

**- PART C -
TRANSITION TO IFRS**

In accordance with EU regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements for the 2005 reporting year were prepared in accordance with IAS/IFRS.

For comparison purposes, the financial statements are presented alongside those of the 2004 reporting year prepared in accordance with the same rules.

The retrospective application of IAS/IFRS required the restatement of the opening balance sheet at 1 January 2004 and the balance sheet and statement of income for the 2004 reporting year.

1- Management of the project

In 2003, BRICORAMA Group launched a project involving preparation for the application of IAS/IFRS. The task force set up to conduct the project worked during 2004 to identify the impact of the adoption of the new rules on the accounts and their presentation. It also looked at ways of updating the information systems and consolidation systems to ensure compliance with the new rules.

Updates on project progress were provided in the 2003 and 2004 annual reports.

2- Main impacts of the adoption of IFRS

The restated consolidated 2004 accounts were prepared in compliance with the IAS/IFRS references applicable with regard to the 2005 financial year, and specifically, the provisions of IFRS 1 concerning the first-time application of IAS/IFRS.

2-1 Main impacts on account evaluation

- **Restatement of inventories (IAS 2)**

Inventory was restated for discounts received by the Group and for publicity participation, with the exception of that billed on the occasion of the opening of a new store. The accounting treatment of inventories at initial cost price was maintained.

- **Restatement of tangible fixed assets (IAS 16)**

The Group applied the components method retrospectively to its tangible fixed assets. This obliged us to restate a major proportion of our property assets, whether owned by the Group or held under loan lease contracts. At the same time, we harmonised the life cycles of the assets. However, the Group continues to use the historic value as the base value for tangible fixed assets.

- **Restatement of financial lease contracts (IAS 17)**

All of the loan lease contracts, commercial lease contracts and property lease contracts were analysed. All contracts that fell into the category of financial leasing were restated in the balance sheet as fixed assets and financial debt. The same was done with significant non-property lease contracts.

- **Updating of employee benefits (IAS 19)**

The Group was already accruing provision for indemnities and coverage specific to each country. The adoption of IFRS required the calculation to be updated and applied to all countries in accordance with the assumptions specified in IFRS. Actuarial differences not yet recognised in the balance sheet at 31 December 2003 were posted to opening shareholders' equity at 1 January 2004.

- **Reclassification of treasury shares**

Treasury shares were reclassified by debiting to shareholders' equity in 2004, but the adoption of IFRS meant that this item had to be reclassified in the opening balance sheet at 01/01/2004.

- **Restatement of stocks options (IFRS 2)**

The standard calls for the restatement of stock option plans dating from after 7 November 2002. The stock option plan of 23/08/2004 was the only one to be restated. The result of the calculation, performed using the Black and Scholes method, impacted the 2004 accounts.

- **Asset impairment (IAS 36 and IFRS 3)**

The Group performs annual tests for asset impairment. IAS 36 and IFRS 3 require impairment tests to be performed with respect to a new unit: the Cash Generating Unit (CGU). Based on the Group's organisational structure, three Cash Generating Units were identified: the network of integrated stores in France, the Benelux and Spain.

Goodwill and market shares were reclassified as goodwill.

- **Goodwill (IFRS 3)**

Negative goodwill is no longer carried to the financial result over a period reflecting stated assumptions and targets. Negative goodwill is henceforth carried to the financial result of the reporting year in which the acquisition took place. Negative goodwill was therefore restated as shareholder's equity in the opening balance sheet at 01/01/2004.

2-2 Main impacts on presentation of financial statements

The implementation of IAS 1 (balance sheet and statement of income) and IAS 7 (cash flow table) modifies the current presentation of the financial statements.

The statement of income will continue to be presented by class.

The following reclassifications were made:

- Reclassification of discounts received from the financial result to the sales margin
- Reclassification of publicity participation not related to store openings from other revenue to the sales margin.

Because the standards do not recognise the notions of EBIT and exceptional income, the Group decided:

- To identify non-recurrent items
- To disclose operating income before non-recurring items alongside operating income

As required by IAS 1, the balance sheet is presented on the basis of asset and liability liquidity. Assets and liabilities are split into current and non-current, broadly based on maturities of above and below one year.

The cash flow statement is presented in accordance with the provisions of IAS 7. The funds-flow method format is used, as specified by the standard.

