Annual report 2004

HUMAN RESOURCES SOLUTIONS

SOLVUS
Resource Group

SOLVUS RESOURCE GROUP

INFORMATION FOR SHAREHOLDERS

FINANCIAL OVERVIEW

FINANCIAL CALENDAR

3 March 2005	Annual results 2004
12 April 2005	Annual Report 2004 available for downloading from www.solvus.com
14 April 2005	Analysts' day
10 May 2005	General meeting
10 May 2005	Trading update first quarter
26 August 2005	Half-year results 2005
17 November 2005	Trading update third quarter
9 March 2006	Annual results 2005

INVESTOR RELATIONS CONTACT

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On 29 March 2005, the Banking, Finance and Insurance Commission granted permission for this annual report to be used as a reference document for all public issues of stock that might be made by Solvus NV up until the time of publication of its next annual report, within the context of the Law dated 22 April 2003 concerning the public offering of stock by means of the procedure for the provision of separate information. Within the context of that procedure, this annual report must be accompanied with an activity report in order to constitute a prospectus within the meaning of Chapter 4 of the Law of 22 April 2003. This prospectus must be submitted for approval to the Banking, Finance and Insurance Commission pursuant to article 14 of the Law of 22 April 2003.

We are proud to share the same four values that lie at the core of our success.

Entrepreneurship

A decentralised structure promotes responsibility and creates the dynamism and the will to succeed.

Proximity

Local expertise, flexibility and a readiness to listen form the basis on which we carry out assignments successfully.

Passion

Enthusiasm and awareness of our socio-economic role in our markets are the driving forces behind personal and collective development.

Ethics

Our employees, candidates and clients are the very reason for our success. We aim to create a corporate culture based on mutual respect and confidence.

ABI intérim

accea

BEAVER

Carela

CONTENT

Creyf's

ExpressMedical

financial forces

HR FORCES

INNOTIV

LEGAL FORCES

RECEPTEL

starjob

bird's-eye view

1,45 billion euro TURNOVER

275,000 candidates per year set to work

50,000 customers per year

3,200 permanent employees

founded in Belgium in **1963**

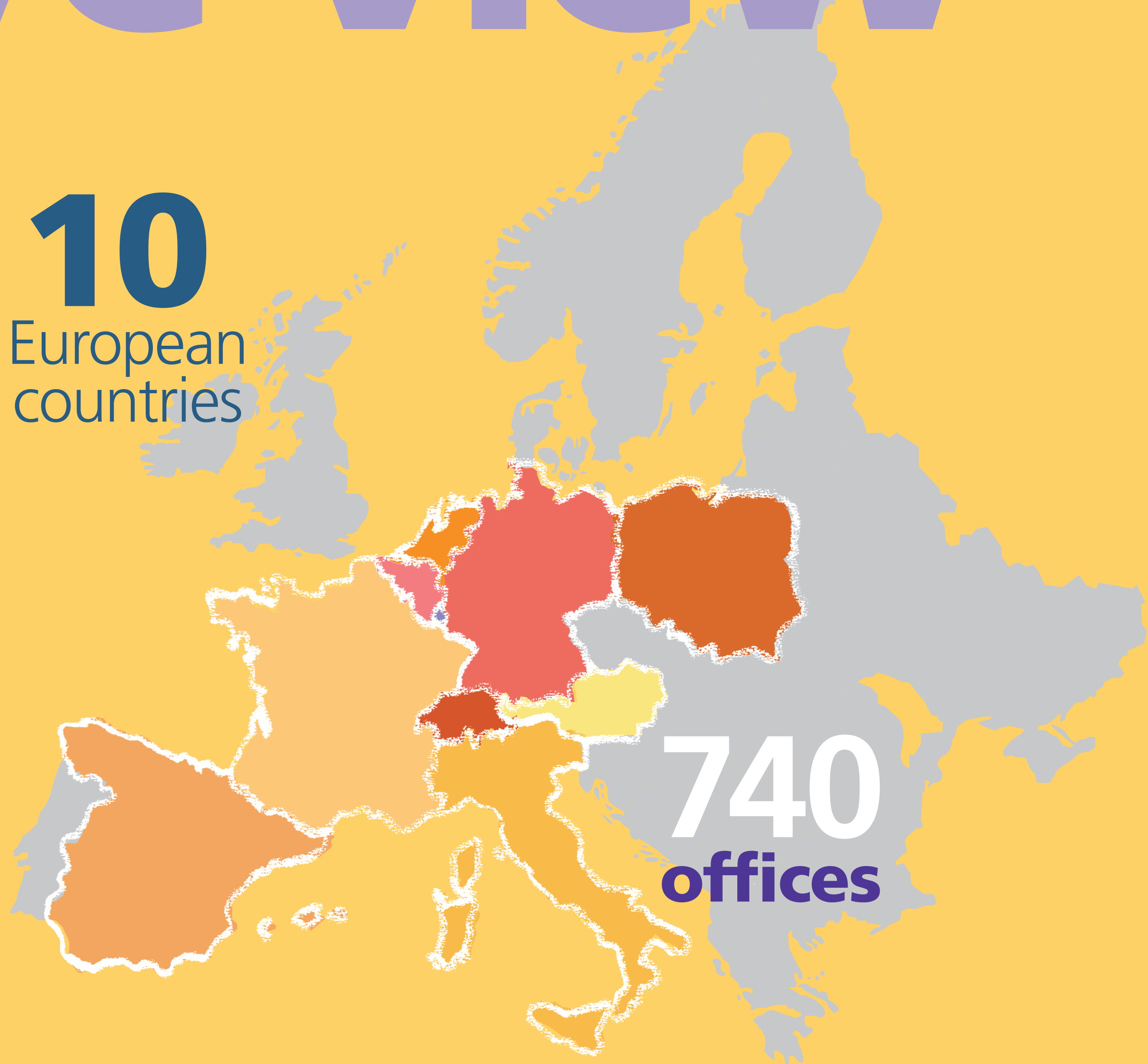
35 operating companies

13 STRONG BRANDS

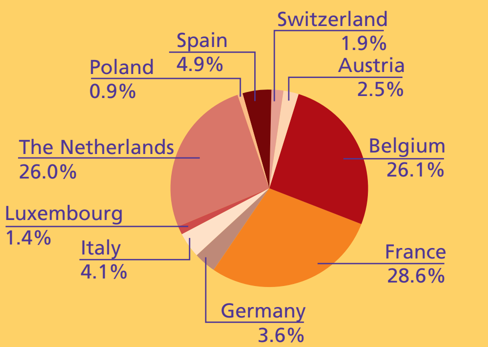
3 activities

> temporary staffing > secondment & projects > services & consultancy

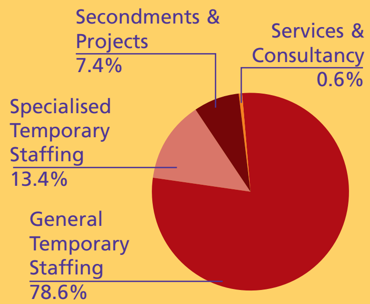
ye view



European **top five** player in human resources solutions



TOTAL OPERATING INCOME PER COUNTRY IN 2004



TOTAL OPERATING INCOME PER ACTIVITY IN 2004

Key figures

INCOME STATEMENT

In euro x 1,000	2004	2003	2002
Total operating income	**1,461,783**	1,447,298	1,521,728
Gross margin	**20.55%**	22.89%	25.45%
EBITDA	**47,203**	29,662	60,722
EBITDA margin	**3.23%**	2.06%	4.02%
EBITA	**32,940**	14,014	42,910
EBITA margin	**2.25%**	0.97%	2.82%
EBIT	**22,685**	2,882	30,799
EBIT margin	**1.55%**	0.20%	2.02%
EBTA	**19,220**	646	25,644
Net result (part of the group)	**780**	-61,444	-40,235

