertaining to finance and accounting information

AUSY SA has set up procedures that are applicable across the entire Group. These procedures concern how information is relayed (consolidation manifold, working papers, reporting), and certain applicable accounting standards. Group procedures are elaborated jointly with each Accounting Department, Group Financial Management and Internal Audit.

Each department is involved in applying the internal procedures and Internal Audit tests that they are properly applied.

IT assets are monitored by the Internal IS Department and an inventory of laptops is performed every year.

V – AUSY's strong points and progress plan

The Group has a unique core line within a group whose scope is limited and that benefits from centralized financial and administrative departments. It has an Audit Committee, Internal audit and Management Control that is dedicated to production and billing control. AUSY France is ISO 9001 V2000 certified for a large part of its operational activities.

A structured method of evaluation has been set up. The first application tests, performed by Internal Audit, started at the beginning of 2004. Each major cycle will be reviewed. The customer billing cycle will be among the first to be evaluated.

1.4 AUDITORS' REPORT CONCERNING THE CHAIRMAN'S REPORT ON INTERNAL CONTROL

Auditors' Report established in accordance with the last paragraph of article l.225-235 of the French Commercial Code on the Chairman of the Board's report with regard to internal control procedures concerning the elaboration and processing of finance and accounting information.

Prestige International Audit	**Calan Ramolino & Associés**
21, rue d'Artois	191, avenue Charles de Gaulle
75008 Paris	92200 Neuilly-sur-Seine

AUSY
Société Anonyme
10, rue des Acacias – 92130 Issy-les-Moulineaux

As the auditors of the company AUSY and in accordance with the measures of the last paragraph of Article L. 225-235 of the French Commercial Code, we hereby submit our report on the report established by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code pertaining to the ended December 31, 2003.

Under the responsibility of the Board of Directors, it is management's responsibility to define and implement effective and adequate internal control procedures. It is the responsibility of the Chairman to report on, in his report, in particular, the conditions for preparing and organizing the work of the Board of Directors and the internal control procedures that are set up within the company.

It is our responsibility to inform you of the observations called to our attention by the information provided in the Chairman's report concerning the internal control procedures pertaining to the elaboration and processing of finance and accounting information.

We have performed our work according to the professional standards applicable in France. The latter requires that diligence be implemented in order to appreciate the sincerity of the information provided in the Chairman's report, concerning the internal control procedures pertaining to the elaboration and processing of financial and accounting nformation. This diligence consists in particular in becoming aware of the objective and general organization of internal control, as well as the internal control procedures pertaining to the elaboration and processing of finance and accounting information, presented in the Chairman's report.

Based on our work, we have no comment or reservation regarding the description of the company's internal control procedures pertaining to the elaboration and processing of financial and accounting information, contained in the Chairman of the Board's report, established in accordance with the measures in the last paragraph of Article L. 225-37 of the French Commercial Code.

Paris and Neuilly, April 1, 2004
The Auditors

Prestige International Audit		**Calan Ramolino & Associés**
Sophie DUVAL	Benoît GILLET	Jean-Marc LUMET

2 CAPITAL

2.1 PRESENTATION OF THE COMPANY AND THE GROUP

2.1.1. Company name

AUSY.

2.1.2. Registered office

10, rue des Acacias – 92130 ISSY-LES-MOULINEAUX.

2.1.3. Creation date

December 28, 1989.

2.1.4. Expiration date

The life of the company is 99 years from its enrollment in the Trade and Business Register, or December 28, 2088.

2.1.5. Trade and Business register

Nanterre Trade and Business Register, no. 352 905 707.

2.1.6. Legal form

A French Corporation (Société Anonyme) with a Board of Directors governed by the French Commercial Code and decree of March 23, 1967.

2.1.7. Fiscal year

The fiscal year begins on January 1 and ends on December 31 of each year.

2.1.8. Corporate objective

(Article 3 of the bylaws)

The Company's objective, in France and in all countries, is:

- All engineering activities and services, in particular those relating to information technology and electronics:
  - Consulting, organization, assistance, training,
  - Design, implementation, integration and installation of all products and systems related to data processing and transmission.
- All activities relating to sales, distribution, lease, operation and maintenance of hardware and software,
- Direct or indirect investment in, and provision of management, administrative, legal, accounting, financial, sales and technical services in or for, companies or firms whose purpose is related to the aforementioned objectives,
- And in general, all industrial, sales, financial, real or personal property transactions related to, useful to, or likely to facilitate the corporate objective.

2.1.9. Statutory distribution of profits

The difference between income and expenses for the fiscal year, after deduction of amortization and reserves, constitutes the income or loss for the fiscal year.

Income is reduced by prior losses, if any, and a further 5% is deducted to constitute the legal reserve. This deduction is no longer required when the reserve fund has reached a sum equal to 10% of the corporate capital. It is applied again when the reserve falls below 10% for any reason.

Distributable income is comprised of the fiscal year income, less prior losses and the aforementioned deduction, plus amounts carried forward.

This income is placed at the disposal of the General Meeting of Shareholders, which may, at the recommendation of the Board of Directors, allocate all, or part thereof to accumulated profits or general or special reserves, or distribute it to shareholders in the form of dividends.

In addition, the General Meeting may resolve to distribute sums deducted to reserves which it controls; in which case the resolution shall expressly indicate the reserve accounts to which the deductions are allocated. However, the dividend is first deducted from distributable income for the fiscal year.

A variance from revaluation is not distributable; it may be fully or partially incorporated into capital.

The General Meeting that approves the financial statements for the fiscal year may grant each shareholder the choice, with respect to all or part of the dividend or interim dividend to be distributed, between payment of dividends or interim dividends in cash or shares.

2.1.10. Location where documents are available to the public

The bylaws, annual accounts and reports and minutes of the General Meetings may be consulted at the company's registered offices.

2.1.11. General Meeting of Shareholders

The General Meeting of Shareholders is convened and deliberates in accordance with the provisions of the law. It meets at the registered offices or any other location specified in the notice of meeting (article 30 of the bylaws).

Any shareholder holding at least one share may attend the General Meetings in person or through a representative and vote by postal ballot upon presenting evidence of identity and ownership of shares, in the form of either registration of shares or the deposit of bearer shares, at the location identified in the notice of meeting. The period during which the formalities must be accomplished shall expire 5 days prior to the date of the General Meeting (article 33 of the bylaws).

The calculation of the quorum and majority takes into account shareholders participating in the meeting by videoconferencing or other telecommunications technologies providing for their identification, in accordance with the regulations in effect, when the Board of Directors decides to use such means of participation prior to convening the General Meeting (article 33 of the bylaws).

The General Meetings are presided by the Chairman of the Board of Directors (article 35 of the bylaws).

The voting right attached to shares is proportional to the share of capital represented, and each share entitles the holder to at least one vote.

2.1.12. Existence of thresholds established in the bylaws

The bylaws make no provision for reporting by shareholders in the event capital thresholds are exceeded other than those set forth in article 233-7 of the French Commercial Code. In the event of non-compliance with reporting obligations, the shares, which exceed the percentage that should have been reported, are deprived of voting rights until the situation is rectified and for an additional two years following the date of such rectification.

2.1.13. Shares conferring double voting rights

Ordinary shares that are fully paid and have been registered to the same shareholder for at least four years, and registered bonus shares issued by reason of such shares in connection with a capital increase through the capitalization of reserves, earnings or surplus, entitle the holder to double voting rights (article 36 of the bylaws).

2.2 GENERAL INFORMATION REGARDING CAPITAL

2.2.1. Share capital

The total share capital is currently €2,133,973 represented by 2,133,973 shares of par value €1.

2.2.2. Capital authorized but not issued

Overall authority to increase capital with maintaining and / or canceling of pre-emptive subscription rights:

The General Shareholders' Meeting of June 27, 2003, in its seventh and eighth resolutions, granted the Board of Directors with all authorities necessary to increase the capital for a period of twenty-six months.

The purpose of these authorizations is to provide the Board, within a period provided by law, all authority to proceed, at times of its choosing, with the issue of shares and/or any security representing an immediate or future share in the company's share capital.

The nominal value of the capital increases authorized may not exceed €30,000,000. This amount will include the nominal value of additional shares issued to preserve, as required by law, the rights of holders of securities conferring future rights to the capital.

These issues may be carried out by maintaining or canceling the pre-emptive rights of existing shareholders. It is nevertheless specified in the event of a public issue not providing for pre-emptive subscription rights, that the Board of Directors may confer upon shareholders priority in subscribing for said securities.

In the event that preferential subscription rights are retained, the Board of Directors is authorized to limit the amount of the capital increase to subscriptions received, provided that they equal at least 75% of the capital increase.

The price of shares for representing capital will be determined in accordance with the provisions of the law.

Finally, it is proposed that the Board be granted all powers necessary to carry out, upon its sole decision, all capital increases through the capitalization of premium and/or reserves by increasing the par value of the shares or by creating new shares.

Up until now, these authorizations have not been exercised. These authorizations shall expire on August 26, 2005.

In the eighth resolution of the General Shareholders' Meeting of June 27, 2003, it was granted that these authorities could be exercised in connection with cash or exchange offers provided that the decision to increase the capital was taken before the offer was filed. This authorization expires on the date of the shareholders' meeting called to approve the financial statements for the period ending December 31, 2003 of June 30, 2004. A new authorization is submitted by the Board of Directors to a vote by the shareholders on June 30, 2004 to use said authorities to increase the capital in connection with public takeover bids or tender offers. This authorization will expire on the date of the general meeting called to approve the financial statements for the period ending December 31, 2004.

Authority to increase capital reserved for members of a PPE:

The Extraordinary Shareholders' Meeting of June 27, 2001 authorized, in accordance with Article L.443-5 of the French Labor Code, the Board of Directors to increase the capital, up to 1% of its amount, on one or more occasions through the issue of stock reserved for employees enrolled in a company savings plan ("PPE"), in favor of whom it eliminated the pre-emptive subscription rights. The subscription price would be determined in accordance with the provisions of the law.

Up until now, this authorization, which was granted for a period of five years, has not been exercised. This authorization shall expire on June 26, 2006.

Authorization to allot options to subscribe to shares

The Combined Meeting of the Shareholders of June 27, 2003 conferred upon the Board of Directors, for a period of 38 months, the authorities necessary to grant options to subscribe for and/or purchase shares.

The total number of options open may not confer a right to subscribe for or purchase more than 5% of the share capital existing on the date of the meeting.

The price of options to subscribe for or purchase shares will be determined in accordance with the provisions of the law. Accordingly, the subscription price, if this formula is retained, may not be less than 80% of the average listed price for the twenty trading days preceding the date when the options are granted. Furthermore, if stock options to purchase shares are granted, the purchase price of the shares for beneficiaries may not be less than 80% of the average listed price for the twenty trading days preceding the date the stock options are granted, nor less than 80 % of the average purchase price for shares held by the company.

Up until now, this authorization has not been exercised. This authorization shall expire on August 26, 2006.

In euros	Extr. General Meeting	Expiration	Amount Authorized	Increases carried out or possible in prior years	Increases in 2003	Residual authorization as of 03/31/04
Total Authorization: Increase maintaining PSR	06/27/03	08/26/05	30,000,000	None	None	30,000,000
Total Authorization: increase eliminating PSR	06/27/03	08/26/05	30,000,000	None	None	30,000,000
Authorization to increase capital in favor of members of a PPE or PPESV	06/27/01	06/26/06	1% of share capital i.e. 21,339.73	None	None	1% of share capital i.e. 21,339.73
Authorization to grant options to subscribe to shares	06/27/03	08/26/06	5% of share capital i.e. 106,698.65	None	None	5% of share capital i.e. 106,698.65

2.2.3. Potential share capital

Summary table of stock subscription options

Date of General Meeting of Shareholders	02/03/99
Date of Board of Directors Meeting	07/05/99
Total number of shares that may be subscribed	24,800
Number of shares that may be subscribed by officers	0
Number of officers concerned	0
Beginning of option exercise period	07/05/05
Expiration date	07/05/06
Subscription price	€22.38
Number of shares subscribed as of 03/31/03	0

- Employees of the AUSY Group have been granted 24,800 stock options entitling them to purchase 24,800 shares.
- The Board of Directors meeting of October 24, 2001, acting pursuant to the powers granted it by the Extraordinary General Meeting of Shareholders of June 27, 2001, issued 30,000 detached subscription warrants to the Tuledor company entitling it to subscrib 30,000 shares. These warrants expire on October 24, 2006.

Out of these 30,000 warrants, only 8,000 can be exercised at a price of €21.35. At the present time, no warrant has been exercised.

2.2.4. Stock redemption program

- The combined meeting of the shareholders of 27 June 2003 authorized the Board of Directors to purchase up to 7.4% of the company's stock, i.e. 157,914 shares. This authorization has been declared in the information note approved by the COB on June 6, 2004 as number 03-545. Within the framework of the authorization granted and in accordance with the objectives established by the General Meeting of June 27, 2002, the company has carried out the following transactions since June 27, 2003:

	Cumulative gross movements		Distribution by objective			
	Purchases	Sales	Price stabilization		Other objectives	
			Purchases	Sales	Purchases	Sales
Number of shares	41,608	45,150	41,608	45,150	0	0
Average price of the transaction	4.752	4.816	4.752	4.816	-	-
Amounts	197,721.216	217,442.4	197,721.216	217,442.4	0	0

The company has not used any derivatives within the framework of this stock buy back.

At 02/29/04:

– percentage of capital held directly or indirectly: 0.07

– number of shares cancelled during the last 24 months: 0

– Number of shares held as portfolio on the date the note was filed:

  – Shares booked as investment and securities: 1,490

  – Shares booked as long-term investment: 0

– Portfolio book value: 8,954.9

– Portfolio market value: 8,954.9
  (calculated on the basis of the price quoted on 02/29/04)

This stock buyback authorization shall expire on December 26, 2004.

• The Board of Directors has submitted a resolution for a vote by the Combined General Meeting of Shareholders of June 30, 2004 which would authorize the Board of Directors, pursuant to article L. 225-209 et seq. of the French Commercial Code, to redeem the company's stock on one or more occasions, at such time as it shall determine, including during a public offering, up to a maximum of 10% of the shares comprising the capital or, at the current capital base, 213,397 shares.

This authorization, valid for a period of eighteen months, shall invalidate the authorization granted to the Board of Directors by the Ordinary General Meeting of June 27, 2003.

The acquisitions may be executed by any means, including the acquisition of blocks of shares, in order to:

– stabilize the price of its stock through systematic intervention to offset market trends,

– intervene through purchases and sales according to market conditions,

– grant stock options to employees and representatives of the Group, and sell or allocate stock to employees pursuant to applicable legal provisions,

– facilitate investments or financing by retiring stock, either in connection with external growth transactions or the issue of transferable securities entitling the holder to shares of the company's stock,

– optimize management of cash resources, equity and earnings per share,

– retire stock acquired in connection with exchange offers, public or otherwise, initiated by the company,

– cancellation of acquired shares.