So as to meet the requirements of IAS 14 concerning segment information disclosure, the Group opted for a geographical approach based on three segments: France, the Benelux and Spain. This decision was made based on the organisational structure of the Group, the profit margins and risk exposure of each segment, and their operational procedures. Segment information disclosure mainly concerns the statement of income and relevant segment assets and liabilities. The purpose is to enable analysis of the economic and financial performance of the business lines.

3- Reconciliation tables

3-1 Reconciliation table for 2004 opening balance sheet

<i>(K€)</i>	Gross amount	Deferred taxes	Net amount
Shareholders' equity at 01-01-2004 -French Accounting	145 834,8		145 834,8
Inventory	-5 371,2	1 901,6	-3 469,7
-Restatement of commercial cooperation	-3 759,9	1 331,1	-2 428,8
-Restatement of discounts	-1 611,4	570,5	-1 040,9
Tangible assets	6 525,8	-2 575,6	3 950,2
Financial leasing contracts	331,8	-154,1	177,8
Provision for social commitments	-2 008,6	708,3	-1 300,3
Goodwill	524,5		524,5
Unallocated expenses	-1 436,6	491,3	-945,3
Treasury shares	-543,5		-543,5
Other	-115,1	0,0	-115,1
Shareholders' equity at 01-01-2004 - IFRS	143 741,9	371,5	144 113,4

3-2 Table of 2004 financial impacts (net of tax)

<i>(K€)</i>	Shareholders' equity 01/01/2004	Shareholders' equity 01/01/2004	2004 earnings	Shareholders' equity 31/12/2004
French Accounting Standards	145 834,8	-2 520,5	22 744,8	166 059,1
Inventory	-3 469,7		89,9	-3 379,8
Tangible assets	3 950,2		582,1	4 532,3
Financial leasing contracts	177,8		226,0	403,8
Provision for social commitments	-1 300,3		67,4	-1 232,8
Intangible assets			151,6	151,6
Stock options		121,4	-121,4	0,0
Goodwill	524,5		-1 235,0	-710,5
Deferred taxes		0,0	0,0	0,0
Variable carried forward		21,9		21,9
Unallocated expenses	-945,3		98,4	-847,0
Treasury shares	-543,5	543,5		0,0
Other	-115,1	-42,4	-54,4	-211,9
IFRS	144 113,4	-1 876,1	22 549,4	164 786,7

3-3 2004 IFRS balance sheet
3-3-1 IFRS balance sheet
(K€)

ASSETS	NOTES	31/12/2004		IFRS BS Net
		French BS IFRS Format	IFRS Restatement	
Intangible assets	1	2 659,5	-600,9	2 058,6
Goodwill	1	116 845,7	-99,0	116 746,7
Tangible assets	2	44 767,1	17 702,4	62 469,5
Other financial assets		4 523,9		4 523,9
Stakes recognised on equity basis		0,0		0,0
FIXED ASSETS		168 796,2		185 798,7
Deferred tax assets	7	9 784,8	3 257,4	13 042,2
Other receivables and other non-current assets		3 376,8		3 376,8
TOTAL NON-CURRENT ASSETS		181 957,8		202 217,7
Inventory	3	181 627,3	-5 232,6	176 394,7
Trade and other receivables		8 054,1		8 054,1
Other tax assets receivable				
Other receivables and other current assets	4	37 057,0	-1 290,7	35 766,3
Cash and cash equivalents		26 639,1	-1,7	26 637,4
TOTAL CURRENT ASSETS		253 377,5		246 852,5
TOTAL ASSETS		435 335,3		449 070,2

(K€)

PASSIF	NOTES	31/12/2004		IFRS BS Net
		French BS IFRS Format	IFRS Restatement	
Share capital		27 665,7		27 665,7
Issue premiums		9 140,6		9 140,6
Consolidated reserves		106 490,4		105 413,3
Group share earnings		22 743,7		22 548,2
Minority share		18,7		18,9
SHAREHOLDERS' EQUITY		166 059,1		164 786,7
Provision for non-current risks and expenses	5	1 917,0	1 904,2	3 821,2
Provision for social commitments	5	603,4	1 904,2	2 507,6
Other provision for risks and expenses		1 313,6		1 313,6
Non-current financial debt	6	39 789,4	7 798,0	47 587,4
Deferred tax liabilities	7	1 887,8	3 054,6	4 942,4
Other non-current assets		251,5		251,5
TOTAL NON-CURRENT LIABILITIES		43 845,7		56 602,5
Provision for current risks and expenses		1 946,7		1 946,7
Provision for social commitments		0,0		
Other provision for risks and expenses		1 946,7		1 946,7
Current financial debt	6	75 774,9	2 252,0	78 026,9
Current trade and other payables		96 109,4		96 109,4
Other current liabilities		51 537,3		51 535,7
Tax liabilities payable		62,2		62,2
TOTAL CURRENT LIABILITIES		225 430,5		227 681,0
TOTAL LIABILITIES		435 335,3		449 070,2