CASH FLOW STATEMENT

In euro x 1,000	2004	2003	2002
Net cash flow from operations	**44,612**	100,296	52,708
Net cash flow from investments	**-2,440**	-14,408	-51,005
Net cash flow from financing	**-5,776**	-96,111	-10,578
Net variation	**36,396**	-10,223	-8,875

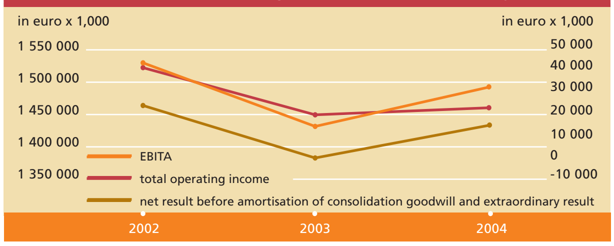
BALANCE SHEET

In euro x 1,000	2004	2003	2002
Equity	**244,047**	243,198	304,837
Cash at bank and in hand and investments	**91,092**	54,876	65,246
Long-term financial debt	**115,979**	149,631	156,204
Short-term financial debt	**139,424**	97,828	173,674
Net financial debt	**164,311**	192,583	264,631

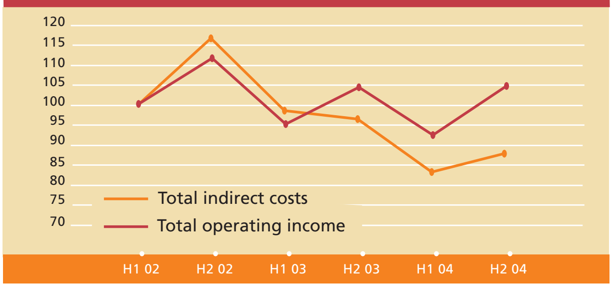
RATIOS

	2004	2003	2002
EBITDA / net financial result	**3.44**	2.22	3.52
Net financial debt / EBITDA	**3.48**	6.49	4.36
ROCE	**6.53%**	2.78%	6.65%
ROE	**13.50%**	5.76%	14.08%
Result on ordinary activities (after taxes) / total operating income	**0.26%**	-0.84%	0.79%
Result on ordinary activities (after taxes) / equity	**1.54%**	-4.99%	3.91%
Solvency (equity / total assets)	**30.90%**	31.38%	34.41%
Liquidity (current assets / current liabilities)	**86.51%**	88.76%	95.69%
Gearing (net financial debt / equity)	**67.33%**	79.19%	86.81%

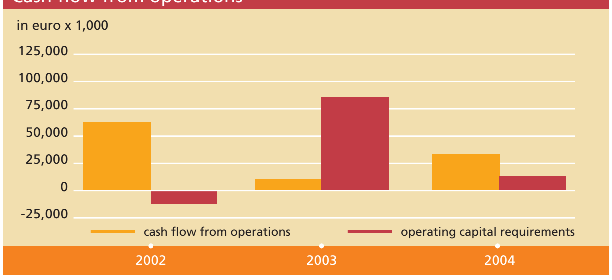
Evolution of total operating income, EBITA and net result before amortisation of consolidation goodwill and extraordinary result



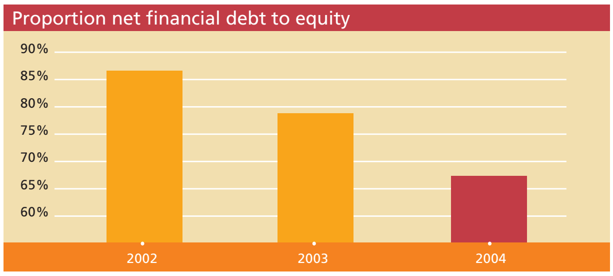
Relative evolution of total operating income and indirect costs (H1 2002 = 100)



Cash flow from operations



Proportion net financial debt to equity

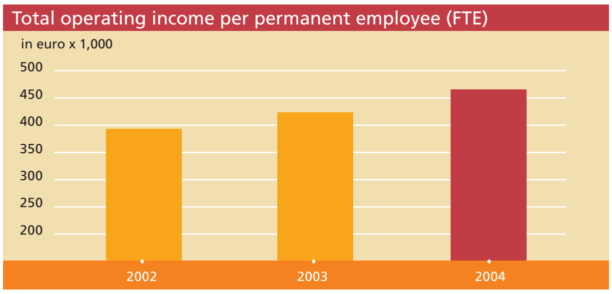


RATIO PER SHARE

	2004	2003	2002
Price / earnings ratio	**36.06**	-	14.35

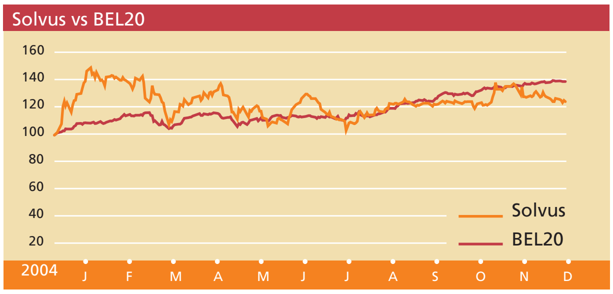
OTHER KEY FIGURES

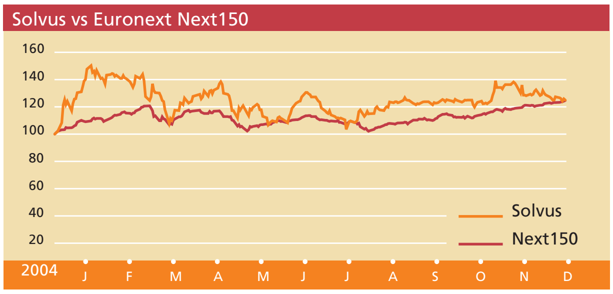
	2004	2003	2002
Personnel costs (in euro x 1,000)	**1,249,297**	1,228,026	1,248,869
Number of permanent staff (FTE)	**3,158**	3,402	3,836
Number of branches	**735**	763	828
Average number of temporary staff and project staff	**40,043**	36,508	39,253



GENERAL INFORMATION

	2004	2003	2002
Number of shares	**25,180,691**	25,180,691	25,180,691
• Ordinary shares	**10,312,500**	10,312,500	10,312,500
• VVPR	**299,440**	299,440	299,440
• Ordinary shares with VVPR strip sheet	**14,568,751**	14,568,751	14,568,751
Average daily volume	**35,245**	31,417	34,632
	31/12/04	31/12/03	31/12/02
Stock market capitalisation (in euro)	**320,968,138**	287,129,632	195,150,355
	27/01/04	31/12/03	09/05/02
Year high (in euro)	**16.25**	11.50	24.75
	27/07/04	01/04/03	13/11/02
Year low (in euro)	**11.20**	4.45	5.41
Average price (in euro)	**13.19**	7.25	15.51
Price at 31/12 (in euro)	**12.98**	11.49	7.75

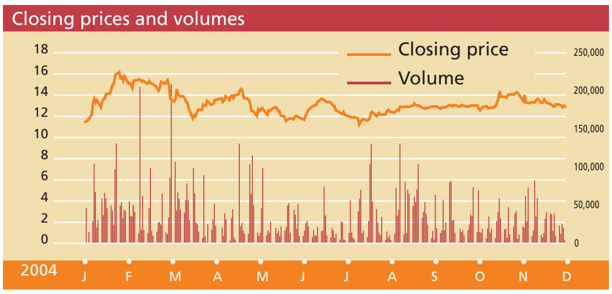




KEY FIGURES PER SHARE

Calculated on the number of shares at the end of the financial year.