The maximum purchase price is set at €23 per share.

Accordingly, the maximum amount of the transaction is set at €4,908,131.

• The Board of Directors also submits for a vote of the Combined Shareholders' Meeting of June 30, 2004, a resolution conferring the Board of Directors for a period of twenty-four months with the necessary authorities to reduce the share capital within the limit of 10% by canceling treasury stock.

2.2.5. Change in share capital

Date	Nature of transaction	Number of shares created	Total number of shares	Par value	Total capital (FRF)	Share premium
12/28/89	Incorporation	12,000	12,000	100 FRF	1,200,000	
06/01/90	Capital increase in kind (1)	60,804	72,804	100 FRF	7,280,400	
06/19/90	Cash capital increase	17,196	90,000	100 FRF	9,000,000	
02/03/99	Stock split	1,800,000	1,800,000	5 FRF	9,000,000	
03/22/99	Capital increase by contribution in kind (2)	83,973	1,883,973	5 FRF	9,419,865	8,817,165 FRF
04/26/99	Cash capital increase (3)	100,000	1,983,973	5 FRF	9,919,865	13,300,000 FRF
07/12/01	Cash capital increase (4)	150,000	2,133,973	5 FRF	10,669,865	33,237,341 FRF
10/24/01	Capital increase through capitalization of surplus		2,133,973	5 FRF	13,997,945	
	Conversion of capital to euros			€1	€2,133,973	

(1) On June 1, 1990, the capital increase through contribution in kind consisted of a contribution of securities of AUSY France by individuals, primarily employees or managers of the company, to AUSY. This transaction was executed at the par value of AUSY shares.

(2) The capital increase through contribution in kind, submitted for the approval of the Extraordinary General Meeting of Shareholders of March 22, 1999, was a contribution by shareholders of AUSY France (subsidiary of AUSY) to AUSY, for a number of shares less than 5% after the transaction.

(3) With public offering in connection with initial stock exchange listing.

(4) Cash capital increase reserved for the TULEDOR company.

No further modification of the share capital has occurred since October 24, 2001.

2.2.6. Changes in shareholding structure in the previous three years

The Board of Directors meeting of June 27, 2001 resolved, pursuant to the authorization granted it by the Extraordinary General Meeting of Shareholders held on the same date, to issue 150,000 new shares reserved for the TULEDOR company. The subscription price of those shares issued is equal to the average closing price for the last 20 days preceding the date of the board meeting, or €33.78, or €5,067,000 for 150,000 shares, with the portion exceeding par value included in the issue premium. The Board of Directors meeting of July 12, 2001 took notice of the completion of the capital increase. Following this reserved capital increase, TULEDOR held 7.02% of the capital and 4.077% of the voting rights. It was also granted 30,000 subscription warrants entitling it to purchase 30,000 shares.

Moreover, during this period, the shareholders have not completed any significant sale or acquisition of securities issued by AUSY.

There were no changes in the shareholding structure in the 2003 fiscal year.

During the period ended December 31, 2003, the following declarations pertaining to threshold crossings were made:

– Mr. Georges Pelte, director of the company, declared that on June 30, 2003, he had gone under the threshold of 10% of the capital of AUSY and held 204,976 shares in AUSY representing 409,952 voting rights, or 9.6% of the capital (made up of 2,133,973 shares) and 12.74% of the voting rights.
– The Tuledor SA company (avenue Eugène Plasky, 157, B-1030 Brussels) declared that on November 12, 2003, resulting from the transfer of all of its shares in the capital of AUSY to its parent company, the Same Day Consulting SARL company (Route de Longwy, 167, L-1941 Luxembourg) controlled by Mr. Benoît della Faille de Leverghem, it had gone under the threshold of 5% of the capital of AUSY. The Same Day Consulting SARL company however did not cross any threshold, since its holding is now direct instead of indirect in the past.

2.3 DISTRIBUTION OF CAPITAL

2.3.1. Distribution (position as of 03/30/2004)

	Shares	%	Number of shares conferring double voting rights	Voting rights	%
J.M. Magnet (Chairman of AUSY)	1,232,010	57.73	1,232,010	2,646,020	67.60
G. Pelte (CEO, AUSY France)	200,726	9.41	200,726	401,452	11.01
Same Day Consulting SARL (formerly TULEDOR)	129,000	6.05		129,000	3.54
Registered shares	83,730	3.92	80,922	161,844	4.44
Bearer shares	485,886	22.77		485,886	13.34
Treasury stock	2,661	0.12		2,661	0.07
Total	2,133,973	100.00		3,644,823	100.00

	Situation at 04/07/03			Situation at 04/04/02		
	Shares	% of shares held	% of voting rights	Shares	% of shares held	% of voting rights
J.M. Magnet (Chairman of AUSY)	1,256,304	58.87	68.06	1,255,480	58.80	68.06
G. Pelte (CEO, AUSY France)	219,297	10.28	11.89	221,433	10.40	12.02
Tuledor	150,000	7.02	4.07	150,000	7.00	4.07
Registered shares	83,130	3.90	4.45	92,893	4.40	4.61
Bearer shares	425,242	19.93	11.53	414,167	19.40	11.24
Total	2,133,973	100.00	100.00	2,133,973	100.00	100.00

The company is unaware of any shareholder holding more than 5% of the capital.

The float of AUSY is rather thin.

It complies with the 10% regulatory float.

The number of shares held (company share) in connection with the liquidity contract as of February 28, 2004 is 1,490 shares.

2.3.2. Shareholder agreements

A shareholders' agreement was concluded on December 20, 2002 between the Belgian corporation company TULEDOR SA (controlled by the Same Day Consulting company, which in turn is controlled by Mr. Benoît della Faille de Leverghem), a shareholder of AUSY with 7% of the capital and 4.07% of the voting rights, and Mr. Jean-Marie Magnet, Chairman-CEO of AUSY and shareholder of the latter with 58.80% of the capital and 68.06% of the voting rights. A notice of this agreement was published by the Conseil des Marchés Financiers in decision no. 203C0019 dated January 6, 2003.

Following the transfer to its benefit of the shares held by its subsidiary company TULEDOR SA, the Same Day Consulting company (controlled by Mr. Benoît della Faille de Leverghem), agreed to the agreement mentioned above and is now held to the commitments as a result, in the same conditions as those to which the TULEDOR SA was subject to (CMF decision no. 203C1985 dated November 27, 2003).

The purpose of this agreement, which was concluded between the signatories «destined to contribute to the harmonious functioning of their partnership and govern their reciprocal obligations», is to:

– define the procedures for the transfer of shares and other securities of the company AUSY. To this purpose, the signatories have notably granted a mutual right of pre-emption which in principle must be exercised in its entirety on all securities covered by the transfer,
– define the obligations of the parties in the event of public offers.

This agreement, which took effect on the date of its signature, was concluded for the period during which all or part of the signatories will hold AUSY securities and in any case, not more than seven years.

No other shareholders' agreements exist at the level of the company's subsidiaries.

2.3.3. Bonds, guarantees and sureties

160,000 securities have been pledged by Mr. Jean-Marie MAGNET.

There are no pledges, guarantees or sureties encumbering the company's securities or assets to be indicated.

2.3.4 Liquidity agreement

A liquidity agreement in compliance with the AFEI rules of business conduct was executed on November 21, 2002 and filed with the supervisory authorities (Euronext Paris SA - COB) between Fortis Securities France and AUSY SA. Fortis Securities France will manage the liquidity agreement.

This agreement cancels and replaces the initial liquidity agreement executed on May 3, 1999 between Meeschaert Rousselle, AUSY SA and Mr. Jean-Marie MAGNET.

2.4 DIVIDENDS

2.4.1. Distributions in the last five years

Dividends distributed

Fiscal year	Net earnings		Tax credit		Gross earnings	
1998	€164,645	(FRF 1,080,000)	€82,322.5	(FRF 540,000)	€246,967.5	(FRF 1,620,000)
1999	€453 682	(FRF 2,975,959)	€226,841	(FRF 1,487,979)	€680,523	(FRF 4,463,938)
2000	€453,682	(FRF 2,975,959)	€226,841	(FRF 1,487,979)	€680,523	(FRF 4,463,938)
2001	€469,474.06		€234,737.03		€704,211.09	
2002	0		0		0	
2003	0		0		0	

The company did not distribute dividends in 1994, 1995 or 1996.
Net dividends per share distributed from 1997 earnings (base of 90,000 shares) were FRF 3.00.
The company distributed FRF 1,080,000 for fiscal year 1998, or a net dividend of FRF 0.60 per share (base of 1,800,000 shares after the February 3, 1999 stock split).
For fiscal year 1999 and 2000, the company distributed 2,975,959.50 FRF (€453,682), or a net dividend of 1.50 FRF / share (€0.228 / share) (base 1,983,973 shares).
For 2001, the company distributed dividends of €469,474.06, representing net earnings per share of €0.22.

For 2002, the company distributed no dividends.
The company has no proposal to distribute dividends for year 2003.

2.4.2. Expiration of entitlement to dividends

In accordance with applicable laws, entitlement to dividends and advances on dividends lapses after five years and reverts to the State.

2.5 EMPLOYEE PROFIT-SHARING PLANS

2.5.1 Legal profit-sharing

Employees eligible under the laws applicable to companies with over 50 employees.

2.5.2 Profit-sharing agreement

To date, no profit-sharing agreement has been implemented at AUSY.

2.5.3 Company savings plan

To date, no company savings plan has been implemented at AUSY.

2.5.4 Stock option plan

- The Combined General Meeting of Shareholders of February 3, 1999 authorized the Board of Directors, pursuant to Article L 225-177 of the French Commercial Code, to grant employees of the company and group stock options entitling them to subscribe stock representing up to 5% of the company's share capital, as increased. This authorization has now expired.

The Board of Directors, in its meeting of July 5, 1999, exercised this authority and granted certain employees options to subscribe new stock to be issued, up to a total of €24,800, corresponding to 24,800 new shares of par value €1 each, with each option entitling the beneficiary to subscribe one new share.

These options may be exercised only during a period of one year from July 5, 2005 unless otherwise decided by the board. They shall expire on July 5, 2006.

- Moreover, the Combined Shareholders' Meeting of June 27, 2003 conferred upon the Board of Directors, for a period of 38 months, the authority to grant options to subscribe for and/or purchase shares to the employees of the company and group. This authorization, which to date has not been exercised by the Board of Directors, is described in paragraph 2.2.2.

3 ENVIRONMENT

3.1 ENVIRONMENT

As a provider of information technology engineering services, industrial and environmental risks are considered to be non-existent.
Activity and its social consequences are stated in the management report.

3.2 RISKS FACTORS

To the knowledge of the Company, with the exception of the following risks, there is no litigation or arbitrage that is likely to have, or that has had in recent past, a significant effect on AUSY's financial situation, its business, its earnings or on its Group.

Risk factors are presented in six categories.

3.2.1. Legal risks

All social, customer and legal disputes and risks are estimated individually and are sufficiently provisioned in the accounts. No risk or litigation booked in the accounts, taken individually, is significant.

Our decentralized organization implies a limiting of operational powers and responsibilities, within the framework of setting up ISO standards. Reinforcement pertaining to the formalization of these limits is planned for 2004.

Fixed-price contracts have maintained a volume that is comparable to that of the preceding period. Internal procedures have been reinforced.

3.2.2. Risks pertaining to the AUSY group

Intangible assets present a major portion in relation to shareholders' equity. A depreciation test on the entities in Belgium and Luxembourg was carried out on June 30, 2003. This test was performed in accordance with the methods indicated in the notes. No depreciation was revealed for the period. No value loss index was recorded at December 31, 2003. The loss of value indicators for the entities come from the overall appreciation of the entity: sales, number of employees, etc.

3.2.3. Liquidity risk

The liquidity risk concerns primarily the banking syndicated loan, for which payments less than 1 year are €1.36 million and represent €2.04 million for the period of 1 to 5 years. This is a variable-rate loan.

The banking syndicate credit line is subject to covenants that were not respected as of December 31, 2003. The three ratios are: the leverage ratio (consolidated net debt over consolidated equity < 0.6), net gearing ratio (gearing over consolidated EBITDA < 2.5) and interest cover ratio (consolidated free cash flow over interest expense on consolidated net financial debt > 0.4). In the event of non-compliance with these ratios, the credit becomes immediately payable. AUSY and its financial partners are currently renegotiating in order to redefine the covenants.

The other loans are on a fixed-rate basis. With a total par value of €1.8 million, they represent only €0.4 million in liability less than one year and €0.2 million from one to five years.

Net debt cost was €229,000 in 2003 compared to €230,000 in 2002.

The ending cash position of + €4.0 million includes the accommodation granted by the factoring corporation for €6.2 million. Net debt is €1.15 million and net debt excluding factoring is €7.31 million, which is 87% of equity.

A factoring system was set up in order to be able to meet the needs connected with current operations. However, if there is a strong bounce back in growth, finding a way of reinforcing the financial position will have to be considered in order to favor development.

3.2.4. Equity market risk

The equity market risk is limited to UCITS funds and own shares. In a scenario involving a 10% fluctuation, corresponding sensitivity is €16,000.

3.2.5. Interest-rate risks

Interest-rate risks concern solely long-term debt. The net position after management of debt less than one year is - €1.8 million and – €2.3 million for debt of one to five years. If interest rates change 1%, the sensitivity for debt less than one year is not significant.

The syndicated loan agreement underwent a swap agreement for which the characteristics are stated in part 3.4 pertaining to commitments.

3.2.6. Exchange rate risk

The majority of AUSY transactions are limited to Europe. Consequently, the exchange rate risk is not significant.

3.3 INSURANCE AND RISKS MANAGEMENT

There are no specific operating risks which require insurance coverage.

The Group benefits from normal coverage within the framework of its activities notably through:

- A third-party liability policy providing coverage in the following amounts:

– Operating third-party liability:
  – comprehensive, including bodily injury €7.5 million (per claim)
  – property damage, non-pecuniary damage €1.0 million (per claim) of which non-consequential property damage €0.3 million (per claim)

– Post-delivery third-party liability and Professional third-party liability:
  – comprehensive, bodily injury, property damage consequential or otherwise: €1.0 million (per claim and per year of insurance).

- An all-risk policy for local and sales offices
- A property damage policy covering the cost of re-creating computer files, of which €1.1 million in fixed equipment.

For the underwritten policies, the level of the deductible is not significant.

In light of the nature of its business, the company does not maintain insurance against operating losses.

3.4 COMMITMENTS

All items concerning given or received commitments are stated in the notes to the financial statements. There are no other off-balance sheet engagements other than those presented.

For information, the interest rate swap agreement has the following characteristics:
– no foreign exchange risk,
– Euribor 3 months for Libor USD 12 months,
– used in euros.