3-3-2 Restatement notes

Note 1.1 - Restatement of intangible assets

<i>(K€)</i>	Restatements and reclassification	31/12/2004
Intangible assets		2 659,5
Benelux goodwill restatement	229,6	
Benelux goodwill reclassification	-825,6	
Revision of depreciation	-4,9	
Total restatements	<u>-600,9</u>	
Restated intangible assets		2 058,6

Note 1.2 - Restatement of goodwill

<i>(en milliers d'euros)</i>	Restatements and reclassifications	31/12/2004
Goodwill assets		116 845,7
Acquisitions	-214,2	
Goodwill reclassification	825,6	
Depreciation EPI Service	-649,6	
Reallocation of Benelux goodwill	-1 804,9	
Cancellation of goodwill depreciation	999,2	
Negative goodwill	1 288,1	
Non-allocated goodwill	-543,3	
Total restatements	<u>-99,0</u>	
Restated goodwill assets		116 746,7

BRICORAMA decided to treat goodwill on the basis of the option proposed in IFRS 3. The net value of goodwill at 31 December 2003 was used.

Note 2 - Restatement of tangible assets

<i>(K€)</i>	Restatements	31/12/2004
Tangible assets :		44 767,1
Net value of real estate assets financed by financial lease contracts	9 361,5	
Net value of non-real estate assets financed by financial lease contracts	1 252,6	
Component based approach and revision of depreciation terms	7 088,3	
Total restatements	<u>17 702,4</u>	
Restated tangible assets		62 469,5

Note 3 - Restatement of inventories

<i>(K€)</i>	Restatement	31/12/2004
Net inventory:		181 627,3
Integrated discounts and publicity participation :	-5 232,6	
Total restatements	<u>-5 232,6</u>	
Restated net inventory		176 394,7

Note 4 - Restatement of other receivables and current assets

(K€)	Restatement	31/12/2004
Other receivables and current assets		37 057,0
Cancellation of expenses for allocation France	-316,1	
Cancellation of expenses for allocation Benelux	-974,7	
	<u>-1 290,7</u>	
Restated other receivables and current assets		35 766,3

Note 5 - Restatement of Provision for risks and expenses

(K€)	Restatement	31/12/2004
Provision for risks and expenses		1 917,0
IAS 19 – Provision for social commitments	1 904,2	
Total restatements	<u>1 904,2</u>	
Restated provision for risks and expenses		3 821,2

Note 6 - Restatement of loans

(K€)	Restatement	31/12/2004
Various non-current financial debt		39 789,4
IAS 17 – Lease	7 798,0	
Total restatement	<u>7 798,0</u>	
Various non-current financial debt		47 587,4
Various current financial debt		75 774,9
IAS 17 – Lease	2 252,0	
	<u>2 252,0</u>	
Various other financial debt		78 026,9

Note 7 - Retraitement des Impôts différés

(en milliers d'euros)	31/12/2004
	Net
Deferred tax assets :	9 784,8
Deferred tax liabilities :	-1 887,8
	<u>7 897,0</u>
<u>Deferred taxes stemming from IFRS restatements :</u>	
Cancellation of goodwill depreciation	-78,1
IAS 17 – Financial lease contract	-211,0
IAS 16 – Tangible assets	-2 500,1
IAS 2 – Inventories	1 852,8
IAS 19 – Social commitments	671,3
Expenses to be allocated	443,7
Other restatements	24,4
Total restatement	<u>203,0</u>
- o/w Deferred tax assets	13 042,2
- o/w Deferred tax liabilities	-4 942,4
Deferred tax assets and liabilities	8 099,8

Note 8 - Modifications to the transition published on 21/10/2005 in the BALO

TABLE OF MODIFICATIONS TO THE INITIALLY PUBLISHED OPENING BALANCE SHEET FOR 2004 (transmitted to the BALO on 21/10/2005)