In euro	2004	2003	2002
Intrinsic value	**9.69**	9.66	12.11
Fractional value per share	**8.61**	8.61	8.61
EBTA	**0.76**	0.03	1.02
Result on ordinary activities before taxes	**0.36**	-0.42	0.54
EPS	**0.03**	-2.44	-1.60
Net cash flow from operations	**1.77**	3.98	2.09
Gross dividend	**-**	-	-
Net dividend	**-**	-	-



AGENCIES

Bloomberg	SOLU.BB
Reuters	CREY.BR

EURONEXT

1990		first quotation on Euronext Euronext Next150
2003		inclusion in Euronext - NextPrime
Solvus share	SOLU	ISIN: BE0003757714 Continuous market
Solvus VVPR strip sheet	SOLUS	ISIN: BE0005556270 Fixing

For definitions, see inside back cover.

Message to the shareholders

IN 2004
SOLVUS HAS
COMPLETED ITS
TURNAROUND
SUCCESSFULLY

Dear shareholder,

In 2004 Solvus has completed its turnaround successfully. Solvus is profitable again, and as a result of the leverage effect all growth in turnover will contribute to further improvement in the result.

The objective in 2004 was to finalise the first phase of the Master Plan 2005, thus laying strong foundations for sustainable, profitable growth.

Financial objectives have been achieved in terms of cost cutting, debt reduction and improving working capital. The cost structure improved further to 18.3% of total operating income. The working capital was allocated more efficiently by keeping the number of days sales outstanding constant at 50 days. Net financial debt was reduced to 164 million euro.

The internal organisation was streamlined. The Shared Service Center was implemented successfully in the Netherlands. As a result, each country now has centralised back-office systems for IT, finance, purchasing and facility. The new ICT strategy was outlined in 2004, its objective being to implement streamlined processes, faster exchange of information, greater transparency and the launch of numerous e-services. This will result in scale advantages and standardised communications, reporting and management systems at group level, enabling Solvus to respond to market conditions more quickly and effectively.

Senior management was strengthened in several operating companies, and convened regularly to maximise synergy benefits within the group and to exchange proven concepts.

Thanks to increasing demand in almost all our markets, including the Netherlands since the fourth quarter of 2004, combined with increased commercial strength, total operating income increased organically by 4.2%. The sharpest increase occurred in the fourth quarter, which is a positive sign for 2005. In the Netherlands, turnover rose quarter after quarter. Content achieved growth in its turnover for the first time in years and gained market share. Turnover also rose in France, and market share was gained there too. Belgium realised a record year in terms of both turnover and result.

Gross margin decreased organically by 130 basis points but stabilised in the second half of the year. This decrease was the result of pricing pressure in many markets and a change in the business mix. A stabilisation in the second half of the year, strengthening demand, the rise of the recruitment and selection share in the final quarter and higher turnover from the SME segment and the specialised services will have a beneficial effect on the gross margin.

2004's operating result has more than doubled in comparison with 2003. This increase took place especially in the second half of the year. The cost-cutting measures that have been carried out are increasingly showing their effectiveness. 8 out of the 10 countries have achieved a positive operating result. Switzerland ended almost break-even, and in Germany losses were limited and the result is expected to improve further in 2005. As a result, Solvus is profitable again after two loss-making years.

In 2004 Schoevers and various activities of Bureau van Dijk Computer Services were sold. This fitted in with Solvus' sharpened focus on its core activities. No acquisitions occurred in 2004.

In addition to general temporary staffing, Solvus also wants to expand its specialised services. Over the course of 2004, two new initiatives were successfully launched in Belgium. HR Forces supports organisations in developing their human resources management professionally through the secondment of human resources professionals. Legal Forces seconds legal experts to public and private organisations.

Solvus is proceeding with its 'strong brands' strategy in a consistent manner. In 2004 the international brand Accea was launched, which incorporates the activities of recruitment and selection, assessment and HR consultancy. Accea integrates the former brands Creyf's Select and Wessel Coenen. Since the launch of the brand in France at the start of 2004, Accea is now already operating in 8 European countries. At the start of 2005, the two existing brands for outplacement and reintegration (ADV Consult in Belgium and BCR in the Netherlands) were integrated in the new international brand Carela. Carela is now active in 4 countries since its launch in France and Luxembourg.

In 2005, we will be focussing all our attention on achieving sustainable, profitable growth. Solvus wants to improve its turnover and its profitability further in the near future.

Finally, we would like to thank all our employees for their efforts in successfully completing the turnaround, our clients for their loyalty and the shareholders for their confidence in Solvus.

Alain Dehaze
CHIEF EXECUTIVE OFFICER

Luc Bertrand
CHAIRMAN OF THE BOARD OF DIRECTORS

Profile

Profile

Who are we?

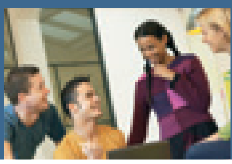
We are a group of strong brands that offer total solutions in human resources. Our expertise focuses on three activities: temporary staffing, secondment & projects and services & consultancy. We are the European number five in human resources services with a turnover of 1.45 billion euro.

Our mission

Providing innovative and flexible human resources solutions through strong brands at local, national and European level.

Our vision

Striving towards the right talent in the right place. This socio-economic role is the driving force for all employees of the group to give their very best.



Our strategy

Differentiation through innovation. Achieving organic growth in general temporary staffing and developing specialised services with high added value, both through organic growth and acquisition within continental Europe.

SOCIO-ECONOMIC ROLE

Solvus and its operating companies fulfil an important socio-economic role. Employment and career guidance are the group's core activities. Our objective is to employ the right talent for the right job. Our candidates can turn to us throughout their careers for new professional challenges, guidance and training.

Because ethical behaviour within the group is vital, we encourage our operating companies to become members of national sector organisations. This means that our high quality standards are officially recognised and that we contribute to a regulated and socially responsible framework for the sector. We also ensure correct payment for all our temporary workers and project staff and protect the rights of our candidates. Our employees treat everyone as equals, regardless of origin, gender, age, religion or disability.

Temporary Staffing

Temporary staffing provides fast, flexible solutions for both job seekers and companies. In addition to general temporary staffing, Solvus also includes brands that offer targeted solutions for specialist niches in the job market.

CUSTOMERS

Temporary staffing responds to temporary personnel requirements for companies in all industries, by offering a fast solution for peaks in demand for personnel and temporary replacements. Temporary personnel improves efficiency and visibly increases productivity. Our brands are able to supply large numbers of temporary workers rapidly, thereby responding efficiently to customer needs. They can also handle the planning of personnel requirements and ensure that the right number of employees is available at the right time. Our brands can also initiate an in-house project to handle the temporary workers on site at the company.

CANDIDATES

One of the greatest advantages of temporary staffing is the freedom it offers to choose how, where and when to work. Temping offers an extremely flexible solution to students and job seekers, allowing them to gain valuable experience in a range of industries. Temping can provide extra income for students and help starters take their first step into the labour market. Moreover, a temping contract often results in a permanent contract. Our brands also offer a range of courses enabling job seekers to improve their skills and chances of employment.

3 activities
for total solutions

Secondment & Projects

The brands within Secondment & Projects focus on well defined profiles. These companies are managed by people with great experience in the sector. This means they add considerable value for both customers and candidates.

CUSTOMERS

These brands offer companies tailor-made services. Companies can rely on the expertise and experience of our professionals, who have a thorough knowledge of their sector. They look for the best solution for your company and work with highly qualified candidates.

CANDIDATES

Highly qualified candidates with talents in a specific field can turn to our brands when they want to step up in their careers. Moreover, they can rely on our experts to provide coaching throughout the entire process.

Services & Consultancy

The Solvus brands operating in Services & Consultancy offer tailor-made solutions to the customer. They have different specialisations, including recruitment & selection, direct search, assessment, career guidance, coaching, presenteism, consultancy, outplacement and in-placement. Each solution is tailored to the customer's specific needs. In consultation with the company, we strive to achieve concrete results with high added value. We build a relationship based on trust with both customers and candidates.