This agreement expires in 2006. The market value of the swap is not significant.

With the exception of the above-mentioned swap agreement, there are no other complex commitments.

4 OPERATING RESOURCES

4.1 WORK FORCE

At the end of 2003, the work force was constituted as follows:

– Production staff 88%

– Sales staff 8%

– Administrative staff 4%

This breakdown has not changed significantly since early 2004.

The rate of idleness was 12% en 2003, compared to 13% in 2002 and the turnover rate was 18% in 2003, compared to 19% in 2002.

4.2 INVESTMENT POLICY

Group investments concern primarily internal IS infrastructure and office layouts.

Investment in 2003 was allocated to maintaining and upgrading the various assets.

4.3 PATENTS AND TRADEMARKS

The AUSY trademark was registered on July 13, 2001. The trademark filing was extended by an international filing for the following countries: BENELUX, DENMARK, FINLAND, NORWAY, UNITED KINGDOM, SWEDEN, SWITZERLAND.

The ON SITE trademark was filed during fiscal year 2000.

Registration was also filed for the following domain names: ausy.fr, ausy.be, ausy.lu and ausy-group.com.

The company is the owner of the brand names and assets required for its activities.

4.4 COMMUNICATIONS AND MARKETING

The AUSY Company spent €0.203 million in communications and marketing in 2003 and €0.220 million in 2002.

4.5 OFFICES

The various AUSY offices are located in Issy-les-Moulineaux, Rennes, Nantes, Lille, Toulouse, Lyon, Strasbourg, Orléans, Aix en Provence, Niort, Bordeaux, Nice, Grenoble and Caen, occupying 6,627 sq. m. of leased space.

The companies established in Belgium (in Brussels and in Antwerp) and in Luxembourg occupy 1,134 sq. m. of leased space.

The rents paid are within the average range for the market.

5 LEGAL DOCUMENTS PRESENTED TO THE GENERAL SHAREHOLDERS' MEETING OF JUNE 30, 2004

Combined general meeting of shareholders held on june 30, 2004

AUSY
A French Corporation
with authorized capital of €2,133,973
Registered office: 10, rue des Acacias – 92130 ISSY-LES-MOULINEAUX
352 905 707 NANTERRE TRADE AND BUSINESS REGISTER

5.1 AGENDA AND TEXT OF RESOLUTIONS

AGENDA

Ordinary matters:

- Management Report of the Board of Directors for the fiscal year ending December 31, 2003 including the Management Report for the group, and the Chairman of the Board of Director's Report,
- Approval of the annual financial statements, consolidated annual accounts and agreements identified in Article L. 225-38 of the French Commercial Code,
- Allocation of earnings,
- Renewal of directors' terms,
- Terms for the auditors,
- Authorization conferred to the Board of directors in order to have the company buy back its own shares within the framework of the measures of Article L. 225-209 of the French Commercial Code,

Extraordinary matters:

- Authority granted to the Board of Directors to use the powers delegated to increase capital at the time of a takeover bid or exchange offer for the company's securities,
- Authority granted to the Board of Directors in order to cancel shares bought back by the company within the framework of the measures of Article L. 225-209 of the French Commercial Code,
- Harmonize the bylaws with the law of August 1, 2003,
- Powers to complete formalities.

RESOLUTION PROPOSALS

Ordinary matters:

First resolution – Approval of the corporate financial statements

The General Meeting of Shareholders, having heard the reports of the Board of Directors, the Chairman of the Board of Directors and the auditors for the fiscal year ending December 31, 2003, approves the reports as presented, which show a profit of €3,335,869.

The General Meeting specifically approved the total expenses of €9,456, covered by paragraph 4 of article 39 of the French tax code and the corresponding tax.

Second resolution – Approval of the consolidated financial statements

The General Meeting of Shareholders, having heard the reports of the Board of Directors, the Chairman of the Board of Directors and the auditors on the consolidated financial statements for the period ended December 31, 2003, approved the financial statements, as presented, which show a loss of €3,321,058.

Third resolution – Agreements with Articles L. 225-38 and seq. of the French Commercial Code

Having reviewed the special report on related party transactions governed by Articles L. 225-38 and seq. of the French Commercial Code, the General Meeting of Shareholders notes that no reference was made to new agreements.

Fourth resolution – Allocation of earnings

On the recommendation of the Board of Directors, the General Meeting resolves to allocate the total profit for the period of €3,335,869 to retained earnings, which will therefore result in an amount of €1,825,515.

The General Meeting of Shareholders also acknowledges that it was reminded that dividends and tax credits for the three prior fiscal years were, respectively:

Fiscal year	Net dividend in €	Tax credit in €	Total earnings in €
2000	0.228	0.114	0.342
2001	0.220	0.110	0.330
2002	0	0	0

Fifth resolution – Renewal of term as director of Mr. Jean-Marie MAGNET

The General Meeting renews the term as director of Mr. Jean-Marie MAGNET for a period of six years that shall come to term at the close of the general meeting called to approve the financial statements for the period ending December 31, 2009.

Sixth resolution – Renewal of term as director of Ms. Marie-Jacqueline BIGOT de La TOUANNE

The General Meeting renews the term as director of Ms. de La TOUANNE for a period of six years that shall come to term at the close of the general meeting called to approve the financial statements for the period ending December 31, 2009.

Seventh resolution – Renewal of term as director of de Mr. Georges PELTE

The General Meeting renews the term as director of Monsieur Georges PELTE for a period of six years that shall come to term at the close of the general meeting called to approve the financial statements for the period ending December 31, 2009.

Eighth resolution – Renewal of term as director of Mr. Joël MAGNET

The General Meeting renews the term as director of Monsieur Joël MAGNET for a period of six years that shall come to term at the close of the general meeting called to approve the financial statements for the period ending December 31, 2009.

Ninth resolution – Renewal of the term of CALAN RAMOLINO & Associés as statutory auditors

The Shareholders' Meeting renews as statutory auditors, CALAN RAMOLINO & Associés for a period of six fiscal years, until the close of the annual ordinary general shareholders' meeting to be held in the year 2010, called upon to approve the financial statements for the period ending December 31, 2009.

CALAN RAMOLINO & Associés, which has not, over the last two fiscal years, verified any merger or contribution transaction in the company and the companies that it controls in the sense of Article L. 233-16 of the French Commercial Code, has accepted these duties.

Tenth resolution – Nomination of a substitute auditor

The shareholders' meeting appoints COEXCOM, 65 avenue Kléber, 75116 Paris, as substitute auditors for a period of six fiscal years, until the close of the annual ordinary general shareholders' meeting to be held in the year 2010, called upon to approve the financial statements for the period ending December 31, 2009.

COEXCOM, which has not, over the last two fiscal years, verified any merger or contribution transaction in the company and the companies that it controls in the sense of Article L. 233-16 of the French Commercial Code, has accepted these duties.

Eleventh resolution – Stock redemption program

The General Meeting of Shareholders, having taken note of the Board of Directors' report and the prospectus required by the COB, authorizes the Board, for a period of 18 months, pursuant to article L. 225-209 and following articles of the French Commercial Code, to redeem the company's stock on one or more occasions, at such time as it shall determine, including during a public offering, up to a maximum of 10% of the shares comprising the capital or, at the current capital base, 213,397 shares.

This authorization shall invalidate the authorization granted to the Board of Directors by the Ordinary General Meeting of June 30, 2003.

The acquisitions may be carried out in order to:

– stabilize the price of its stock through systematic intervention to offset market trends,
– intervene through purchases and sales according to market conditions,
– grant stock options to employees and representatives of the Group, and sell or allocate stock to employees pursuant to applicable legal provisions,
– Facilitate investments or financing by retiring stock, either in connection with external growth transactions or the issue of transferable securities entitling the holder to shares of the company's stock,
– optimize management of cash resources, equity and earnings per share,
– retire stock acquired in connection with exchange offers, public or otherwise, initiated by the company,
– cancellation of shares, in accordance with the authorization granted by the General Meeting of Shareholders.

These stock repurchases may be carried out by all means, including acquisition of blocks of shares, and at the times determined by the Board of Directors, including during a public offering within the limits of stock regulations. However, the company will not resort to using derivatives. The shares required pursuant to this authorization may be retained, sold or transferred by any means and at any time, including during a public offering. They may also be used in connection with a stock option plan for the Group employees and officers and be sold or allocated to the Group employees. They may also be cancelled in accordance with applicable legal provisions.

The maximum purchase price is set at €23 per share. In the event of a transaction affecting share capital, in particular a stock split, reverse split or bonus issue, the amounts indicated above shall be adjusted in the same proportion. The sale or transfer price, however, shall be established in accordance with legal provisions governing stock sales or transfers carried out in connection with the stock option plan and sales or allocations of shares to employees.

Accordingly, the maximum amount of the transaction is set at €4,908,131.

The General Meeting of Shareholders grants all powers to the Board of Directors to carry out these transactions, establish the applicable terms and conditions, conclude all necessary agreements and complete all formalities.

Extraordinary matters:

Twelfth resolution – Authorization to increase the capital during public offerings

The shareholders decide that the authorities conferred to the Board of Directors by the sixth and seventh resolutions of the Combined Ordinary and Extraordinary shareholders' meeting of June 30, 2003 may be used by the Board of Directors in connection with cash or exchange offers for the company's securities.

This authorization is valid until the Ordinary Annual General Meeting called to approve the financial statements for the period ending December 31, 2004.

Thirteenth resolution – Authorization to reduce the capital within the framework of a stock redemption program

The Shareholders' Meeting, after having reviewed the Report of the Board of Directors and the Auditor's Report, and proceeding in accordance with the majority and quorum conditions required for Extraordinary General Shareholders Meetings:

1°) confers upon the Board of Directors the authorization to cancel, in one or several transactions, within the limit of 10% of the capital, or 213,397 shares, the shares that the company holds or could hold resulting from buybacks carried out in accordance with Article L. 225-209 of the French Commercial Code as well as reduce the share capital accordingly, in accordance with legal measures and regulations in effect,

2°) the duration of this authorization is set at 24 months, starting from this Shareholders' Meeting, until June 29, 2006,

3°) confer all authority to the Board of Directors to perform the transactions necessary for such cancellations and reductions in share capital, to consequently modify the bylaws of the company and to perform all necessary formalities.

Fourteenth resolution – Harmonization of the bylaws with the law of August 1, 2003

The shareholders' meeting, after having reviewed the Report of the Board of Directors, decides:

– to render the bylaws of the company conform with the measures of the law of August 1, 2003 pertaining to financial security;

– to consequently modify as follows Articles 20, 22, 26 and 27 of the bylaws.

ARTICLE 20 – CHAIRMAN OF THE BOARD

The second paragraph is now drafted in the following terms, with the rest remaining unchanged:

The Chairman of the Board of Directors organizes and steers the work of the latter. Through a report, he relates conditions for preparing and organizing the work of the Board as well as the procedures for internal control implemented by the company. He ensures proper operation of the departments in the company and makes sure, in particular, that the directors are in a position to fulfill their duties.

ARTICLE 22 – POWERS OF THE BOARD

The first and second paragraphs have not changed

The third paragraph is now drafted in the following terms:

The Board of Directors carries out controls and verifications that it deems necessary. The Chairman or CEO of the company is responsible for providing each director with all of the documents and information that are needed to fulfill his duties.

ARTICLE 26 – AGREEMENTS BETWEEN THE COMPANY AND A MANAGER, DIRECTOR, OR SHAREHOLDER

The first and third paragraphs are now drafted in the following terms; the rest remains unchanged:

Any agreement intervening between the company and its CEO, one of its managing directors, one of its directors or one of its shareholders holding a portion of the voting rights that exceeds 10% or, for companies that are held, the holding company, must be subject to the authorization, verification and approval procedure provided for in the French Commercial Code. Agreements in which one of these persons is indirectly involved or through which the person interacts with the company via an interposed person are treated likewise.

(…)

The aforementioned measures do not apply to agreements that concern everyday transactions and that are agreed upon under normal conditions. However, the interested party informs the Chairman of the Board of these agreements, except when the financial implications or their purpose is not significant for any of the parties. The list and purpose of said agreements are distributed to the members of the Board of Directors and to the Auditors by the Chairman.

ARTICLE 27 - AUDITORS

The first paragraph remains unchanged

The second paragraph is now drafted in the following terms:

The auditors are called by registered letter with proof of delivery, at the same time as the interested parties, to all Board Meetings that review or approve the intermediate or annual financial statements, as well as to all shareholders' meetings. They can also be called in the same manner to any meeting of the Board.

Fifteenth resolution – Powers for legal formalities

The General Meeting of Shareholders grants all powers to the bearer of a copy or extract of these minutes to carry out all formalities of filing and publication required by law.

5.2 MANAGEMENT REPORT FOR THE GROUP

Board of Directors' Report to the General Meeting of Shareholders of June 30, 2004

- We convene the General Meeting of Shareholders, as provided by law and in accordance with the company's bylaws, to request the shareholders' approval of the financial statements for the fiscal year ended December 31, 2003.
- The notices of this General Meeting were properly given and the documents required by the regulations in effect have been provided or made available to the shareholders within the established deadlines.

The purpose of this report is to present the financial situation of the company and the Group.

The financial statements for the fiscal year ended December 31, 2003 have been prepared using the same methods of presentation and assessment as in the previous fiscal year.

I – THE GROUP

1. Activities

The groups whose activities are discussed include the following (L 233-13) companies (fully consolidated):

Country	Entity
France	AUSY SA, AUSY France, On Site France
Belgium	AUSY Belgium
Luxembourg	AUSY Luxembourg

At the beginning of fiscal 2003, AUSY sold its 35% holding of Proactive Partners in Switzerland.

The consolidated financial statements for the Group show sales of €70,182 million, down 9.52%.

By geographical areas, the breakdown is as follows:

	France	Outside France
Turnover in M€	61.582	8.600
In %	87.75	12.25

This breakdown is essentially the same as that of the previous year.

Operating income totaled (€3.813) million, compared to (€4.014) million in 2002.

Operating expenses of €74.95 million declined by 9.8% compared to the previous fiscal year.

Net financial expense came to €0.32 million (compared with €0.25 million in 2002), linked primarily to the medium-term line of credit secured in 2001.

After income tax and before amortization of goodwill the company reported a loss of (€2.785) million compared with (€2.965) million in the prior period.

Net results corresponded to a loss of (€3.321) million compared to (€6.670) million in 2002.

Group shareholders' equity at December 31, 2003 totaled €8.406 million compared to €11.730 million at December 31, 2002. This decline reflects the net loss (€3.321) million pertaining to consolidated companies for the period.

Medium and long-term borrowings decreased by €4.388 million at the end of 2002 to €2.282 million at the end of 2003.

We inform you that in the period under review we have not incurred research and development costs as defined by applicable accounting regulations.

We request that you approve these financial statements.