	Initial net amount IFRS	Complement added	Final net amount IFRS
Shareholders' equity – French Accounting Standards at 01-01-2004	145 834,8		145 834,8
Inventories	-3 469,7		-3 469,7
- Restatement of commercial cooperation	-2 428,8		-2 428,8
- Restatement of discounts	-1 040,9		-1 040,9
Tangible assets	4 551,6	-601,4	3 950,2
Financial leasing contracts	236,3	-58,5	177,8
Provision for social commitments	-1 300,3		-1 300,3
Goodwill	524,5		524,5
Expenses for allocation	-945,3		-945,3
Treasury shares	-543,5		-543,5
Other	-115,1		-115,1
Shareholders' equity – IFRS at 01-01-2004	144 773,4	-659,9	144 113,5

TABLE OF MODIFICATIONS TO THE INITIALLY PUBLISHED 2004 RESULT

	Shareholders' equity 01/01/2004	Change in shareholders' equity	Initial IFRS 2004 result	2004 result IFRS complement	Shareholders' equity 31/12/2004
French Accounting Standards	145 834,8	-2 520,5	22 744,8		166 059,1
Inventory	-3 469,7		89,9		-3 379,8
Tangible assets	3 950,2		539,2	42,9	4 532,3
Financial leasing contracts	177,8		295,2	-69,2	403,8
Provision for social commitments	-1 300,3		67,4		-1 232,8
Intangible assets			151,6		151,6
Stock options		121,4	-121,4		0,0
Goodwill	524,5		-1 235,0		-710,5
Deferred taxes		0,0	0,0		0,0
Variable carried forward		21,9			21,9
Expenses for allocation	-945,3		98,4		-847,0
Treasury shares	-543,5	543,5			0,0
Other impacts	-115,1	-42,4	-54,4		-211,9
IFRS	144 113,4	-1 876,1	22 575,7	-26,3	164 786,7

Modifications were made to the 2004 transition to IFRS initially communicated on 21 October 2005 to BALO as follow.

- Tangible fixed assets: –€601,400 at opening of period and +€42,900 to the result.
- Adjustment of financial leases by –€58,500 at opening of period and –€69,200 to the result.

The acquisition of a new tool for management of property, plant and equipment and the positions adopted in the context of the change in asset valuation methods, which impacted the 2005 corporate financial statements, enabled us to revise and refine the impacts as regards IFRS restatement.

We re-examined the lease contracts with a view to ensuring better translation of the related restatements.

3-4 2004 IFRS statement of income

3-4-1 Compte de résultat IFRS

31/12/2004

(K€)	NOTES	French standards in IFRS format (1)	IFRS Balance sheetNet
Goods sold		612 132,2	612 132,2
Other operating revenue		4 517,1	4 517,2
Total revenue from ordinary activities		616 649,3	616 649,4
Purchase cost of goods sold	8	-377 315,7	-377 177,0
Margin		234 816,5	234 955,2
Payroll	9	-95 938,1	-96 059,5
External expenses	10	-87 231,9	-84 256,8
Taxes		-9 759,8	-9 759,8
Net depreciation and provision accruals	11	-13 508,9	-13 336,4
Other operating revenue and expenses		-4 108,0	-4 108,0
Current operating income		28 787,0	31 951,9
Other operating revenue and expenses	12	7 605,8	5 800,9
Operating income		36 392,8	37 752,8
Revenue from cash and cash equivalents		307,2	307,2
Gross cost of financial debt (except cost of hedging)	13	-3 334,6	-4 257,0
Income on forex and interest rate hedging transactions		-970,4	-970,4
Net cost of financial debt		-3 997,8	-4 920,1
Other financial revenue and expenses		-253,8	-253,8
Corporation tax	14	-9 395,7	-10 028,9
Group share of net income of companies consolidated using equity method			
Net income		22 745,5	22 549,9
o/w net income from continued activities			22 529,1
o/w net income from discontinued or alienated activities			20,3
Group share		22 743,7	22 548,2
Minorities share		1,8	1,2
		Euro	
Total number of shares in the share capital		5 533 130	5 533 130
Actual and potential number of shares		5 918 930	5 918 930
Net earnings per share		4,11	4,07
Diluted net earnings per share		3,84	3,81

(1) after IFRS restatement

3-4-2 Restatement notes

Note 8 - Restatement of the margin

(K€)	Restatement	31/12/2004
Sales margin :		234 816,5
Impact of discounts and cooperation services		
	138,7	
Total restatements	138,7	
Restated sales margin		234 955,2