We believe in...

Strong brands

Solvus is a group of brands strongly positioned in their markets. Each brand offers targeted HR solutions based on its own expertise, thereby building a close relationship with its specific target group. The multi-brand portfolio allows each brand to continue to market its own identity while being seen as part of an international human resources group, ranking fifth in Europe. The four common values are at the basis of each brand: entrepreneurship, proximity, passion and ethics.

Exchange

We strive towards a maximum exchange of expertise within the group. We achieve this by bringing people together and optimising the flow of information.

Twice yearly, we organise an international management meeting, bringing together the full management of all companies within the group. Strategic issues are explained during these meetings and we exchange ideas relating to the shared vision.

In addition, we organise international workshops that serve as meeting places for employees of different brands, different countries and a variety of functions within the group to exchange knowledge. During these workshops, operational information is shared, concepts are presented and brainstorming takes place regarding new technologies, innovations, new recruitment channels, sales support actions, and market trends. Information is passed on this way, but this also creates synergies and ensures cross-fertilization across the brands.

In addition each operating company has access both to the local intranet with information about the company and the Solvus group intranet. The internal Solvus newsletter distributes business information and presents new projects implemented across the brands. In this way, we strive to obtain a coordinated knowledge database in which everyone can search for information and find inspiration.

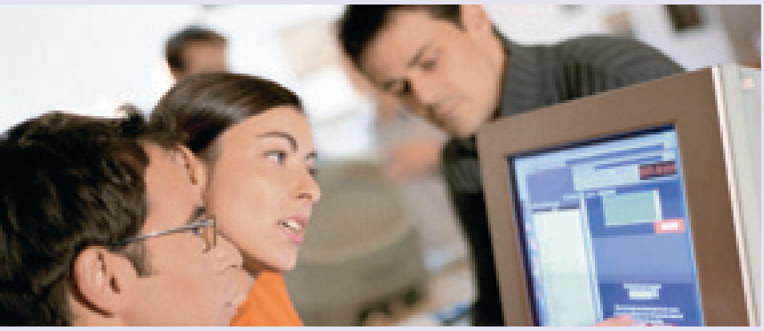
Talent

Our sector focuses on people in everything we do. People make the difference. We are committed to stimulating everyone, both our candidates and own employees, to express their talent to the fullest possible extent.

This is why Solvus offers a broad range of training programmes to both management and employees to develop their individual talents and expand their specific business expertise.

Because Solvus covers a wide range of human resources activities, the group offers a multitude of professional career opportunities that match the talents and ambitions of each individual employee, both nationally and internationally.

Finally, we aim to bind our employees to the group through a range of additional benefits, such as bonuses, stock options, etc., thereby strengthening their commitment to the profitable growth strategy.



Transparency

Listed on the stock exchange, Solvus aims to contribute to a correct valuation of the company by providing relevant information to the capital market, investors and other stakeholders.

Synergies

SOLVUS ENTERPRISE NERVOUS SYSTEM

Solvus Enterprise Nervous System (S.E.N.S.) is a large-scale IT project, the primary objective of which is to implement processes that respond to the requirements of the market. The project uses one standardised format: HR-XML.

One of the priorities of S.E.N.S. is to launch an extranet for both candidates and customers. This will result in streamlined processes, faster information exchange, a range of e-services and increased transparency.

Moreover, S.E.N.S will also result in advantages of scale. The communication, reporting and management systems are standardised and deployed at group level. Existing applications within the group are migrated to new, integrated solutions that respond even better to demand from the market.

INTERNATIONAL ACCOUNT MANAGEMENT

Depending on the question or problem of the customer, Solvus appoints a team of specialists and coordinates employees from the brands involved. The project team develops solutions in close consultation with and via thorough evaluation of the customer. Solvus continues to provide guidance for the team, from implementation through follow-up and modification of the concept, where necessary. Supported by a virtual European communications platform on the Intranet, this approach guarantees efficient communication, commitment and quality of our services to our external partners.

SHARED SERVICE CENTERS

Every country in the group has its own Shared Service Center. The Shared Service Center integrates all the back-office systems of a country into one central back office. This means that all administrative processes are grouped per country, creating significant advantages of scale.

Profile

Solvus considers innovation to be a vital aspect of its operations. It is a strategic priority for all our employees. We are constantly searching for new concepts, new recruitment channels, innovative sales support actions, etc.

The Solvus Innovation Award is presented annually for an innovative concept. Each participating project must comply with a series of criteria: the initiative has to have been implemented for at least three months and must result in a competitive advantage. It must have the potential to contribute to sustainable, profitable growth and can be implemented by other operating companies in the group. The Solvus Group Executive Committee makes a preselection of submitted projects. The winner is selected by the senior and middle management of the group, some two hundred people.

We are proud to have launched a truly social initiative that helps people find a job. Of course it is also an opportunity for us to get in touch with new customers who are also club partners.

ALAIN DEHAZE, CEO OF SOLVUS RESOURCE GROUP

This initiative is tailored to encourage creativity in our employees, stimulate innovation and result in growth. Moreover, it is a way to stand out from the competition.

The first edition took place at the beginning of 2004. The award went to Creyf's France for their sponsoring project 'Partners for Jobs'. This initiative is based on a simple but ingenious idea to reintegrate the unemployed in the job market. Simple CVs are distributed at stadiums during home matches of football and rugby clubs,

allowing job seekers to enter their details. Supporters looking for work can deposit their CVs in boxes located around the stadium. Partner companies are also able to communicate their job openings. After every game, Creyf's France matches the CVs to job openings.

We are happy to be a pioneer, together with Creyf's, in this new form of practical partnership. We are proud to have been able to help over 300 supporters of our club find a new job.

SERGE DORÉ, GENERAL DIRECTOR OF RC LENS


Temping allows her more freedom

present in 10 countries

Creyf's specialises in deploying staff in all sectors. Creyf's offers tailor-made solutions through its specialised offices, including Horeca & Events, Logistics, Office, Student, Technics etc., and through its in-house concepts for large accounts.

Creyf's strives to be recognised as the preferred partner for innovative, integrated human resources services and solutions by both its temporary staff as well as its customers and employees. Creyf's continuously improves the efficiency of its business processes to guarantee optimal satisfaction for these three interest groups.

- Austria
- Belgium
- France
- Germany
- Italy
- Luxembourg
- the Netherlands
- Poland
- Spain
- Switzerland

realised **79%** of turnover

and **40%** of EBITA in 2004

number 5 in Europe

2,247 permanent employees

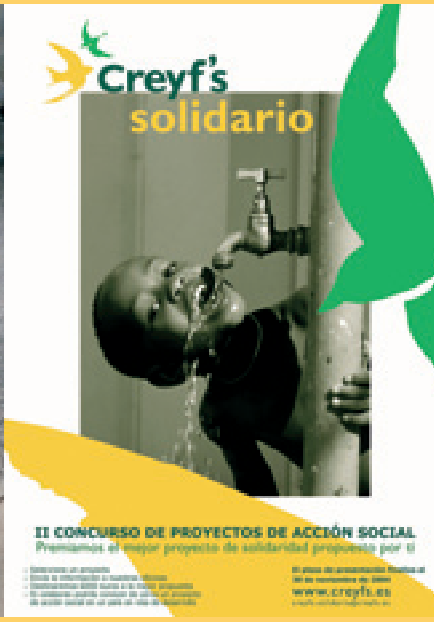
2004

- Creyf's Spain is the second company in Europe to receive the SA 8000 certificate. SA 8000 is the international standard for socially responsible enterprise.
- Creyf's France was awarded the first Trophée Sporsora for sports marketing in the category 'best innovative product or service associated with a sports marketing action'.
- Creyf's Poland was granted the Business Fair Play Award.
- The Dutch, German and Italian markets have undergone a liberalisation of legislation.

flexible and qualitative

"I had been looking for a job since June 2003 after having graduated in engineering. But I was unable to find a job. At the Lens-Sochaux match in December 2003, I decided to submit my CV after having become familiar with the action at previous matches. I considered giving temping a try and it worked!",
SÉBASTIEN VAN WANSEELE, WHO IS NOW WORKING AS AN IT EXPERT VIA CREYF'S.