2. Major events

The 2003 period is shaped by the following major events:

– In France, increased difficulties in relation to 2002 in the first part of the year, which was particularly affected by a significant drop in prices. The situation improves however at the end of the period,

– In Belgium and Luxembourg, the reorganization carried out at the end of 2002 has been successful, resulting in a return to equilibrium,

– On the financial markets, there is a slow but progressive return, with interest turning towards our sector.

3. Difficulties experienced and comments on activity

In the continuity of the prior period, the difficulties encountered are as follows:

3.1 In France

The beginning of fiscal 2003 was affected by a drop in the level of sales of about 15% (1st quarter) in relation to the beginning of the prior period in a market highly on the decline.

The level of sales then stabilized itself. Sales volume in the 4th quarter is close to that of the 4th quarter of 2002.

These market conditions also resulted in a considerable drop in our average price for a day, and there is an especially large difference of about 5% over the 1st half of the year.

Despite intense efforts, the level of idleness has remained close to that of the prior period until the month of September, when a positive change was noted, but, despite all, this is not enough.

Overall, there has been improvement over the latter part of the year:

– price stabilization,

– improvement in the rate of idleness,

– positive trend in the development of sales.

This improvement provides encouragement for the following period, insomuch as:

– our presence at our customer's has remained strong,

– the degree of employee involvement has remained high.

From a financial point of view, a factoring system was set up starting in the month of July. The purpose is to be able to deal with cash needs induced by the results and the financing of a comeback in growth.

Information provided in the notes to the financial statements allows the significant items in the balance sheet to be reviewed.

3.2 In Belgium and in Luxembourg

Business has remained at a low level, with no notable market comeback.

4. Significant post-closing events

The beginning of the financial period, in France and in the BELUX area, is resulting in a slight improvement in our market. Our sales are growing over the first few months.

5. Foreseeable trends and outlook

The improvement reported at the beginning of the year still needs to be confirmed. Market conditions should remain difficult and do not leave much hope for an increase in prices. Our goal for fiscal 2004 is to return to operating equilibrium and to exceed growth in our sales by 5%.

6. Environment and risk factors

6.1 Impact on employees of business trends

Business trends have resulted in:

- Changes in the number of employees in the Group. This can be broken down into three periods:
  – the first four-month period, with a 3.7% drop in the number of employees,
  – the second four-month period, with stabilization at 1,077 employees,
  – the third four-month period, with an increase of 1.2%.

At the end of the period, there has been a drop of 2.6% compared to the end of the prior period.

- Average salary has remained stable across the entire period,
- Company requirements in relation to the services offered have been maintained at a high level.

6.2 Risks

To the knowledge of the Company, with the exception of the following risks, there are no disputes or lawsuits, which could have, or has had in recent past, a considerable effect on AUSY's financial position, its business, its earnings and pertaining to the Group.

6.2.1 Commitments

Details pertaining to commitments given or received are provided in the notes to the consolidated financial statements.

6.2.2. Legal risks

All lawsuits identified have been assessed and sufficient provisions have been made in consequence.

Our share of the business in fixed-price contracts remained stable compared to the prior period. We have reinforced our internal procedures in order to better manage this type of contract.

6.2.3. Industrial and environmental risks

As a provider of information technology engineering services, industrial and environmental risks are considered non-existent.

6.2.4. Market risks

Equity, interest rate and exchange rate risks are not significant as of December 31, 2003.

6.2.5 Liquidity risk

Liquidity risk is affected primarily by the syndicated loan, for which payments at less than one year are €1.36 million and total €2.04 million for the period of 1 to 5 years. This is a variable rate loan.

This syndicated loan is subject to two agreements that were not respected as of December 31, 2003. AUSY and its financial partners are currently renegotiating these agreements.

A factoring system was set up in order to be able to meet the needs linked to current operating expense. However, in the case where growth would bounce back sharply, finding a way of reinforcing the financial position will have to be considered in order to favor development.

6.2.6. Risks pertaining to AUSY

Intangible assets present a major portion in relation to owner's equity. No value loss index was recorded. However, a depreciation test on the entities in Belgium and Luxembourg was carried out on December 30, 2003. No depreciation was revealed for the period.

7. Internal control

In accordance with the law on Financial Security, the Chairman has drafted his report on internal control.

8. IAS/IFRS standards

IAS/IFRS standards are subject to all of the necessary precautions, in the sense where some of these standards are not yet finalized.

The first internal studies, which were not carried out to the fullest extent, do not reveal any significant differences. The Company has not yet made any decision pertaining to the options provided by the first application standard (IFRS 1).

The AUSY Company feels that it is capable of producing its financial statements in accordance with IAS/IFRS standards within the allotted timeframe.

II – AUSY SA

1. Activity & comments

The activity of the holding AUSY SA is characterized as follows:

Sales come primarily from re-invoicing employees among Group companies, down 11.7% compared to the previous year, €0.859 million in 2003 compared to €0.973 million in 2002.

Operating expense totaled €1.374 million in 2003 compared to €2.987 million in 2002. This expense includes primarily expenses for personnel of €0.890 million. The drop in expense is primarily the result of the stoppage of activity in the International Department.

Net financial expense was positive at €2.470 million compared to a negative result in 2002 of €2.176 million.

Financial income pertaining to dividends from subsidiaries was €2.5 million in 2003 compared to €3.0 million in 2002.

Financial expense of €0.127 million is primarily interest on loans. In 2002, interest and similar charges was €0.256 million.

An exceptional financial allocation of €5.076 million had been recorded in 2002 for accrued losses on equity interest in Belgium and Luxembourg.

It was not necessary, in 2003, to record any additional provision.

The company recorded a tax credit of €1.370 million (carry-back on earnings from companies in the tax group), roughly equivalent to the credit recorded in 2002.

Fiscal year 2003 showed a profit of €3.336 million compared to a loss of €2.452 million in 2002.

Shareholders' equity totaled €11.355 million compared with €8.019 million in 2002.

Under the borrowings and debt item, the syndicated loan set up represented €3.400 million (excluding accrued interest).

The equity shares item encountered activity via the transfer of all the shares in Proactive Partners. The remaining shares are listed in the assets for a gross value of €14.981 million and for a net value of €9.905 million.

Current assets totaled €5.281 million compared to €4.211 million in 2002. The difference reflects the impact of tax receivables in favor of French companies in the Group and the decrease in the investments in securities item.

Comments on the activity of AUSY during the period under review

Activity was re-centered on Group management and obligations connected to security quotes.

Foreseeable trends

Since the closing of the financial period, there are no significant events to report.

In 2004, with the absence of contribution of dividends, profit for the Company should be negative by about €0.7 million.

2. Proposed appropriation of earnings

The proposed appropriation of income of our company complies with applicable law and the company's bylaws.

We propose to allocate the profit for the period, €3,335,869, entirely to retained earnings, bringing it to an amount of €1,825,515.

3. Previous dividend distributions

In compliance with the provisions of article 243 bis of the French General Tax Code, dividend distributions for the last three years are provided below:

Fiscal year	Dividend net in€	Tax credit in€	Gross dividend in €
2000	0.228	0.114	0.342
2001	0.220	0.110	0.330
2002	0	0	0

4. Regulated agreements

No regulated agreements covered by Article L.225-38 of the French Commercial Code have been concluded in the period under review or since the closing.

5. Non-deductible expenses

We request that you approve total non-deductible expenses as provided by articles 39-4 of the French General Tax Code of €9,456 with a corresponding tax of €3,120.

III – SUBSIDIARIES AND SUB-SUBSIDIARIES

1. AUSY France

Sales were €62.476 million, down 9.9%.

Operating expenses totaled €66.483 million, down 6.76% compared to the previous year.

Net loss is (€3.705) million. Shareholders' equity in AUSY France became negative at €1.305 million.
AUSY France has encountered much difficulty in its market, particularly at the beginning of the period. The situation is improving towards the end of the year:

– price stabilization,

– improvement in the rate of idleness,

– positive trend in the development of sales.

The continuation of this trend over the first few months of 2004 is showing signs of encouragement for the following period.

A factoring system was implemented at the beginning of July 2003.

2. AUSY Belgium

This wholly-owned Belgium Company had revenue of €6.407 million.

Net income is positive at €0.003 million, in accordance with goals.

3. AUSY Luxembourg

This wholly-owned Luxembourg Company had revenue of €1.807 million. Net income is positive at €0.004 million, in accordance with goals.

IV – SHARE CAPITAL

1. Shareholding structure (L233-13)

Indicated below are the identities or persons directly or indirectly holding over 5%, 10%, 20%, 33.33%, 50%, or 66.66% of the share capital or voting rights in General Meetings as of December 31, 2003:

No changes have occurred in the company's shareholder structure in the period under review.

At the close of the fiscal year, employees had no equity interest in the company's capital as defined in Article 225-102 of the French Commercial Code.

Shareholders holding	Shares	Voting rights
Over 5 %	Georges PELTE TULEDOR company	Georges PELTE
Over 10 %	None	Georges PELTE
Over 20 %	None	None
Over 33,33 %	None	None
Over 50 %	Jean-Marie MAGNET	Jean-Marie MAGNET
Over 66,66 %	None	Jean-Marie MAGNET

2. Treasury stock held within the framework of the share buyback program (L. 225-211 al. 2)

Within the framework of the authorization granted for the purposes established by the General Meeting of June 27, 2003, between June 27, 2003 and December 31, 2003, the company:

– acquired on the market 26,771 of its own shares at an average price of €4.674 for a total of €125.137.

– sold on the market 28,472 of its own shares at an average quoted price of €4.739, for a total of €134,928.

At the end of the financial period, the company had 2,621 treasury shares with a value of €15,044 based on the purchase price. The number of shares with a par value of €1 represents 0.12% of the capital.

3. Authorizations to increase the capital (L. 225-129)

The General Shareholders' Meeting held on June 27, 2003, in its sixth and seventh resolutions, conferred the necessary authorizations for a period of 26 months to the Board of Directors to increase the capital.

The purpose of these authorizations is to provide the Board, within a period provided by law, all authority to proceed, at times of its choosing, with the issue of shares and/or any security representing an immediate or future share in the company's share capital.

The nominal value of the capital increases authorized may not exceed €30,000,000. This amount will include the nominal value of additional shares issued to preserve, as required by law, the rights of holders of securities conferring future rights to the capital.

These issues may be carried out by maintaining or canceling the pre-emptive rights of existing shareholders. It is nevertheless specified in the event of a public issue not providing for pre-emptive subscription rights, that the Board of Directors may confer upon shareholders priority in subscribing for said securities.

The price of shares for representing capital will be determined in accordance with the provisions of the law.

Finally, it is proposed that the Board be granted all powers necessary to carry out, upon its sole decision, all capital increases through the capitalization of premium and/or reserves by increasing the par value of the shares or by creating new shares.

To date, these authorizations have not been exercised.

4. Use of authorizations to increase the capital during public offerings

In the eighth resolution of the general shareholders' meeting held on June 27, 2003, it was granted that these authorizations could be used at the time of a takeover bid or exchange if the decision to increase the capital was made before the offer is filed. You are asked to again authorize the Board to use said authorities at the time of a takeover bid, authorization that would be valid until the date of the annual general shareholders' meeting called to approve the financial statements of the period ending December 31, 2004.

5. Authorization of a corporate stock redemption program and corresponding reduction of share capital (L. 225-209)

We recommend that the Board of Directors be granted the powers necessary, for a period of 18 months, to redeem the company's stock on one or more occasions at such time as it shall determine, including during a public offering, up to a maximum of 10% of the shares comprising the capital or, at the current capital base, 213,397 shares.

This authorization shall invalidate the authorization granted to the Board of Directors by the Ordinary General Meeting of June 27, 2003.

The acquisitions may be executed by any means, including the acquisition of blocks of shares, in order to:

– stabilize the price of its stock through systematic intervention to offset market trends,

– intervene through purchases and sales according to market conditions,

– grant stock options to employees and representatives of the Group, and sell or allocate stock to employees pursuant to applicable legal provisions,

– facilitate investments or financing by retiring stock, either in connection with external growth transactions or the issue of transferable securities entitling the holder to shares of the company's stock,
– optimize management of cash resources, equity and earnings per share,
– retire stock acquired in connection with exchange offers, public or otherwise, initiated by the company,
– cancel acquired shares.

The maximum purchase price is set at €23 per share.

Accordingly, the maximum amount of the transaction is set at €4,908,131.

In parallel, we ask that you grant the Board of Directors with the required authorities for a period of 24 months to reduce the share capital up to a limit of 10% via the cancellation of treasury stock.

V – ADMINISTRATION – CORPORATE GOVERNANCE

The Audit Committee continued its activity during fiscal 2003.

In a difficult economic context, the Strategic Committee was suspended.

1. Board of Directors

1.1 Composition of the Board of Directors

List of offices and duties of authorized representatives (225-102-1 al3)

Mr. Jean-Marie MAGNET

- Chairman-CEO and Director, AUSY
- Representing AUSY, Chairman-CEO, AUSY France
- Chairman-CEO and Director, On Site France
- Director, AUSY Belgium
- Director, AUSY Luxembourg

Mr. Georges PELTE

- Director, AUSY
- CEO, AUSY France
- Director of Operations, AUSY France

Ms. Marie-Jacqueline de La TOUANNE

- Director, AUSY
- CFO, AUSY
- Director, AUSY Belgium
- Director and CEO, On Site France
- Director, AUSY Luxembourg

Mr. Joël MAGNET

- Director, AUSY
- Division Director, AUSY France

Mr. Benoît della FAILLE

- Director, AUSY
- EFELCO s.p.r.l. Managing Director
- Same Day Consulting s.a.r.l. Managing Director,
- TULEDOR s.a. Director
- SABLON DISTRIBUTION SA, Director

Mr. Miguel REYNDERS

- Director, AUSY
- Director of the following companies: Belgian Urban Renovation Company , Reynders & C°- WORLD LINK , Best of Internet, B.V.B.A. RODAPA BEHEER , JONCKERS TRANSLATION & ENGINEERING, JRD, JRC, INTERIOR, COOLS, VERLAMO, VALENWOOD, ALMADES, OAK, NORIN, FINACI, GIFIN, CODEPAMO, INTERNATIONAL PROPERTY, ENSEMBLE, STRATEGO TRUST, S.A.R.L. STRATEGO INTERNATIONAL, TULEDOR, ASTER INTERNATIONAL PARTICIPATIONS, KITO HOLDING, ATP INVESTMENT, BERRY INVEST, METALS & CHEMICALS, BOULTONWATT, G3G, CAR SERVICES INTERNATIONAL, TASFIN, NOUVECO INVESTMENTS, TOUNDRA HOLDING, MV HOLDING, SPRL ALTAVISTA, FINCORP, GLOBALFIN, ZED INVESTMENTS, JAVA INTERNATIONAL, KABIR, MARKGEORGES and ENERGY POWER.