Note 9 - Restatement of payroll

(K€)	Restatement	31/12/2004
Payroll		-95 938,1
IFRS 2 – Share based payments		
	-121,4	
Total restatements	-121,4	
Restated payroll		-96 059,5

Note 10 - Restatement of external expenses

(K€)	Restatement	31/12/2004
External operating expenses		-87 231,9
Cancellation of loan lease and financial lease payments	2 892,4	
Expenses for allocation	<u>82,7</u>	
Total restatements	2 975,1	
Restated other revenue and expenses		-84 256,8

Note 11 - Restatement of operating depreciation

(K€)	Retraitements	31/12/2004
Net accruals to depreciation and provision		-13 509,1
Accruals for property, plant and equipment financed using financial lease contracts	-1 619,0	
Provision for social commitments	104,5	
Reduction of accruals stemming from restatement of duration of depreciation of tangible assets	880,9	
Reduction of accruals to depreciation of intangible assets	229,6	
Cancellation of amortisation of expenses for allocation	63,2	
Goodwill	569,9	
Other	<u>-56,4</u>	
Total restatements	172,7	
Restated net accruals		-13 336,4

Note 12 - Other operating revenue and expenses

(K€)	31/12/2004	
Gains on disposals	6 136,1	
Benelux indemnities	1 469,7	
Acquisition of Benelux goodwill	-1 804,9	
Total		5 800,9

Note 13 - Restatement of cost of gross financial debt

(K€)	Restatements	31/12/2004
Cost of gross debt		-3 334,6
Financial expenses per real estate loan leases	-835,8	
Financial expenses per plant and equipment loan leases and financial leases	<u>-86,6</u>	
Total restatements	-922,4	
Restated cost of gross debt		-4 257,0

Note 14 - Restatement of corporate tax

(K€)	Restatements	31/12/2004
Corporation tax		-9 395,7
<u>Deferred tax on:</u>		
-restatement of financial lease contracts	-124,1	
-revision of depreciation plans	-299,8	
-restatement of inventories	-48,8	
-retirement pensions	-37,0	
Expenses for allocation	-47,5	
Restatement of goodwill	-78,1	
Other impacts	<u>2,1</u>	
Total restatements	-633,2	
Restated corporation tax		-10 028,9

**- PART D -
ORGANISATION AND FUNCTIONING OF MANAGEMENT AND EXECUTIVE BODIES**

In compliance with Article L 225-35 of the French code of commerce, the purpose of this report is to provide information on the manner in which the operations of the Board of Directors are prepared and conducted.

The share capital of BRICORAMA SA:

- Amounted to €27,817,550 at 31/12/05.
- Held as follows:
 - o Maison du treizième + Famille BOURRELIER + M14 = 85.60 %
 - o Public = 4.40 %

Voting rights

Voting rights pertaining to shares held by the public represent 9.59%.

Majority shareholder

The composition of the Board of Directors takes into account the existence of a majority shareholder:

Mr. Jean Claude BOURRELIER,
Chairman and Managing Director of BRICORAMA SA
Chairman of SAS LA MAISON DU TREIZIEME and
Manager of Société Civile M14

Membership of the Board of Directors:

The Board of Directors currently has **four members**.

Tenure of Board members

Six years

List of directors:

Name	Date of nomination	End of term	Shares in the company	Other positions
BOURRELIER Michèle	21/06/2002	2008 general assembly	12,539	Manager of DISTRIVETI
BOURRELIER Annabelle	21/06/2002	2008 general assembly	3,822	
BOURRELIER Jean-Michel	17/05/2004 (replaces the remainder of his term)	2008 general assembly	3,822	
BOURRELIER Jean-Claude	21/06/2002	2008 general assembly	824,358	<p>Manager of SARL (LLC): BRICO SAINT ANDRE EPI SERVICES JCB INVEST ENTREPOTS BOREL HELIODIS IMMO BRICO SARL DU Luxembourg SARL DU PONT LOBY</p> <p>Manager of SC (Partnership): M14 IMMOBILIERE BRICAILLERIE DUGUY ELLEMMO IMMOFLOR II LEHAUCOURT THIERS EXPANSION VAL OMBREUX VALADON</p> <p>Chairman of SAS (Simplified JSC): MAISON DU TREIZIEME PROMO BRICO SOCIETE NOUVELLE POINT CADRES</p> <p>Representative for the Chair of: BRICORAMA France SAS MAX GUERIN SARL EOLIENNES BRICORAMA SAS EOLIENNES BRICORAMA 2 SAS BRICO 1 SAS BRICO 3 SAS</p> <p>Manager of BVBA (Belgium): GRUTO BVBA ARDENNE BRICOLAGE BVBA</p>