569 offices



Partners for Jobs

As a sports partner, Creyf's does more than just sponsoring: recruitment at the stadia... a unique initiative to help people find a job.

The initiative 'Partners for Jobs' is based on a simple but ingenious idea to reintegrate the unemployed in the job market. During the home matches of football, rugby and basketball clubs, Creyf's distributes simple CVs that job seekers fill out. Supporters looking for work deposit their CVs in boxes around the stadium. Partner companies can also pass on their job openings. After every game, Creyf's matches the CVs to job openings. This initiative was launched in France. In the first season 600 CVs were collected, with 370 supporters returning to work thanks to Creyf's. Meanwhile the initiative has also been implemented in Belgium.

Creyf's Solidario

The second edition of a competition on behalf of a social project.

Employees, temporary workers, customers and suppliers of Creyf's Spain submit social project proposals. A jury, consisting of Creyf's directors and representatives of other organisations, then selects the winning project. Preference is given to projects that improve access to the labour market. The winning project receives financial support for one year.

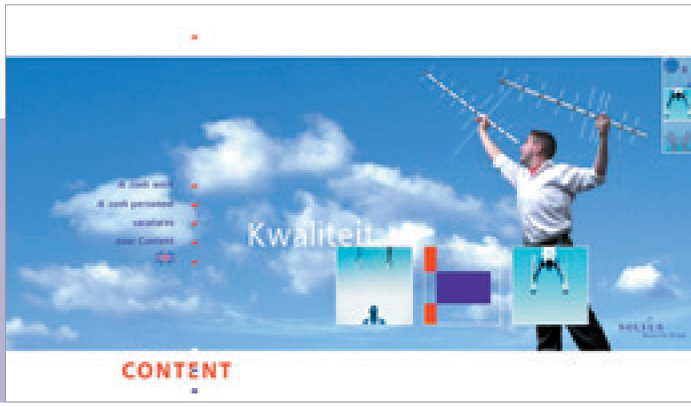
The winning project for 2004 was a project to help raise the employment rate of young people with unequal chances.

www.creyfs.com

human resources solutions

CONTENT

Content is the expert in recruiting and selecting permanent and temporary office personnel at all levels in the Netherlands. Content stands for speed, quality and transparent agreements and excels in the field of administrative, financial, secretarial, commercial and call centre functions.



CONTENT FLEXACADEMY

The strength of Content is determined by a strong culture in which entrepreneurship, development, quality and result-orientedness go hand in hand. As such, Content invests a lot of time and money in the continuous development of its personnel. The company does this through the online Content FlexAcademy, which teaches not just professional knowledge, but also skills. This results in an extremely low turnover of personnel for the sector and great corporate pride.

MARKET LEADER IN E-RECRUITMENT

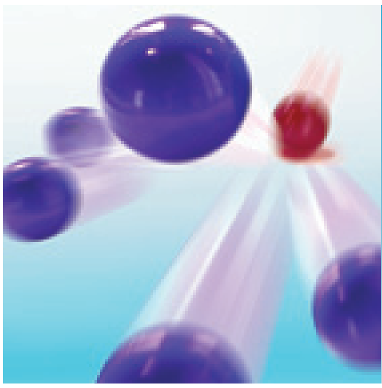
Content is the market leader in e-recruitment in the Dutch labour market. Content recruits 40% of the candidates it places via the Internet. With 100,000 visitors per month, www.content.nl is among the top three most visited sites in the industry. This success is based on the multi-channel e-recruitment concept developed by Content. This unique concept enables the offices to reach over 4 million job seekers with just one mouse click, via www.content.nl and various other job sites.

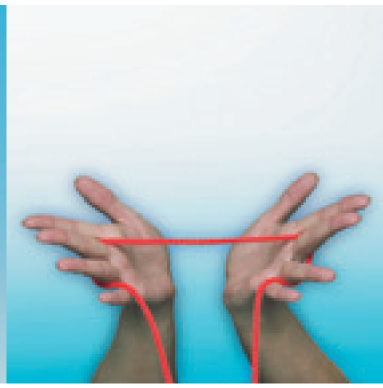
over 100 offices in 77 cities

more than 500 permanent employees

www.content.nl

specialist and quality player

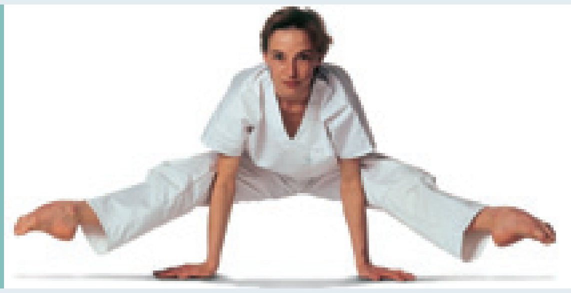




SPEED, QUALITY AND TRANSPARENT AGREEMENTS

ExpressMedical

Express Medical focuses on the deployment of medical, paramedical and nursing profiles.



A FLEXIBLE PERSPECTIVE ON TEMPORARY STAFFING

NICHE TRAINING

Express Medical aims to grow through specialisation in its niche market. Express Medical is the only company in Belgium to offer dialysis training: a theoretical course in the basic principles of nephrology and dialysis is combined with practical training at the customer's company in this specific department. This training allows Express Medical to deploy specialised nurses in a field that is otherwise not easily accessible for temporary workers. This training, in combination with a long-term assignment, results in loyalty on the part of the temporary workers towards Express Medical as well as the customers involved. The partnership with the customer in such a quality project leads to a win-win situation for all stakeholders.

number 1 in Belgium

8 offices

36 permanent employees

2,500 trained paramedics at work, including 1,700 nurses

www.express-medical.be

financial // forces

Financial Forces specialises in financial profiles, both for temporary and permanent positions and for projects. Financial Forces provides staff for accountancy, financial, banking and insurance-related functions at all levels.

present in Belgium and the Netherlands

number 3 in Belgium

6 offices

15 permanent employees

the specialisation 'banking & insurance' was launched in 2004

www.financialforces.com

StarJob Secretaresse Uitzendbureau

StarJob is the expert in the deployment, secondment, recruitment and selection of secretaries with at least three years of work experience in the Netherlands.

STAR@WORK - THE TRAINING PROGRAMME FOR SECRETARIES

66.5% of new secretarial employees are not (properly) settled in their jobs. StarJob Secretaresse Uitzendbureau conducted a survey on this subject in the Netherlands in October 2003. The conclusions of the survey were that the training period is too short, that information is incomplete, or that the predecessor has already left, making a proper transfer impossible. At the beginning of 2004 StarJob therefore introduced a training programme on cd-rom called star@work, specially developed to help secretaries settle in their new jobs. Some 5,000 cd-roms have already been requested to date.

number 2 in the Netherlands

19 offices

75 permanent employees

celebrated its 20th anniversary in 2004

for the recruitment and selection of top secretaries and mediation for freelance executive assistants, StarJob turns to its specialised office: S&C Select.

www.starjob.nl

ABI+ intérim

ABI focuses on deploying hosts/hostesses and promotional staff for trade shows, congresses, exhibitions, seminars, business events, etc., in Belgium.

number 3 in Belgium

www.abi-interim.com

Building the right team around the project

LEGAL FORCES

new specialisation in Belgium since October 2004

Legal Forces seconds legal experts (general and specialised) to public and private organisations. The assignments include both temporary replacements or projects and structural outsourcing of legal affairs.

www.legalforces.be

HR FORCES

HR Forces supports organisations in developing their human resources management professionally through the secondment of human resources professionals. This may be for temporary replacement, for structural outsourcing as well as for supporting organisations just starting up or in transition.

established in Belgium in early 2004

"HR Forces assisted us in the start-up phase of the hospital network. Thanks to its excellent grasp of HR competencies and the fast solution provided by HR Forces, we were able to lay the foundation for a high-performance HR policy", DOMINIQUE DESOMBERE, HRM DIRECTOR OF HOSPITAL NETWORK ANTWERP.

www.hrforces.be

RECEPTEL

A voice on the phone or the welcome at the reception desk is the first impression people get of a company.