1.2 Independent Directors

Because of the size of the Group, it is not considered necessary for the time being to appoint new members with the status of Independent Director.

1.3 Board Activity

The Board of Directors met four times in the period under review, in accordance with its rules and regulations.

1.4 Appointments, renewals and the confirmation of co-optations

The terms as director of Mr. Jean-Marie MAGNET, Ms. Marie-Jacqueline BIGOT de LA TOUANNE, Mr. Georges PELTE and Mr. Joël MAGNET expire at the end of this shareholders' meeting.

We propose that you renew their terms for a new period of six years, which shall expire in 2010, at the close of the general meeting called to approve the financial statements for the period under review.

1.5 Compensation of Directors and Officers (225-102-1 paragraph 1 and 2)

Total compensation and benefits of any kind paid by the company and controlled companies during the period ended December 31, 2003 to each company officer:

- Mr. Jean-Marie Magnet, as Chairman-CEO, received a total gross compensation from AUSY of €152,753 as a fixed compensation and benefits in kind of €6,783. No variable compensation was paid based on 2003. During fiscal 2002, the amounts paid included a fixed compensation of €152,753, variable compensation of €148,214 and benefits in kind for an amount of €11,601. The variable portion, calculated on the basis of the company's net income, is paid the following year.

- Mr. Georges PELTE, as Chief Executive Officer and Chief Operating Officer received a total gross compensation from AUSY France of €133,727 and benefits in kind of €5,024. No variable compensation was paid based on 2003. During fiscal 2002, the amounts paid included a fixed compensation of €133,727, variable compensation of €118,871 and benefits in kind for an amount of €9,409. The variable portion, calculated on the basis of the company's net income, is paid the following year.

- Ms. Marie-Jacqueline de La TOUANNE, as Chief Financial Officer received a total gross compensation from AUSY SA of €114,702 received a total gross compensation from AUSY France of €1,554. No variable compensation was paid based on 2003. During fiscal 2002, the amounts paid included a fixed compensation of €114,702, variable compensation of €88,929 and benefits in kind for an amount of €3,742. The variable portion, calculated on the basis of the company's net income, is paid the following year.

- Mr. Joël MAGNET, As Division Manager, received a total gross compensation from AUSY France of €94,824 received a total gross compensation from AUSY France of €3,080. No variable compensation was paid based on 2003. During fiscal 2002, the amounts paid included a fixed compensation of €87,716, variable compensation of €16,924 and benefits in kind for an amount of €3,365. The variable portion, calculated on the basis of the company's net income, is paid the following year.

For information, Mr. Benoît della FAILLE collected a total of €139,709 as rent and expense for premises in Brussels and Mr. M. REYNDERS collected a total de €31,434 for accounting services.

2. Audit Committee

The Audit committee is composed of the following members:

- Ms. Marie-Jacqueline de La TOUANNE
- Mr. Axel du Fretay
- Mr. Dominique Nordera

The Committee met four times during the year. In accordance with its Operating Charter, the Audit Committee reviews risks, procedures, internal control and relations with external auditors.

VI – CONCLUSION

The Board of Directors requests that it be granted full discharge with respect to its management for the fiscal year ended on December 31, 2003, and that the auditors be discharged with respect to their duties as related in their report.

The Board of Directors invites the shareholders to approve the text of the resolutions submitted to them.

The Board of Directors

5.3 SPECIAL REPORT CONCERNING STOCK PURCHASE AND SUBSCRIPTION OPTIONS

1. Statement of stock purchase and subscription options (225-184 paragraph 1) granted to officers and employees of the company and its controlled companies

Name of plan	Date authorized by the General Meeting	Date granted by the Board	Type of option (S or P)	Number of options granted	Expiration Date	Exercise price	Number of options exercised in 2003	Options not exercised as of December 31, 2003
1999 Plan	February 3, 1999	July 5, 1999	subscription	24 800	July 5, 2006	€22.38 (146.8 FRF)	0	24,800

2. Options granted to corporate officers during the year 2003 (225-184 paragraph 2)

None

3. Options exercised by corporate officers during the year 2003 (225-184 paragraph 2)

None

4. Options granted during the year 2003 to the 10 employees granted the largest number of options: (225-184 paragraph 3)

None

5. Options exercised during the year 2003 by the 10 employees who purchased or subscribed the largest number of shares: (225-184 paragraph 3)

None

The Board of Directors

6 FINANCIAL STATEMENTS

6.1 CONSOLIDATED FINANCIAL STATEMENTS

I – CONSOLIDATED BALANCE SHEET

Assets (in thousands of euros)	Notes	12/31/03	12/31/02	12/31/01
Goodwill	1	8,194	8,730	12,489
Intangible fixed assets	2	249	286	318
Tangible fixed assets	3	765	973	1,141
Financial fixed assets	4	2,591	258	253
Equity-accounted shares	5		115	59
Total fixed assets		**11,799**	**10,362**	**14,261**
Accounts receivable and related accounts	6	22,394	22,105	28,212
Other accounts receivable and accruals and deferred income	7	4,048	3,866	2,073
Investments in securities	8	159	1,100	3,230
Cash in hand and in the banks	9	3,875	1,310	2,657
Total current assets		**30,476**	**28,380**	**36,173**
Total assets		**42,275**	**38,743**	**50,434**

Liabilities (in thousands of euros)	Notes	12/31/03	12/31/02	12/31/01
Capital		2,134	2,134	2,134
Premiums		7,276	7,276	7,276
Reserves and net income for the year		-1,003	2,321	9,459
Shareholders' equity for the Group		**8,406**	**11,730**	**18,868**
Minority interests				**1**
Provisions for risks and expenses	10	1,024	1,020	615
Borrowings and financial debt	11	5,183	7,010	8,139
Accounts payable and related accounts	12	1,624	2,169	2,343
Other debt and accruals	13	26,038	16,813	20,467
Total liabilities and shareholders' equity		**42,275**	**38,743**	**50,434**

II – CONSOLIDATED INCOME STATEMENT

Income statement (in thousands of euros)	Notes	12/31/03	12/31/02	12/31/01
Revenues	**15**	**70,182**	**77,566**	**86,901**
Other operating revenues	16	956	1,508	948
Purchased goods consumed				
Personnel expenses	17	-59,500	-64,605	-63,503
Other operating expenses		-12,232	-14,545	-15,140
Taxes and assessments		-2,070	-2,619	-2,664
Depreciation, amortization and provisions	18	-1,149	-1,320	-912
NET INCOME FROM OPERATIONS		**-3,813**	**-4,014**	**5,630**
Income and expenses from financing operations	19	-316	-250	-404
INCOME from continuing operations of integrated companies		**-4,130**	**-4,264**	**5,226**
Extraordinary income and expenses	20	-85	23	-6
Income tax	21	1,429	1,275	-2,008
NET INCOME from integrated companies		**-2,785**	**-2,965**	**3,212**
Share in earnings of equity-accounted affiliates			54	34
Amortization of goodwill		-536	-3,760	-611
Consolidated NET INCOME		**-3,321**	**-6,671**	**2,636**
Minority interests			1	-1
NET INCOME (Group share)		**-3,321**	**-6,670**	**2,635**
Earnings per share:		**€**	**€**	**€**
Earnings per share	22	-1.56	-3.13	1.28
Diluted earnings per share		-1.56	-3.13	1.23

III – TABLE OF CASH FLOWS

In thousands of euros	12/31/03	12/31/02	12/31/01
Cash flows related to business			
Net earnings of integrated companies	-2,785	-2,965	3,212
Elimination of income and expenses with no impact on cash flow or not related to business:			
– Depreciation and allowances	708	1,069	759
– Change in deferred taxes	-58	58	-101
– Capital gains on sales, net of tax	107	70	3
Cash flows from operating activities, integrated companies	-2,029	-1,768	3,873
Dividends received from equity-accounted affiliates			
Change in working capital	8,012	295	1,181
Cash flow generated by operating activities	**5,983**	**-1,473**	**5,053**
Cash flow associated with investment operations			
Acquisition of fixed assets	- 2,571	-417	-634
Sales of fixed assets	15	12	9
Impact of changes in scope of consolidation	24		-5,824
Net cash flow associated with investment activities	**-2,533**	**-405**	**-6,449**
Cash flow from financing operations			
Dividends paid to parent company shareholders		-469	-454
Dividends paid to minority shareholders of integrated companies			
Cash capital increase			
Borrowings and financing debt incurred	426	592	7,727
Repayment of financing debt	-2,141	-2,038	-3,358
Net cash flow from financing activities	**-1,715**	**-1,916**	**3,915**
Changes in cash position	**1,735**	**-3,794**	**2,519**
Opening cash position	1,794	5,588	3,069
Ending cash position	3,529	1,794	5,588
Impact of change in exchange rate			

Impact of factoring contract on the cash flow tables as of 12/31/2003

The « Other debt » item recording the conterpart of the invoices that have been placed as guarantees and not yet collected , improve the change in working capital connected to the operating activities of €8.492 million.

Acquisitions of fixed assets include €2.326 million in guarantees given to the factor.

The ending cash position includes the facilities granted by the factoring company for €6.166 million as of December 31, 2003.

IV – TABLE OF CHANGES IN EQUITY

in thousands of euros	Capital	Premiums	Consol. Reserves	Fiscal year result	Conversion variance	Total
Situation as of 12/31/01	**2,134**	**7,276**	**6,822**	**2,635**	**2**	**18,868**
Change in equity, consolidating company			-469			-469
Consolidated result for Fiscal year				-6,670		-6,670
Change in conversion variation					1	1
Allocation of income N-1			2,635	-2,635		
Situation as of 12/31/02	**2,134**	**7,276**	**8,987**	**-6,670**	**3**	**11,730**
Distributions by consolidating company						
Consolidated result for Fiscal year				-3,321		-3,321
Change in conversion variation					-3	-3
Allocation of income N-1			-6,670	6,670		
SITUATION AS OF 12/31/03	**2,134**	**7,276**	**2,318**	**-3,321**		**8,406**

V – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fiscal Year from January 1, 2003 to December 31, 2003

A – Significant events

The AUSY France subsidiary underwrote a factoring contract in July 2003. The impact on the balance sheets is analyzed with regard to each item involved (see § D).

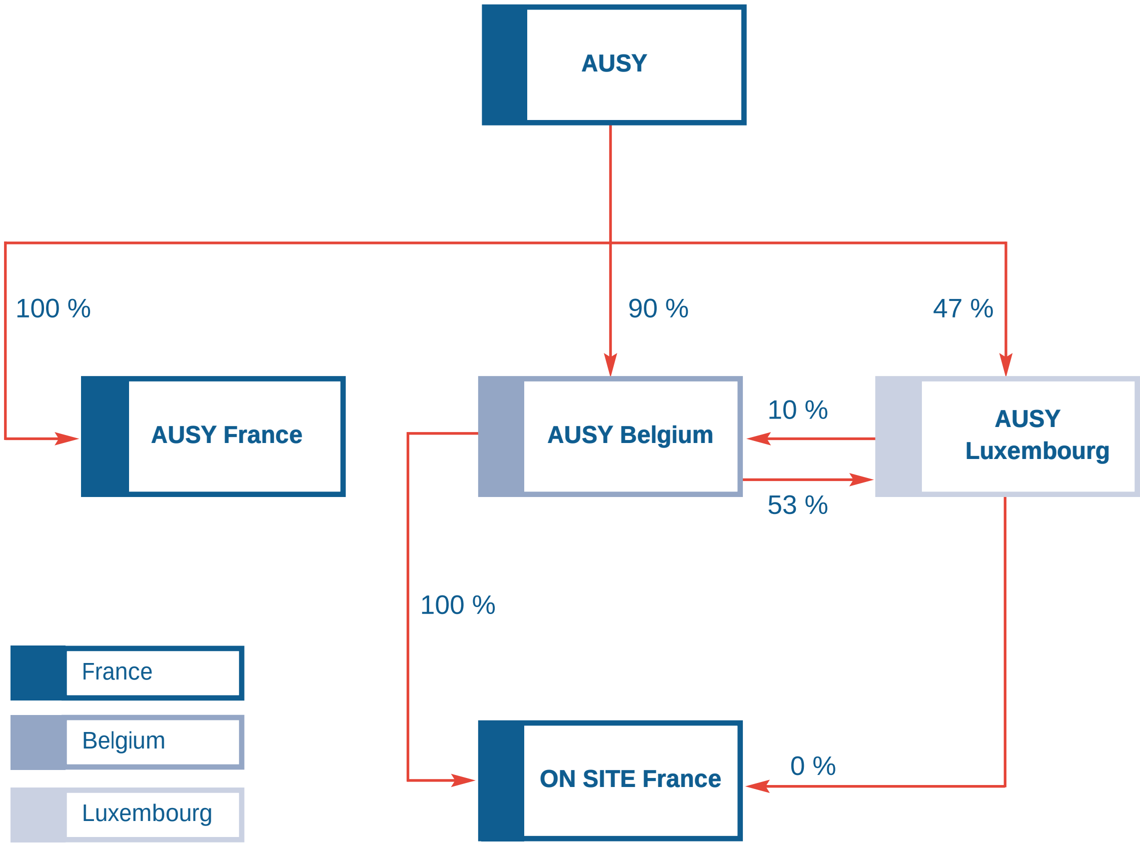
B – Scope of consolidation

B. 1 List of consolidated companies

Company	Country	% controlled	% interest	Consolidation method
AUSY	France	—	—	Parent company
AUSY France	France	100 %	100 %	Full
AUSY Belgium	Belgium	100 %	99 %	Full
ON SITE France	France	100 %	99 %	Full
AUSY Luxembourg	Luxembourg	100 %	100 %	Full

Full: Fully consolidated
Equity: Equity-accounted affiliate

B. 2 Legal Organization Chart of the AUSY Group as of December 31, 2003



C – Accounting principles, consolidation methods

C.1 Principles of consolidation

The consolidated accounts were prepared in accordance with generally accepted French accounting rules and standards and regulation 99-02 of the French accounting standards organization, the Comité de la Réglementation Comptable.

The companies over which the Group exercises exclusive control are fully consolidated.

The companies over which the Group exercises significant influence are accounted under the equity method.

The accounts of the consolidated companies are restated, if need be, to ensure consistency of application of accounting and valuation rules.

All significant intercompany transactions and internal balances have been eliminated (dividends, capital gains, etc.).

The accounting principle applied to companies acquired during the Fiscal year was to use the portion of revenues earned and expenses incurred from the time of acquisition of controlling interest until the closing date.

All the companies forming the Group have a 12-month Fiscal year running from January 1 to December 31, 2003.

C.2 Conversion method used to consolidate foreign subsidiaries

The financial statements of foreign subsidiaries (outside the euro zone) were converted at the closing rate for all balance sheet entries and at the average rate over the Fiscal year for the income statement.