				LOKEREN DOE HET ZELF BVBA BRAINE L'ALLEUD BRICOLAGE BVBA MAZ BVBA MAG BVBA CEO of NV (Belgium): BRICORAMA NV ZELF BOUWMARKT NV BOUWMAR NV ROBO NV WABO NV CB BOUWMARKTEN NV BOCO NV MULTI HOBBY NV Director in the Netherlands of: BRICORAMA BV
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Description of the Board of Directors

The Board of Directors enjoys broad authority to act in the name of the company in all types of circumstances. The Board of Directors is required to exercise its powers in keeping with the corporate objectives, and, in accordance with the law, reports directly to the meeting of shareholders.

The Board of Directors determines the principles guiding the company's activities and supervises their implementation. Bearing in mind the powers invested by law in the meeting of shareholders, and subject to the corporate objective, the Board of Directors deals with any and all matters pertaining to the proper running of the company and decides upon issues pertaining thereto.

The Board of Directors is responsible for ensuring the existence and proper functioning of procedures.

The key qualities expected of a director are experience in running a company and personal commitment to the work of the Board.

Rate of attendance

During the 2005 financial year, the Board of Directors met nineteen times, and the attendance rate was 50%.

Main activities of the Board of Directors during 2005

The Board of Directors approved the 2004 financial statements and carried out a detailed examination of the corporate and consolidated accounts for the financial year.

The Board of Directors proposed that the shareholders' meeting of 29 June 2005 authorise the company to buy back its shares in the context of the procedure set up in compliance with the requirements of Article L.225-209 of the Code of Commerce.

In addition to other deliberations and decisions inscribed on the agenda in compliance with laws and regulations (regulated agreements, power to issue guarantees, etc.), the Board of Directors approved the report prepared by the Chairman of the Board concerning the organisation of the work of the Board and the procedures for internal control.

Conditions of preparation of Board of Directors work

The Chairman of the Board of Directors approves documents prepared by the company's various departments, organises and supervises the work of the Board of Directors, and ensures that directors are capable of discharging their duties by transmitting information and documentation thereto. The Chairman ensures that employee representation bodies are consulted on a regular basis.

The Board of Directors is not assisted by a committee.

Chairman of the Board of Directors

The Board of Directors resolved on 21 June 2002 to elect Mr. Jean Claude BOURRELIER as Chairman of the Board of Directors for a period of 6 years .

Description of the Chair of the Board of Directors

The Chairman of the Board of Directors represents the Board of Directors.

The general management of the company is assumed by the Chairman of the Board of Directors under the responsibility of the Chairman of the Board of Directors.

The Chairman of the Board of Directors organises and supervises the work of the Board of Directors, and reports to the general meeting of shareholders.

The Chairman of the Board of Directors is responsible for the proper functioning of the company's bodies, and ensures that the directors are capable of discharging their duties.

Organisation of the work of the Board of Directors

The Chairman organises the work of the Board to the extent that no internal regulation pertains thereto. The Board of Directors meets for both mandatory meetings (approving the annual financial statements) and for meetings convened in connection with the running of the business.

Board meetings

Meetings of the Board of Directors are convened by the Chairman, who approves the agenda for the meetings. The agenda of a meeting may be decided upon immediately prior to the commencement of the meeting. Meetings are normally held at head office. Meetings may however be held at another location as specified in the summons, but the consent of at least half of the acting directors is required if this is the case.

Representatives of the Works Council were invited to attend all of the meetings of the Board of Directors.

When meetings of the Board of Directors are held, the directors receive all of the documents and information required for the proper discharge of their duties. When the Board of Directors is not in session, the directors are provided with regular updates on important company information.

Minutes of meetings of the Board of Directors

The Board deliberates and adopts resolutions in accordance with the statutory requirements.

The minutes of meetings are prepared by the Board secretary, who is nominated at each meeting. The minutes are transcribed into the register of minutes following their signature by the Chairman.

Attendance fees:

Attendance fees were paid to the directors in 2005 as follows:

Jean-Michel BOURRELIER	: €3,750
Michèle BOURRELIER	: €7,500
Annabelle BOURRELIER	: €3,750