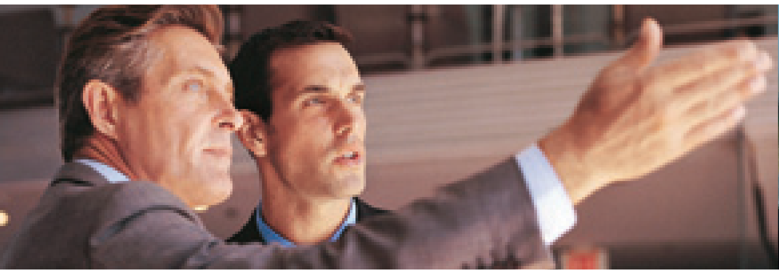
Receptel offers the customer tailor-made solutions for reception. Receptel manages a pool of trained receptionists and telephone operators, which can be deployed immediately for temporary replacement or structural outsourcing.

number 4 in Belgium

www.receptel.com

INNOTIV

innotiv thinking



Innotiv specialises in executing technical projects. To this end, Innotiv offers the perfect technological knowledge and capacity solution. Innotiv employees have technical or environmental backgrounds.

Specialisations: construction, civil engineering, electrotechnics, industrial automation, installation engineering, mechanical engineering, mechanical design, facility.

one of the largest technical project bureaus in Belgium and the Netherlands

20 offices

157 permanent employees

1,017 highly qualified project employees

www.innotivgroup.com

BEAVER | ITSERVICES

present in Belgium and the Netherlands · 500 employees

Beaver ITServices is an IT service provider that specialises in personnel and organisation solutions for IT. The secondment division focuses primarily on three fields: application development (Microsoft. Net, Java/J2EE, Mainframe and Midrange), infrastructure and system administration, and ERP.

The activity within these fields is supported by competence centres and the training centre. The Projects & Solutions division concentrates mainly on outsourcing (sub-)departments and projects such as managed staffing, service desk, master vendor and project management. The third division provides general HR add-on services for IT departments.

building·growing·inspiring

www.beaver-it.com


The right person for the right job

PRAGMATIC, TAILOR-MADE SOLUTIONS

accea

Accea offers integrated human resources solutions for permanent staff. Accea has three areas of expertise: recruitment and selection of permanent staff, assessment and consultancy in the field of human resources.

Accea stands for an integrated vision of human resources that is translated not only to members of the board and executive staff, but also to the operational levels of an organisation.

"Accea stands out from other recruitment and consulting companies because it is able to quickly form a picture of the organisation's needs or problems. Based on their analysis they can propose a suitable person or solution without losing track of the people side. The candidates proposed by Accea confirm this", CHANTAL BOUDAER, HUMAN RESOURCES MANAGER, VASCO DATA SECURITY.

present in Austria, Belgium, Luxembourg, the Netherlands, Poland, Spain and Switzerland, and since 2004 in France

35 offices

60 permanent employees

www.accea.com

Carela

Carela offers a total package for career consultancy: outplacement (individual and collective), in-placement, coaching and presenteeism. Carela offers employees professional guidance through a tailor-made programme created at the request of their employers.

Carela is the new name of ADV Consult in Belgium, France and Luxembourg and of BCR in the Netherlands. The new name goes hand in hand with the internationalisation and expansion of services in career consultancy.

VIRTUAL CAREER CENTER

The Virtual Career Center is a virtual work environment in which clients are able to find information about all aspects of career development: testing skills, interests and personality; support in job search; information on application techniques.

PRESENTEEISM

In 2004, Carela launched a new concept in relation to presenteeism: a preventive, positive and solution-oriented approach to the problem of absenteeism. Instead of simply combating the symptoms, Carela looks at the underlying causes of absenteeism. This approach results in a constructive and sustainable solution.

"From the very first contact, I was confident that it would turn out well. Outplacement gives you the time to find yourself, the opportunity to reorient yourself without feeling on your own. Outplacement gives support and confidence when making decisions", A 48-YEAR-OLD MARKETING MANAGER, NOW BACK AT WORK IN THE PHARMACEUTICAL INDUSTRY.

present in Belgium and the Netherlands; launched in France and Luxembourg in 2004