The differences from conversion are recorded as equity under conversion variations.

The conversion rates used are as follows:

Euro / currency	Average rates			Closing rate		
	2003	**2002**	**2001**	**2003**	**2002**	**2001**
Franc suisse	(*)	1.4660	1.5103	(*)	1.4524	1.4748

(*) In 2003, no conversion transaction was required since there was no Swiss subsidiary.

D - Notes to the balance sheet

1 - Goodwill

If the variance in the fair value at the time of the investment between a consolidated company's acquisition price and the Group's share in the identifiable assets and liabilities acquired is positive, it is recorded as an asset on the balance sheet and amortized on a straight-line basis for a period determined on a case-by-case basis, not to exceed 20 years.

If it is negative, it is recorded as a liability and reversed over a period determined on a case-by-case basis, not to exceed 20 years.

The Group records and estimates potential goodwill impairment according to the discounted free cash flow valuation method on the basis of the forecasted medium-term prospects of these companies. If these factors evolve unfavorably in relation to initial forecasts, an additional amortization charge is recorded to take into account the difference between the amount recoverable on this basis and the company's net book value.

The amortization basis of goodwill is in this case adjusted using the prospective method.

in thousands of euros	Gross amounts				Depreciation				Net as of	Net as of	Net as of
	Opening	Incr.	Decr.	Ending	Opening	Incr.	Decr.	Ending	12/31/03	12/31/02	12/31/01
Fiscal Year 1990	1,521			1,521	957	76		1,033	488	564	640
Fiscal Year 1992	62			62	32	3		35	27	30	33
Fiscal Year 1993	27			27	13	1		14	13	14	15
Fiscal Year 1998	16			16	3	1		4	11	12	13
Fiscal Year 1999	1,327			1,327	265	66		332	996	1,062	1,128
Fiscal Year 2001	11,123		0	11,123	4,076	388	0	4,464	6,659	7,047	10,659
Fiscal Year 2002	1			1	0	0		0	1	1	
Total goodwill	**14,076**		**0**	**14,076**	**5,346**	**536**		**5,882**	**8,194**	**8,730**	**12,489**

No loss of value indicator was recorded at the closing. However, a goodwill impairment test was conducted on the Belgian and Luxembourg subsidiaries on December 31, 2003 and did not generate any additional depreciation.

Note that the depreciation tests carried out on December 31, 2003 were performed using a 5-year business plan, the data was updated and the actualization rate is 10%.

2 – Intangible fixed assets

in thousands of euros	Gross amounts Opening	Incr.	Decr.	Ending	Depreciation Opening	Incr.	Decr.	Ending	Net as of 12/31/03	Net as of 12/31/02	Net as of 12/31/01
Start-up costs	1			1	1			1			
Software (a)	712	21	-59	674	646	32	-59	619	55	66	66
Patents, trademarks, licenses, etc.	49		-6	43	37	7	-5	39	4	12	24
Goodwill (b)	443			443	239	14		253	190	204	218
Other intangible fixed assets	17			17	13	4		17		4	10
Total intangible fixed assets	**1,222**	**21**	**-65**	**1,178**	**936**	**58**	**-64**	**930**	**249**	**286**	**318**

(a) Software

The design and implementation costs of certain software developed by the company are capitalized. The criteria used for capitalizing these expenses are those established by the French National Accounting Board.

The depreciation period is 3 years on a straight-line basis as from the date of first marketing.

Software packages acquired are recorded at their acquisition cost and depreciated on a straight-line basis over 4 years.

(b) Goodwill

Goodwill acquired (when the acquisition involves the clientele and not the sales staff) is amortized on a straight-line basis over 5 years.

The goodwill contributed or acquired in connection with acquisition of a company or business are amortized on a straight-line basis over 20 years.

3 – Tangible fixed assets

Tangible fixed assets are valued at their acquisition cost (purchase price and incidental charges other than transfer tax, commissions, recording fees, etc.). Allowances for depreciation are calculated according to the following methods:

Nature	Amortization Method	Amortization Period
Office sites	Linear	8 years
Transp. equipment	Linear	3 to 5 years
Office equipment	Linear	5 years
Computer equipment	Linear or declining	3 to 5 years
Furnishings	Linear	8 years

Detail of tangible fixed assets:

in thousands of euros	Gross amounts Opening	Incr.	Decr.	Ending	Depreciation Opening	Incr.	Decr.	Ending	Net as of 12/31/03	Net as of 12/31/02	Net as of 12/31/01
Office sites	573	22	-3	591	327	60	0	386	205	246	283
Transp. equipment	150	58	-53	155	49	34	-42	41	114	101	95
Office equipments and computer equipment	1,686	115	-33	1,767	1,227	258	-28	1,456	311	459	581
Furnishings	455	8	-90	374	288	41	-90	239	135	167	182
Total tangible fixed assets	**2,864**	**202**	**-179**	**2,887**	**1,891**	**392**	**-161**	**2,122**	**765**	**973**	**1 141**

Capital leases

Vehicles financed by capital leases are treated as though the corresponding assets had been acquired through loans. They are capitalized and depreciated using the straight-line method over 5 years.

4 – Financial fixed assets

in thousands of euros	Gross amounts				Depreciation				Net as of	Net as of	Net as of
	Opening	Incr.	Decr.	Ending	Opening	Incr.	Decr.	Ending	12/31/03	12/31/02	12/31/01
Other equity investments	2	0		2					2	2	2
Loans	4		-2	2					2	4	2
Deposits and guarantees (a)	253	2,347	- 12	2,589	1			1	2,587	252	249
Total financial fixed assets	**259**	**2,347**	**- 14**	**2,592**	**1**			**1**	**2,591**	**258**	**253**
maturing in less than 1 year									2,328	2	5

(a) Deposits and guarantees:

The large difference in this item can be explained by the guarantees and reserves required by the factoring company.

5 – Equity-accounted share

in thousands of euros	Gross amounts				Depreciation				Net as of	Net as of	Net as of
	Opening	Incr.	Decr.	Ending	Opening	Incr.	Decr.	Ending	12/31/03	12/31/02	12/31/01
Proactive Partners	115		-115							115	59
Total equity-accounted shares	**115**		**-115**							**115**	**59**

The Proactive Partners shares were transferred in March 2003, with a retroactive effect on January 1, 2003, causing a capital loss of €90,000 in the consolidated financial statements (see extraordinary profit (loss)).

6 – Accounts receivable and related accounts

Accounts receivable are valued at face value.
Provisions are determined in accordance with the risks identified by each of our clients.

in thousands of euros	- 1 year	+ 1 year	TOTAL 12/31/03	TOTAL 12/31/02	TOTAL 12/31/01
Customer accounts receivable	17,924		17,924	18,198	23,557
Notes receivable	2,306		2,306	1,989	1,783
Services to be invoiced	2,083		2,083	1,862	2,843
Doubtful account		632	632	344	182
sub-total	22,313	632	22,945	22,392	28,365
Provision for doubtful accounts		-551	-551	-287	-152
Total accounts receivable and related accounts	**22,313**	**81**	**22,394**	**22,105**	**28,212**

7 – Other accounts receivable and accruals and deferred income

in thousands of euros	- 1 year	+ 1 year	TOTAL 12/31/03	TOTAL 12/31/02	TOTAL 12/31/01
Credits with suppliers	90		90	61	53
Personnel and corporate bodies	15		15	52	59
French State (*)	469	2,696	3,165	2,600	693
Deferred tax asset (see detail)	586		586	528	586
Group and stockholders	5		5		
Miscellaneous debtor	35		35	327	478
Positive conversion variance	4		4		
Accrued expenses	147		147	308	213
sub-total	1,352	2,696	4,048	3,875	2,082
Provision for depreciation				-9	-9
Total other accounts receivable and accruals and deferred income	**1,352**	**2,696**	**4,048**	**3,866**	**2,073**

(*) : This item includes a negotiable carry-back credit for 2002 and 2003 totaling €2,696,000, for which the initial term is 5 years.

Deferred tax - asset

Deferred taxes are recorded in the income statement and balance sheet in order to account for any difference between the book value and appraised value of assets and liabilities appearing on the consolidated balance sheet which originate from transactions recorded in the individual accounts or only in the consolidated accounts (restatements for purposes of consolidation, eliminations, etc.)

These deferred taxes are recognized according to the liability method, which uses the tax rates known at the end of the Fiscal year.

Deferred taxes are recorded as assets to the extent that a tax on future profits appears likely.

Detail of deferred tax asset

in thousands of euros	12/31/03	12/31/02	Variat.	12/31/01	Variat.
Provision for retirement commitments	352	391	- 39	319	+ 71
Restatements of leasing	3	5	- 2	5	
Restatements for consistency		18	- 18	46	- 28
Carryover losses	1,163	949	+ 215		+ 949
Temporary tax difference	83	103	- 20	1,293	- 1,190
Total base of deferred taxes	1,601	1,465	+ 135	1,665	- 199
Deferred tax asset	**586**	**528**	**+ 59**	**586**	**- 58**

Timing differences principally for 2001 concerned employee profit-sharing expenses.

8 – Investments in securities

	12/31/03			12/31/02	12/31/01
in thousands of euros	Total	Val.	Unrealized cap. +/-		
Company's share	40	40	0	35	38
Open-ended investment funds	99	102	2	940	2,323
Investment funds	19	19	0	119	745
Certificates of deposit					
Other investments				5	124
Interest receivable				1	
sub-total	159	161	2	1,100	3,230
Provision for depreciation					
Total investments in securities	**159**	**161**	**2**	**1,100**	**3,230**

The General meeting of February 3, 1999 authorized AUSY to redeem the company's shares within the limits provided by law. The company's own shares held were acquired pursuant to a liquidity contract executed in order to stabilize the stock price.

9 – Cash on hand and in the banks

in thousands of euros	Total 12/31/03	Total 12/31/02	Total 12/31/01
Notes collected			
Notes discounted			
Banks	3,873	1,308	2,653
Bank interest receivable			
Cash	2	2	4
Total cash on hand and in banks	**3,875**	**1,310**	**2,657**

Ending cash flow includes the facility granted by the factoring company for €6,166,000 as of December 31, 2003

10 – Provisions for risks and expenses

in thousands of euros	Incr.	Provis. Used	Provis. Not used	12/31/03	12/31/02	12/31/01
Provisions / litigation (a)	321	-115	-174	614	581	40
Provisions / exchange rate losses	4			4		
Provisions / pensions and similar obligations (b)			-39	352	391	319
Provisions / taxes						
Provisions / deferred taxes (c)				0		
Provisions / restructuring (d)		-48			48	256
Misc. provisions	54			54		
Total provisions for risks and expenses	**379**	**-163**	**-213**	**1,024**	**1,020**	**615**

(a) Provisions for litigation or risks and other charges

A provision was established for lawsuits identified as of the closing date in accordance with prudential standards. The items giving rise to these provisions are analyzed on a regular basis to allow for any adjustments deemed necessary.

(b) Provision for retirement commitments

A provision is made for the Group's severance pay and retirement commitments and recorded in the consolidated accounts. This provision is calculated on the basis of the current likely amount of compensation payable by the Group to its employees at the time of their retirement, adjusted for their seniority as of the closing date. The current value is arrived at using the level of seniority attained, and the likelihood that they will remain with the company until retirement, and the estimated future wages. A regressive turnover rate was applied according to age groups and categories of personnel.

Actuarial assumptions used:
– rate of inflation: 2%
– rate of funding: 5%
– mortality table: TV 88-90

(c) Provisions for deferred taxes

See 7

(d) Other provisions

Provision for restructuring subsequent to the acquisition of new subsidiaries in 2001.

11 – Borrowings and financing debt

in thousands of euros	-1 year	+1 year -5 years	+5 years	12/31/03	12/31/02	12/31/01
Fixed-rate bank loans	440	242		682	812	890
Variable-rate bank loans	1,360	2,040		3,400	4,760	6,120
Total bank loans	1,800	2,282		4,082	5,572	7,010
Bank overdraft	505			505	616	299
Employee profit-sharing	566			566	733	788
Group and stockholders					1	
Miscellaneous	30			30	88	42
Total borrowings and financing debt	**2,902**	**2,282**		**5,183**	**7,010**	**8,139**

New bank borrowings in 2003 totaled €280,000.

Repayments made in the period represented €1,814,000.

Concerning the syndicated loan, 3 financial criteria were required by the financial partners in order to maintain this facility. At December 31, 2003, the criteria were not respected.

This loan is associated with the guarantees detailed in note 14, § b.

12 – Accounts payable and related accounts

in thousands of euros	-1 year	+1 year -5 years	+5 years	12/31/03	12/31/02	12/31/01
Suppliers	853	9		861	1,320	1,389
Invoices not received	763			763	849	954
Total accounts payable and related accounts	**1,615**	**9**		**1,624**	**2,169**	**2,343**

13 – Other debt and accruals

in thousands of euros	-1 year	+1 year -5 years	+5 years	12/31/03	12/31/02	12/31/01
Client creditors	171			171	214	182
Personnel	4,396			4,396	4,623	6,561
Corporate bodies	7,026			7,026	6,289	6,714
French State	4,985		80	5,066	4,819	6,218
Miscellaneous creditors	8,665			8,665	23	74
Prepaid expenses	714			714	844	719
Total other debt and accruals	**25,957**		**80**	**26,038**	**16,813**	**20,467**

Prepaid expenses relate to adjustments resulting from revenue cut-off: maintenance invoiced in advance, lag between technical progress and invoicing, etc.

The considerable increase in the « miscellaneous creditors » item is the result of the setting up of a factoring contract. The amount of receivables placed as guarantee as of December 31 was €8,493,000.

14 – Off-balance sheet commitments

a) Guarantees given

Guarantees for the Group involve real estate guarantees of €103,000 as of December 31, 2003 (this amount has not changed compared to fiscal years 2002 and 2001) and guarantees given for customer projects of €22,000 at the end of 2003, compared to €95,000 at the end of 2002 and €92,000 at the end of 2001.

b) Debt associated with guarantees

The swap contract is linked to the syndicated loan generates an off-balance sheet commitment of €3,400,000 at the close of the year. This commitment is given and received. It was €4,760,000 at the end of 2002. This swap contract concerns a swap of variable rate debts and the repayment schedule is identical to the syndicated loan.

The company engaged the shares of the Belgian and Luxembourg entities as consideration for the syndicated loan, for which the amount due as of December 31, 2003 was €3,400,000.

The commitments of the Onsite SA goodwill (now AUSY Belgium) was granted in consideration for the very short-term credits, able to be used by the Belgian subsidiary. As of December 31, 2003, the amount used was €500,000.