number 2 in Belgium

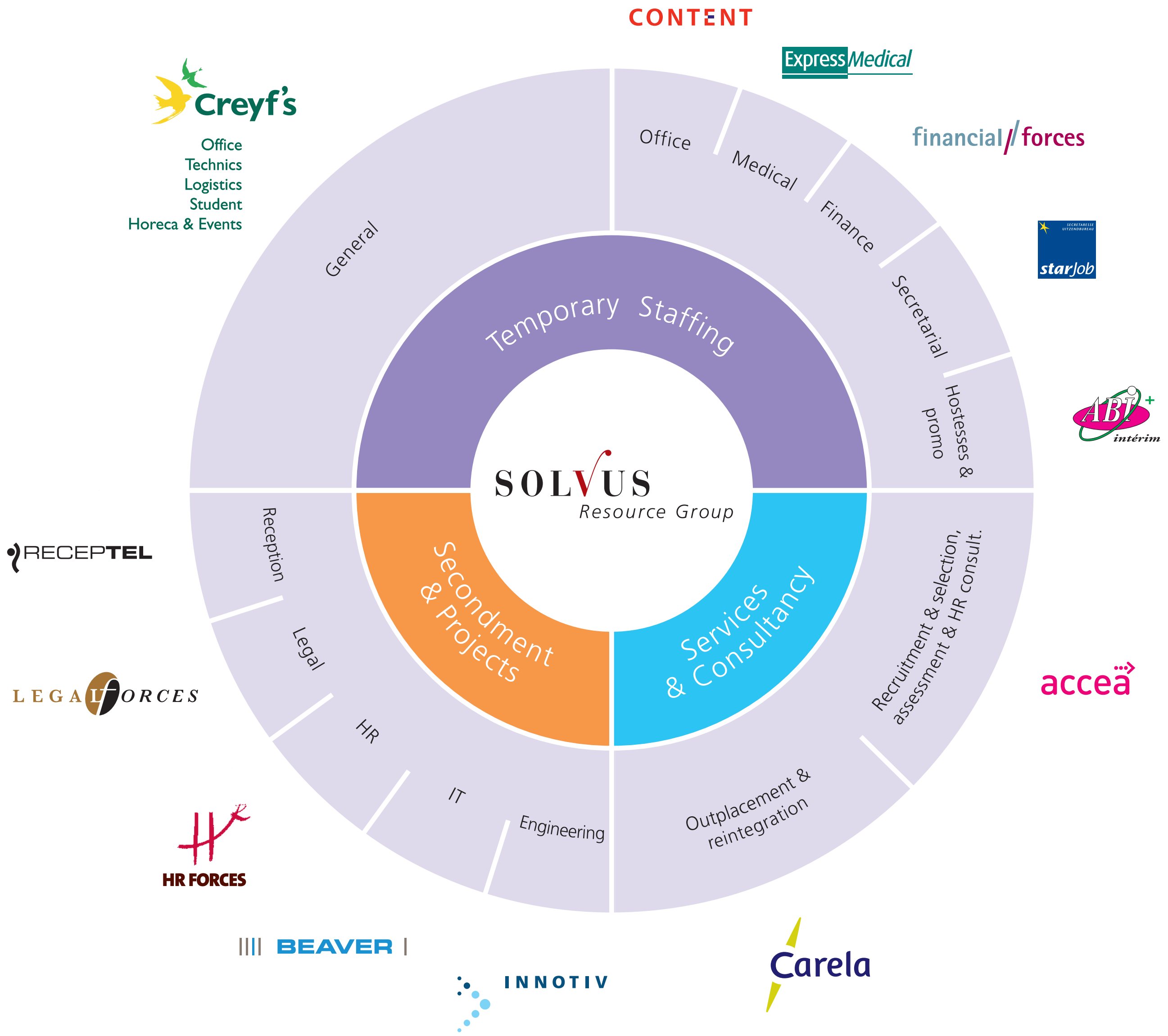
12 offices

56 permanent employees

Carela Belgium acquired the activities of V.V.O. Outplacement in 2004

www.carela.info

Brands portfolio



Information
for shareholders

Report of the Board of Directors

To the general meeting of shareholders

The Board of Directors is honoured to report to you on the activities of our company during the past financial year and to present you the consolidated annual accounts as at the close of 31 December 2004.

In 2004, the emphasis for Solvus was on restoring profitability by strengthening the company's basic parameters. The cost structure has been considerably reduced in this respect. In addition, efforts have been successful at pushing back net financial debt and thus strengthening the balance sheet. 2004 also saw the successful launch of the Shared Service Center in the Netherlands, thereby centralising all of our Dutch operating companies' operational back-office processes. This resulted in a significant improvement in efficiency. It had previously been successfully implemented on the Belgian market. Finally, the programme to make further improvements to the quality of management in all our operating companies came to a close.

Thanks to the results outlined above, Solvus' position and the external orientation of management and employees have improved considerably.

While we will maintain our financial discipline, the focus will shift towards reinforcing our commercial strength in order to create increased turnover and profit (thanks to the leverage effect) and thus maximise the benefits of the recovery evident in our markets.

COMMENTARY ON THE CONSOLIDATED ANNUAL ACCOUNTS

Income statement

Total operating income rose by 1.0% to 1.46 billion euro (2003: 1.45 billion euro). Total operating income increased organically by 4.2% thanks to the increase in demand in an expanding market and greater commercial strength. Throughout 2004, turnover improved with each successive quarter. In the first quarter, turnover decreased by 5.8%, in the traditionally strong second quarter, this was +2.0%, in the third quarter the figure was +0.8%, and in the final quarter, we achieved an increase in turnover once again, this time by 6.7%. The organic growth figures per quarter (without Schoevers and the activities of Bureau van Dijk Computer Services) are as follows: -3.5%, +4.8%, +2.7% and +12.5%. Increasing growth in turnover, with the sharpest increase in the final quarter, is a positive sign for 2005.

This improvement was achieved in the majority of markets in which Solvus is active. Once again, the Belgian market performed well in 2004, and the French market also showed a clear improvement from the fourth quarter onwards.
In the Dutch market, which is of great importance to us, we were also able to achieve increased turnover from the fourth quarter onwards, after a very difficult start of the year.
On an annual basis, and in addition to a decline in turnover in the Dutch market, negative turnover growth was also registered in Germany and Luxembourg. In all the other markets growth in turnover was achieved on an annual basis.

Gross margin amounted to 20.6% in 2004, a fall of 230 basis points compared with 2003. By mid-2004, gross margin was at 20.7%, which indicates a stabilisation during the second half of the year. Organically, this decrease amounts to 130 basis points and gross margin ends up at 20.5%. This is the result of pricing pressure in many of our markets and changes in the business mix (decrease in the recruitment and selection share, where a high margin is realised). Stabilisation in the second half of the year and a rise in the recruitment and selection share in the final months of 2004 raise expectations of a future increase in gross margin. This will be further supported by an expansion in demand and higher turnover from the SME segment and from the more specialised temporary staffing which also realises a high margin.

The operating result (EBITA) amounted to 32.9 million euro (2.3% of total operating income). This is more than twice as much as in 2003 (14.0 million euro; 1.0% of total operating income) and is a substantial improvement of the operating result for the first half of the year (11.0 million euro). Therefore, the effect of the cost-cutting measures that have been implemented is becoming increasingly clear. In 2004, general costs, including depreciation (SG&A), amounted to 18.3% of total operating income. In 2003, this figure was 21.9%. This implies that the cost base fell by 49.8 million euro in 2004 compared with 2003.

Regular goodwill amortisation amounted to 10.3 million euro in 2004. Because of an increase in demand, resulting in higher turnover, together with lower costs and higher profit, the impairment exercise did not result in additional write-off. The impairment model was applied consistently as in previous years and is based on the future cash flow from subsidiary companies. Since the result under IFRS is not charged with goodwill amortisations, the net IFRS result will increase by 10.3 million euro.

Net financial costs amounted to 13.7 million euro. Compared with 2003, this represents an increase of 0.3 million euro. In 2003, however, there was a non-recurring positive influence on the net financial result, being the sale of an interest rate swap of 1.1 million euro. Therefore, financial costs have decreased by 0.8 million euro compared with 2003. In 2005, Solvus aims to reduce debt and the interest payable further still.

The extraordinary result, entirely realised in the first 6 months, amounted to 2.9 million euro and is associated with the disinvestments of Schoevers and the activities of Bureau van Dijk Computer Services.

The net result (part of the group) amounted to 0.8 million euro (2003: -61.4 million euro) and is a positive figure again for the first time since 2001. The result (part of the group) before the amortisation of goodwill (10.3 million euro) and the extraordinary result (2.9 million euro) amounted to 14.0 million euro (2003: 0 million euro).

Balance sheet

Solvus' balance structure improved further in 2004. Equity amounted to 244.0 million euro. Goodwill decreased by 11.6 million euro due to the entry of regular amortisations, the sale of JConsults and the acquisition of an additional percentage of Creyf's Italy in accordance with the current purchase agreement.

Tangible fixed assets decreased to 33.5 million euro due to the sale of Schoevers, which owned many buildings, leasing and similar rights.

SOLVUS PROFITABLE AGAIN

Report of the Board of Directors

Financial fixed assets amounted to 7.4 million euro and mainly comprise the (statutory) loans granted to French government institutions, and rental guarantees for the various operating companies.

The deferred tax asset on fiscal losses carried forward amounted to 19.9 million euro and are accounted for only when it can be substantiated by the expected results within a foreseeable period.

The principal entry under other amounts receivable is the receivable formation premium.

Compared with 2003, provisions fell by 8.5 million euro to 3.9 million euro due to the implementation of restructuring in the Netherlands (4.1 million euro) and decreased value on the sale of Schoevers (4.4 million euro).

Other amounts payable include payable earn-outs and received guarantees.

Accrued charges and deferred income mainly concerned prepaid expenses (7.9 million euro) and wages to be allocated for temporary staff (12.7 million euro).

Net financial debt was reduced to 164.3 million euro, which shows a further improvement in comparison with the end of 2003 when net financial debt amounted to 192.6 million euro. Net financial debt, as a percentage of equity, improved to 67.3% (2003: 79.2%).

On 31 December 2004 and 2003, the structure of financial debt was as follows:

In euro x 1,000	2004	2003
Long-term loans	**115,979**	149,631
Short-term loans	**139,424**	97,828
Investments and cash at bank and in hand	**91,092**	54,876
Net financial debt	**164,311**	192,583

Cash flow statement

Net cash flow from operations amounted to 44.6 million euro and was composed of a positive cash flow from the operational result of 31.3 million euro (2003: 11.5 million euro) and an improvement in operating working capital of 13.3 million euro. Operating working capital was allocated more efficiently by keeping the number of days sales outstanding constant at 50 days and by better gearing the outgoing payments to incoming cash flows. Net cash flow from investments shows an investment of 2.4 million euro. Free cash flows were allocated to pay off debt.