E – NOTES TO THE INCOME STATEMENT

15 – Revenue

Revenue is accounted for as the service is performed (progressive method).

in thousands of euros	France	Belgium	Other E.U. countries	Other countries	Total
2003 revenue %	**61,582** 87,7 %	**6,196** 8,8 %	**1,570** 2,2 %	**834** 1,2 %	**70,182**
2002 revenue %	**68,586** 88.4%	**6,728** 8.7%	**1,310** 1.7%	**943** 1.2%	**77,566**
Difference 2003/2002	**- 10.2%**	**- 7.9%**	**+ 19.9%**	**- 11.6%**	**- 9.5%**
2001 revenue %	**77,175** 88.8%	**7,950** 9.1%	**1,182** 1.4%	**593** 0.7%	**86,901**
Difference 2002/2001	- 11.1%	- 15.4%	+ 10.8%	+ 59.0%	- 10.7%

16 – Other operating income

in thousands of euros	12/31/03	12/31/02	12/31/01
Reversal of provisions for risks and expenses	385	210	113
Reversal of provisions for depreciation	60	42	26
Transfers of personnel expense	361	764	437
Other transfers of expenses	22	36	20
Other income	128	457	351
Total other operating income	**956**	**1,508**	**948**

The transfers of personnel expenses concern reimbursements from various agencies: Apicil (retirement payments), Agefos, Fafiec, Fongecif and consideration for benefits in kind.

17 – Personnel expenses

in thousands of euros	12/31/03	12/31/02	12/31/01
Wages and salaries	41,663	45,643	44,103
Payroll taxes	17,837	18,962	18,286
Employee profit-sharing			1,114
Total personnel expenses	**59,500**	**64,605**	**63,503**

18 – Depreciation, amortization and provisions

in thousands of euros	12/31/03	12/31/02	12/31/01
Depreciation of fixed assets	450	529	530
Provisions for risks and expenses	375	543	151
Provisions for depreciation of clients	323	177	137
Provisions for retirement commitments		71	94
Total depreciation, amortization and provisions	**1 149**	**1 320**	**912**

19 – Income and expenses from financing operations

in thousands of euros	12/31/03	12/31/02	12/31/01
Revenue from investments in securities	19	154	
Provisions for financial risks and expenses	-4		
Interest from loans	-239	-344	-441
Interests on accounts blocked by employee profit-sharing	-41	-51	-56
Miscellaneous	-51	-9	93
Total income and expenses from financing operations	**-316**	**-250**	**-404**

20 – Extraordinary profit (loss)

Only incomes and expenses that are nonrecurring and unrelated to the company's continuing operations are categorized as extraordinary items. This applies in particular to capital gains or losses on sale of assets.

Share of Income tax relating to extraordinary profit (loss):

in thousands of euros	12/31/03	12/31/02	12/31/01
Extraordinary profit (loss)	-85	23	-6
Income tax	29	-8	2

The extraordinary profit (loss) is primarily the result of capital losses on the transfer of the securities formerly held by the Proactive Partners company (Switzerland), transferred in March 2003, with a retroactive effect on January 1, 2003.

21 – Income tax

in thousands of euros	12/31/03	12/31/02	12/31/01
Corporate income tax (including receivable from loss carry-backs)	1,371 (1,370)	1,321 (1,326)	-2,597
Withholding on capital gains	0	-1	-3
Gain or loss from consolidation			492
Change in deferred tax liability	59	-58	101
Tax credits		13	
Total income tax	**1,429**	**1,275**	**-2,008**

Reconciliation of income tax expense and pre-tax income:

in thousands of euros	Tax Base	Corresponding Tax
Net income, consolidated companies	-2,785	
Income tax	1,429	
Profit (loss) prior to income tax	-4,214	
Theoretical tax at current rate for consolidating firm: 34.33%		1,447
IImpact of non-deductible expenses		-107
Impact of variation in rate		-51
Unrecognized tax loss		-6
Prior loss correction (*)		136
Miscellaneous		10
Total		**1,429**

(*) : Tax loss correction for AUSY Belgium for fiscal year 2002

22 – Earnings per share

Earnings per share is based on the average weighted number of shares outstanding during the Fiscal year concerned.

The diluted earnings per share is calculated according to the treasury stock method.

When earnings per share are negative, diluted earnings per share are identical because the spreading of the loss over a larger number of shares cannot be considered to have a dilutive impact.

The number of shares comprising AUSY's share capital remained unchanged in 2003 (2 133 973 shares).

Because earnings per share were negative, diluted earnings per share remained the same as the basic earnings per share.

F – OTHER INFORMATION

1 – Average number of personnel

	2003	2002	2001
France	1,010	1,078	1,050
Benelux	76	89	110
TOTAL	**1,086**	**1,167**	**1,160**

Breakdown by category:

Productive personnel	949	1,013	1,015
Support staff	137	154	145

2 – Compensation of members of the Board of Directors

The members of the Board of Directors and the management committee received total compensation of €512,000.

No advance, loan or guarantee has been granted to members of the Group's management committee.

3 – Information by sector

The criterion for presenting this information corresponds to a geographical segmentation between the French area and the Belgium/Luxembourg area.

Sector income and expense are determined before the elimination of intercompany transactions, except when these transactions are located within the same geographical sector.

Fiscal year ended December 31, 2003:

In thousands of euros	FRANCE	BELUX	Eliminations/ Restatements	TOTAL
Revenue	62,545	8,014	- 377	70,182
Operating income	- 3,911	98	0	- 3,813
Fixed assets excluding shares of companies in the Group and goodwill	(1) 3,811	155	- 361	3,604
Number of employees	1,010	76		1,086

(1): including amounts given as guarantees pertaining to the factoring contract for €2,326,000.

Fiscal year ended December 31, 2002:

In thousands of euros	FRANCE	BELUX	Eliminations/ Restatements	TOTAL
Revenue	69,655	8,571	- 659	77,566
Operating income	- 2,795	-1,219	0	-4,014
Fixed assets excluding shares of companies in the Group and goodwill	1,769	219	- 355	1,632
Number of employees	1,078	89		1,167

6.2 CORPORATE FINANCIAL STATEMENTS

I – BALANCE SHEET

Assets (in thousands of euros)		12/31/03			12/31/02
	Notes	Gross	Amort. & Provisions	Net	Net
Tangible fixed assets	(1)	53	21	32	48
Financial fixed assets	(2)	14,981	5,076	9,905	9,928
Total fixed assets		**15,034**	**5,097**	**9,937**	**9,976**
Accounts receivable and related accounts	(3)	465		465	142
Other accounts receivable	(3)	4,633		4.633	2,236
Investments in securities	(4)	159		159	1,094
Cash on hand and in bank		24		24	739
Total current assets		**5,281**		**5,281**	**4,211**
Prepaid expenses		5		5	24
Total assets		**20,319**	**5,097**	**15,223**	**14,211**

Liabilities and equity (in thousands of euros)	Notes	12/31/03	12/31/02
Share capital		2,133	2,133
Premiums		7,276	7,276
Legal reserve		119	119
Retained earnings		(1,510)	942
Profit (loss)		3,336	(2,452)
Shareholders' equity	**(5)**	**11,354**	**8,018**
Provisions for risks and expenses			
Financial debts to credit institutions	(6)	3,410	4,765
Miscellaneous borrowings and financial debts	(6)	62	819
Accounts payable and related accounts	(7)	191	257
Tax and payroll liabilities	(7)	204	145
Other operating liabilities	(7)	1	207
Liabilities		**3,868**	**6,193**
Total shareholders' equity and liabilities		**15,223**	**14,211**

II – INCOME STATEMENT

Income statement (in thousands of euros)	Notes	12/31/03	12/31/02
Revenue	(9)	859	973
Other income and reversals of provisions		9	412
Total operating income		**868**	**1,385**
Other materials and services		436	1,100
Taxes and assessments		22	23
Personnel expenses		890	1,249
Depreciation, amortization and provisions		16	5
Other expenses		9	610
Total operating expenses		**1,374**	**2,987**
NET INCOME FROM OPERATIONS		**-506**	**-1,602**
Income from financial activities	(10)	2,596	3,156
Financing expenses	(11)	126	5,332
NET INCOME FROM CONTINUING OPERATIONS BEFORE TAXES		**1,964**	**-3,778**
Extraordinary income		24	0
Extraordinary expenses		23	0
EXTRAORDINARY INCOME	**(12)**	**1**	**0**
Income tax	(13)	1,370	-1,326
NET INCOME		**3,336**	**-2,452**

III – NOTES TO THE CORPORATE FINANCIAL STATEMENTS

A – GENERAL PRINCIPLES

The annual financial statements were prepared in accordance with generally accepted French accounting rules and standards. The basic method used for evaluating items recorded on the books is the historical cost method.

B – SIGNIFICANT EVENT

There are no significant events to report.

C - INFORMATION CONCERNING THE BALANCE SHEET

Note 1 - Tangible fixed assets

Depreciation expenses are calculated according to the following methods:

Nature	Depreciation method	Depreciation period
Transport equipment	linear	3 to 4 years
Computer equipment	linear or accelerated	3 to 5 years

Note 2 - Long-term investments

This concerns shares in holdings. A provision of €5,076,000 was made for the Belgian and Luxembourg subsidiaries in 2002 for depreciation. This amount was determined by comparing the inventory value of the shares with the book value. Within the framework of the group's consolidated financial statements on December 31, 2003, a goodwill impairment test was carried out for these subsidiaries, which did not generate any additional depreciation in goodwill and made it possible to reinforce their book value in the AUSY SA corporate financial statements.

List of subsidiaries and holdings

Financial information (in thousands of euros) **Subsidiaries and holdings**	**Capital**	**Owners' equity other than capital**	**Share of capital held (percent)**	**Book value of securities held** **Gross**
A - Details of each holding exceeding 1% of the capital of the company required to publish accounts:				
1. Subsidiaries (over 50% held):				
AUSY France	1,380	- 2,685	100%	2,991
AUSY Belgium	425	139	90%	10,464
2. Investments (holdings between 10 and 50%):				
AUSY Luxembourg	614	- 455	47%	1,524
B - Summary information on other holdings whose gross amount does not exceed 1% of the capital of the company required to publish accounts:				
French subsidiaries (all)				
Foreign subsidiaries (all)				
Investments in the French companies (all)				
Investments in the Foreign companies (all)				
C - Total (A+B):				
French subsidiaries (all)	1,380	- 2,685		2,991
Foreign subsidiaries (all)	425	139		10,464
Investments in the French companies (all)	0	0		0
Investments in the Foreign companies (all)	614	-455		1,524

Note 3 - Accounts receivable

Accounts receivable

Accounts receivable is €465,000. This is solely made up of receivables of less than one year pertaining to the subsidiaries.

Other receivables

Other receivables includes a negotiable 2002 and 2003 carry-back credit for a total of €2,696,000, for which the initial term is 5 years and a current account of €1,800,000 on its French subsidiary.

Income receivable included in accounts receivable is:
Accounts receivable: €313,000
Other receivables: €52,000

Book value of securities held Net	Loans and advances from the company not yet repaid	Amounts of guarantees and endorsements provided by the company	Revenue before taxes for the previous Fiscal Year	Net Income (gain or loss) for the last period ended	Dividends received by the company during the Fiscal Year	Comments
2,991	0	0	62,476	- 3,706	700	
6,912	0	0	6,407	3	0	
0	0	0	1,807	3	0	
2,991	0	0	62,476	- 3,706	700	
6,912	0	0	6,407	3	0	
0	0	0	0	0	0	
0	0	0	1,807	3	0	

Note 4 – Investment securities

Company's shares

AUSY S.A., within the framework of a liquidity agreement, has 2,621 treasury shares for a total of €15,000 (market value).

Investment securities

Investments in securities are valued at their acquisition cost.

New investments in the fiscal period totaled €4,866,000 and those transferred were €5,807,000.

These movements made it possible to record a capital gain of €17,000. At December 31, 2003, the unrealized capital gains is estimated at €2,000.

Inventory of investment securities

Qty	Designation	Total value in thousands of €
1	MONNAIE JOUR	19
1	MONNAIE PLUS	20
7	CL Monétaire	34
1	Sécurité Jour	46
		119

Note 5 – Capital and reserves

Share capital is 2,133,973 shares of par value €1.

Table of changes in capital:

In thousands of euros	2003	2002
Opening capital and reserves	**8,019**	**10,941**
Capital increases		
Dividends distributed		- 469
Profit Fiscal Year	3,336	- 2,453
Capital and reserves at closing	**11,354**	**8,019**

Note 6 - Borrowings and financial liabilities

in thousands of euros	TOTAL	- 1 an	+ 1 an
Loans and bank lines (*)	3,410	1,370	2,040
Group	62	30	32
TOTAL	**3,471**	**1,400**	**2,072**
inc. accounts payable	10	10	

(*) incl. loans repaid during the fiscal year: €1,360,000.

The company contracted a swap backing the syndicated loan based on a variable rate interest rate swap with a face value of €3,400,000.

Concerning this syndicated facility, 3 financial criteria were required by the financial partners in order to maintain it. At the closing, these criteria are not respected.

Note 7 – Other liabilities

They all have a term less than 1 year.

Payables included in the debt is (in thousands of €):

Suppliers..91
Tax and employee-related payables...........93
Other...0
Total 184

Note 8 – Items recorded in multiple balance sheet entries

Balance Sheet entries (in thousands of euros)	**Amount concerning the companies**		**Amount of indebtedness of receivable represented by commercial paper**
	Affiliates (> 50%)	**As to which the company has an equity interest (< 50%)**	
Financial fixed assets	9,903		
Accounts receivables and others accounts	465		
Other accounts receivable	1,852		
Accounts payable and related accounts	26	59	
Long-term debt	62		

D - INFORMATION CONCERNING THE INCOME STATEMENT

Note 9 – Revenue

Total revenues concerned activity on the holding company re-invoiced.

Note 10 – Income from financing operations

This includes primarily dividends paid by the AUSY France subsidiary (€2,500,000).

Note 11 – Financing expenses

This includes bank interest of €126,000.

Note 12 – Extraordinary income and expenses

This includes the sale of financial fixed assets : 35% of the Swiss company PROACTIVE PARTNERS.

Note 13 – Income tax

The company is part of a group of companies that are consolidated within the meaning of Articles 223 A to U of the French General Tax Code. Taxes are recorded for each subsidiary as if the accounts were unconsolidated. Any tax savings associated with deficits are recorded for the parent company and treated as profits in the current Fiscal year.

The amount recorded under this heading corresponds to the share in losses of the period applied to the tax surplus previously paid (€1,370,000).

E - OTHER INFORMATIONS

Note 14 – Average number of personnel

	Executives	Employees	Total
Men	3		3
Women	5	2	7
TOTAL	**8**	**2**	**10**

Note 15 - Commitments

Commitments pertaining to pensions, retirement and indemnities

Provision is not made for company liabilities concerning severance pay and retirement indemnities. At the closing, they totaled €35,000. This provision is calculated on the basis of the likely present value of compensation payable by the company to its employees at the time of their retirement, adjusted for their seniority as of the closing date.

The present value is based on the level of seniority attained, and the likelihood that they will remain with the company until retirement, and the estimated future wages.

Off-balance sheet commitments

The swap contract is linked to the syndicated loan generates an off-balance sheet commitment of €3,400,000 at the close of the year. This commitment is given and received. It was €4,760,000 at the end of 2002. This swap contract concerns a swap of variable rate debts and the repayment schedule is identical to the syndicated loan.

Note 16 - Compensation of directors and officers

Compensation granted to directors and officers for the performance other duties in fiscal year 2003 totaled €275,000.

TABLE OF THE LAST FIVE FISCAL YEARS

NATURE OF INFORMATION	FISCAL YEAR 1999 (1)	FISCAL YEAR 2000	FISCAL YEAR 2001(2)	FISCAL YEAR 2002	FISCAL YEAR 2003
I - Closing capital and reserves					
Share Capital	1,512,274	1,512,274	2,133,973	2,133,973	2,133,973
Number of ordinary shares in existence	1,983,973	1,983,973	2,133,973	2,133,973	2,133,973
Number of preferred shares (without voting rights) in existence					
Maximum number of shares to create:					
• By conversion to bonds					
• By exercise of subscription rights					
II - Operations and earnings for the fiscal year					
Income before taxes	0	230	120,359	973,132	859,011
Profit (loss) prior to taxes, employee profit-sharing, depreciation, amortization and provisions	104,177	394,757	1,003,520	1,302,536	1,972,181
Income tax	(25,861)	(79,591)	(491,850)	(1,325,912)	(1,370,422)
Profit-sharing payable to employees for the fiscal year	0	0	0	0	0
Earnings after taxes, employee profit-sharing, depreciation, amortization and provisions	152,662	474,348	1,486,014	(2,452,595)	3,335,869
Earnings distributed	453,682	453,682	496,474	0	0
III - Earnings per share					
Earnings after taxes, employee profit-sharing, but before depreciation, amortization and provisions	0.06	0.24	0.70	1.23	1.57
Earnings after taxes, employee profit-sharing, depreciation, amortization and provisions	0.08	0.24	0.70	-1.15	1.56
Dividend allocated to each share	0.23	0.23	0.22	0	0
IV - Personnel					
Average number of employees during the fiscal year	0	0	0	10	10
Payroll amount for the fiscal year	0	0	0	874,924	611,814
Employee benefits payments for the fiscal year (social security, employee programs, etc,)	0	0	0	373,541	278,280

(1) Capital increase.

(2) Capital increase.

7 CERTIFICATIONS AND REPORTS

7.1 INDIVIDUAL RESPONSIBLE FOR THE REGISTRATION DOCUMENT

7.1.1 Individual responsible for the registration document

Mr. Jean-Marie MAGNET, Chairman of the Board of Directors

7.1.2 Certification of the responsible individual

« To the best of my knowledge, the information contained in this reference document is accurate; provides all the information necessary for investors to form a judgment as to the company's assets, activities, financial position, earnings and prospects; and contains no omission that would alter its scope ».

Issy-les-Moulineaux, April 7, 2004

Monsieur Jean-Marie MAGNET
Chairman - CEO

7.2 INDIVIDUALS RESPONSIBLE FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

7.2.1 Name of the auditors

Statutory auditors

- Calan Ramolino et Associés, represented by Mr. Jean-Marc LUMET, 191 avenue Charles de Gaulle – 92200 NEUILLY-SUR-SEINE.

  Appointed by the Combined Shareholder's Meeting held December 31, 1998 for six financial periods expiring in the fiscal year ending 31-12-2003. Their renewal is proposed at the shareholders' meeting held June 30, 2004.

- Prestige International Audit, represented by Mr. Benoit GILLET and Ms. Sophie DUVAL, 21 rue d'Artois – 75008 PARIS. Appointed by the Combined Shareholder's Meeting held June 27, 2002 for six financial periods expiring in the fiscal year ending 12-31-2007.

Alternate auditors:

- The term of Mr. Jean-François RAMOLINO DE COLL'ALTO, 191 avenue Charles de Gaulle – 92200 NEUILLY-SUR-SEINE, appointed by the Combined Shareholder's Meeting held December 31, 1998 for six financial periods expiring in the fiscal year ending 12-31-2003.
  The appointment of COEXCOM, 65 avenue Kléber - 75116 Paris, is proposed at the shareholders' meeting held June 30, 2004

- BEAS, 7-9 villa Houssay – 92200 Neuilly sur Seine.
  Appointed by the Combined Shareholders' Meeting held June 27, 2002 for six financial periods expiring in the fiscal year ending 12-31-2007.

7.2.2 Auditors' fees

	Calan Ramolino Deloitte Touche				Prestige International Audit			
In thousands of euros	**Amount**		**%**		**Amount**		**%**	
	2003	2002	**N**	**N-1**	2003	2002	**N**	**N-1**
Audit								
Auditors, Certification, audit of individual and consolidated financial statements	83	82	89 %	58 %	26	24	100 %	100 %
Accessory assignments								
Sub-total	**83**	**82**	**89 %**	**58 %**	**26**	**24**	**100 %**	**100 %**
Other services, when applicable								
Legal, tax, human resources consulting	10	60	11 %	42 %				
Information technology								
Internal Audit								
Other assignments								
Sub-total	**10**	**60**	**11 %**	**42 %**	**0**	**0**	**0 %**	**0 %**
TOTAL	**93**	**142**	**100 %**	**100 %**	**26**	**24**	**100 %**	**100 %**

7.2.3 Certification of the auditors

As the auditors of the company AUSY and in accordance with COB rule 98-01 and professional standards applicable in France, we have performed certain procedures on information relating to the financial situation and historical financial data provided in this registration document.

The Chairman of the Board of Directors was responsible for preparing this document. Our responsibility is to report on the fairness of the information presented herein in respect to the financial situation and financial statements.

We conducted our audits in accordance with auditing standards generally accepted in France. These standards require that we plan and perform the audit to obtain a reasonable assurance as to the fair presentation of information concerning the financial situation and financial statements presented in the registration document and verify their coherence with the financial statements for which a report was issued. These procedures also consist in reviewing the other information contained in this addendum to identify material inconsistencies with the information relating to the financial situation and the financial statements and to report any apparent material misstatements that we may have found based on our general knowledge of the company obtained during the course of our engagement. This registration document does not include separate forward-looking data.

The parent company and consolidated financial statements for the fiscal year ending December 31, 2001, 2002 and 2003 prepared by the Board of Directors were audited by Calan Ramolino & Associés and RSM Salustro Reydel for 2001 and Calan Ramolino & Associés and Prestige International Audit for 2002 and 2003 in accordance with French accounting standards, and certified without reserves or comment.

In accordance with the measures of Article L.225-235 of the French Commercial Code, introduced by the law on financial security of August 1, 2003 and which applies to this fiscal period for the first time, our reports on the annual individual and consolidated financial statements for fiscal 2003 includes the reasons for our opinion; these reasons, with regard to the annual financial statements, bear on share capital and pertaining to consolidated financial statements, on the treatment of goodwill.

Based on our audit, we have no reservations regarding the accuracy and truthfulness of the information presented in the registration document regarding the company's financial situation and accounts.

Paris and Neuilly, April 7, 2004

The Auditors

Prestige International Audit **Calan Ramolino & Associés**

Sophie DUVAL Benoît GILLET Jean-Marc LUMET

Note: The Auditor's Report issued in accordance with the last paragraph of Article L.225-235 of the French Commercial Code on the report of the Chairman of the Board of directors relative to internal control procedures concerning the elaboration and processing of financial and accounting information is mentioned in part 1.4 (Finances) of this registration document.

7.2.4 Report on the consolidated financial statements

Prestige International Audit
21, rue d'Artois
75008 Paris

Calan Ramolino & Associés
191, avenue Charles de Gaulle
92200 Neuilly-sur-Seine

AUSY S.A. A French Corporation
10, rue des Acacias – 92130 Issy-les-Moulineaux

REPORT OF THE AUDITORS

Consolidated Financial Statements

For the fiscal year ended December 31, 2003

Pursuant to our appointment by General Meeting of Shareholders, we have audited the attached consolidated financial statements of AUSY, for the fiscal year ended December 31, 2003.

The consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on the financial statements and disclosures based on our audits.

1. Opinion on the consolidated financial statements

We conducted our audits in accordance with auditing standards generally accepted in France; these standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We certify that the consolidated financial statements referred to above, prepared in conformity with accounting standards generally accepted in France present fairly, in all material respects, the assets and consolidated financial position of the company and its subsidiaries and the consolidated results of their operations.

2. Justification of opinion

In accordance with Article L. 225-235 of the French Commercial Code pertaining to the justification of our opinions, introduced by the law on financial security of August 1, 2003 and which applied to this fiscal period for the first time, we bring the following items to your attention:

The net book value of goodwill was reviewed by the company as described in note D1 in the notes. We have reviewed the methodology implemented for this, reviewed as needed the documentation prepared within this framework, appreciated the coherency in the retained data and have examined the calculations performed by the company. On this basis, we have examined the reason character of these estimations.

The opinion thus expressed falls within the framework of our approach to auditing the consolidated financial statements, overall, and has therefore contributed in the formation of the opinion without reserve, expressed in the first part of this report.

3. Specific verification

Moreover, we have also verified the information provided in the report on the management of the group. We have no comment or reservation regarding their accuracy and consistency with the consolidated financial statements.

Paris and Neuilly, April 1, 2004

The Auditors

Prestige International Audit

Sophie DUVAL

Benoît GILLET

Calan Ramolino & Associés

Jean-Marc LUMET

7.2.5 General report on the annual financial statements

Prestige International Audit
21, rue d'Artois
75008 Paris

Calan Ramolino & Associés
191, avenue Charles de Gaulle
92200 Neuilly-sur-Seine

AUSY A French Corporation
10, rue des Acacias – 92130 Issy-les-Moulineaux

REPORT OF THE AUDITORS

Annual Financial Statements

For the fiscal year ended December 31, 2003

Pursuant to our appointment by the General Meeting of Shareholders, we present our report for the fiscal year ended December 31, 2003, on:

– the attached annual financial statements of Ausy,

– the justification of our opinion,

– the specific verifications and information required by law.

The annual financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on the financial statements and disclosures based on our audits.

1. Opinion on the annual financial statements

We conducted our audits in accordance with auditing standards generally accepted in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We certify that the consolidated financial statements referred to above, prepared in conformity with accounting standards generally accepted in France present fairly, in all material respects, the assets and consolidated financial position of the company and its subsidiaries and the consolidated results of their operations.

2. Justification of opinion

In accordance with the measures in Article L.225-235 of the French Commercial Code pertaining to the justification of our opinion, introduced by the law on financial security of August 1, 2003 and which applies to this fiscal year for the first time, we call your attention to the following items:

The methods for evaluating shares are described in note C 2 of the notes. With regard to provisions for depreciation, we have appreciated the coherency of the data and the hypothesis on which is based the estimates and examined the calculations performed. On this basis, we have examined the reasonable character of these estimates.

The opinion thus expressed fall within the framework of our audit approach for annual financial statements, taken as a whole, and have therefore contributed in the formation of the opinion without reserve, expressed in the first part of the general report.

3. Verifications and specific information

We have also performed the specific verifications required by law, accordance with professional standards applicable in France.

We have no comment or reservation regarding the accuracy and consistency with the consolidated financial statements of the information provided in the board of directors' management report and the documents provided to the shareholders regarding the company's financial situation and annual financial statements.

As provided by law, we are satisfied that the management report has provided you with the various items of information regarding the identity of holders of capital and voting rights.

Paris and Neuilly, April 1, 2004

The Auditors

Prestige International Audit

Calan Ramolino & Associés

Sophie DUVAL

Benoît GILLET

Jean-Marc LUMET

7.2.6 Special Report on Regulated Agreements

Prestige International Audit
21, rue d'Artois
75008 Paris

Calan Ramolino & Associés
191, avenue Charles de Gaulle
92200 Neuilly-sur-Seine

AUSY A French Corporation
10, rue des Acacias – 92130 Issy-les-Moulineaux

SPECIAL REPORT OF THE AUDITORS

For the fiscal year ended December 31, 2003

In our capacity as auditors for the company, we are required to provide you with a report on those regulated agreements of which we are aware. Our task is not to ascertain the existence of any such agreements.

We advise you that we have not been advised of any agreement described in Article L.225-38 of the French Commercial Code.

Paris and Neuilly, April 1, 2004

The Auditors

Prestige International Audit

Sophie DUVAL

Benoît GILLET

Calan Ramolino & Associés

Jean-Marc LUMET

7.2.7 Other reports

Prestige International Audit
21, rue d'Artois
75008 Paris

Calan Ramolino & Associés
191, avenue Charles de Gaulle
92200 Neuilly-sur-Seine

AUSY A French Corporation
10, rue des Acacias – 92130 Issy-les-Moulineaux

SPECIAL REPORT OF THE AUDITORS PERTAINING TO THE AUTHORIZATION TO REDUCE THE CAPITAL

Combined Shareholders' Meeting of June 30, 2004
(Thirteenth resolution)

As the auditors of your company and in compliance with the engagement provided for by the French Commercial Code and notably articles L.225-209, paragraph 4 in the case of a reduction in capital through the cancellation of shares bought back, we have established this report in order to inform you of our opinion on the reasons and conditions for the reduction in capital being considered.

We have reviewed the proposed issue in accordance with the standards of our profession applied in France. These standards require that we perform tests on procedures used to determine if the reasons and conditions for the reduction in capital that is being considered are regular.

This operation falls within the framework of the purchase by your company, within the limit of 10% of its current capital, which is 213,397 shares, of its treasury shares, under the conditions provided for in Article L. 225-209 paragraph 4 of the French Commercial Code. This purchase authorization is proposed moreover to the general shareholders' meeting for approval (eleventh resolution) and would be granted for a period of 18 months.

Your Board requests that you grant it the authority, for a period of 24 months, within the framework of the implementation of the purchase authorization by your company of its own shares, all authorities to cancel, within the limit of 10% of the amount of the current capital, or 213,397 shares, the shares thus purchased.

We do not have any opinion to communicate on the reasons and conditions for the reduction in capital under consideration, remembering that the latter can take place only where your shareholders' meeting approves the purchase option in advance, by you company, of its own shares.

Paris and Neuilly, April 1, 2004

The Auditors

Prestige International Audit

Sophie DUVAL

Benoît GILLET

Calan Ramolino & Associés

Jean-Marc LUMET

8 REGISTRATION COMPLIANCE TABLE

REGISTRATION DOCUMENT
(in accordance with regulation COB 98-01)

This document is filed with the Autorité des Marchés Financiers as a registration document. Accordingly, for each reporting category provided by regulations, this table indicates the page numbers where the requested information appears.

Consulting and Engineering in Advanced Technologies

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