Investments

2.4 million euro was invested on an annual basis, of which 15.4 million euro was invested and 13.0 million euro disinvested.

Composition of investments:

In euro x 1,000	2004	2003	2002
Intangible fixed assets	**3.4**	3.9	5.7
Tangible fixed assets	**8.0**	14.6	21.8
Financial fixed assets	**4.0**	5.2	38.3
Total	**15.4**	23.7	65.8

The total investments of 15.4 million euro imply a decrease of 8.3 million euro compared with 2003. This decrease was caused by acquisitions being halted and a fall in investments in tangible fixed assets due to the strict policy on costs.

On an annual basis, disinvestments amounted to a sum of 13.0 million euro. This included the sale of Schoevers and components of Bureau van Dijk Computer Services.

Interest risk and credit risk control

Solvus pursues a dynamic policy, among others dependent on the expectations concerning the interest evolution and the economical evolution. It is expected that the long-term euro interest will rise followed by a rise of the short-term euro interest. Within the framework of this interest policy and given the character of the financial debt, two interest portfolio hedges were concluded.

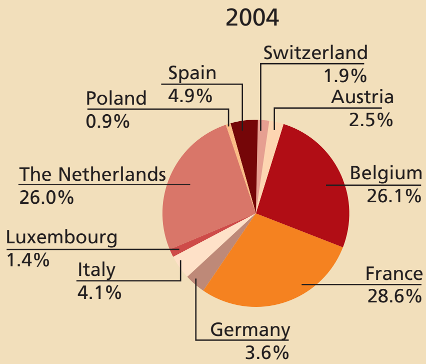
Dependent on the risk profile of the customers, a decision is made per operational entity as to whether the interest rate should be covered by a credit insurance policy. Generally it can be stated that the main part of the credit risk of the group is covered.

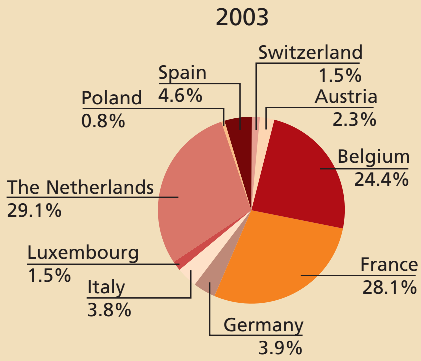
Current matters and disputes

The Dutch tax authorities have carried out an investigation of all employment agencies' compliance with the law on compulsory identification. This has also been done in respect of our Dutch companies. The results of this investigation have not yet been made available. However, an additional tax assessment as a result of this remains a possibility. The employment agencies and the Dutch professional federation ABU are contesting the tax authorities' initial findings.

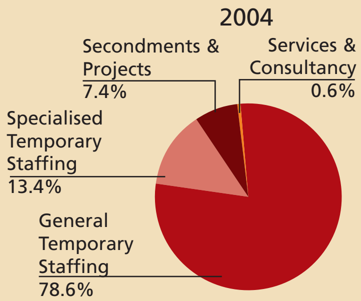
OPERATIONAL OVERVIEW

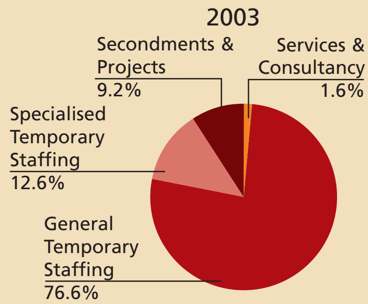
Total operating income per country





Total operating income per activity





Operating result per activity (organic)

In euro x 1,000	2004	2003	% change
Temporary Staffing	**29,479.4**	17,932.3	+64%
• General	**13,416.7**	8,807.6	+52%
• Specialised	**16,062.7**	9,124.7	+76%
Secondment & Projects	**4,138.8**	2,441.1	+70%
• IT	**2,329.4**	860.6	+171%
• Engineering	**974.5**	1,221.0	-20%
• Other	**834.9**	359.5	+132%
Services & Consultancy	**126.3**	169.8	-26%
Total	**33,744.5**	20,543.2	+64%

Report of the Board of Directors

General Temporary Staffing

Turnover for the activity General Temporary Staffing *(Creyf's)* grew by 3.3% to 1,143 million euro (2003: 1,106 million euro). This growth occurred in all countries except in the Netherlands, Germany and Luxembourg. In the fourth quarter growth was achieved again in the Netherlands and Germany; decline was reduced in Luxemburg.

Gross margin decreased by 80 basis points due to pricing pressure in many of our markets, since growth has been realised mainly among larger clients who have lower margins. Additional turnover from the SME segment is expected to result in a higher gross margin in the coming years.

After a difficult start, the *Dutch* market gradually realised an improvement in turnover. In the first quarter, turnover fell by more than 29%, but in the fourth quarter, an increase in turnover of more than 5% was again achieved. The focus had been internal due to cost reductions, operational improvements and changes to management, and

TURNAROUND COMPLETED SUCCESSFULLY

as a result we missed out on some turnover. Meanwhile, internal improvements have been completed successfully, and the focus is fully external once again. The success of this approach is reflected in the increase in turnover quarter after quarter. This trend will be reinforced in 2005. In *Belgium*, turnover rose by 11.4%, and a considerably higher gross margin was realised. In order to support the continuing growth in turnover, investments were made in additional capacity in the second half of the year. *France* managed to realise an increase in turnover of 5.2% and increased its market share, particularly as a result of a good first six months and fourth quarter. Pressure on the gross margin continued in 2004. *Spain* made a strong start of the year but saw the increased turnover from the first six months decline somewhat in the second half of the year as a result of a moderate summer tourist season and fewer harbour activities. On an annual basis, an increase in turnover of 8.8% was realised. Profitability continued to improve in 2004. 2004 was positive for *Italy* as well. Turnover rose by 9.6%, gross margin increased and a positive operating result was realised for the first time. *Germany* experienced a very difficult start, following what had already been a difficult 2003. As a result of cost reductions and a strong external focus, both turnover and the operating result improved with each quarter. At the end of 2004 a number of large client contracts were concluded that will generate additional turnover in 2005. *Switzerland* has recovered after a poor 2003. Turnover rose considerably and a break-even result was nearly achieved. In *Poland*, it was a transitional year as a result of the new legislation which came into effect. Turnover rose by more than 20%, while the gross margin decreased as a result of the new legislation and pricing pressure. The emphasis in *Luxembourg* and *Austria* was placed on developing turnover and improving return.

Specialised Temporary Staffing

The Specialised Temporary Staffing activity showed a sharp increase in turnover by 6.9% to 194.2 million euro (2003: 181.7 million euro). Market share was won thanks to the sharp increase in this traditionally late-cyclical activity. In the beginning of 2004 there was pricing pressure, but in the final months of 2004 the margin stabilised. The operating result increased by 76.9%.

Express Medical consolidated its market leadership and realised a higher gross margin and operating result. *Financial Forces*, specialised in financial profiles, had a very good year. Turnover, gross margin and the operating result all increased sharply. The Dutch company *Content*, specialising in administrative profiles, also had a very good year. Growth in turnover (more than 5%) was achieved for the first time in years and market share was won. The operating result increased by more than 20% despite the decrease in gross margin.

Secondment & Projects

Turnover from this activity decreased by 16.8% due to the disinvestment of Bureau van Dijk Computer Services (IT projects). Not taking into account disinvestments, turnover grew organically by 2.3% to 107.9 million euro (2003: 105.4 million euro). After a number of years in which turnover decreased, there are indications of renewed growth. The operating result is positive again thanks to an increased focus on idle time and improved cost-consciousness.

Beaver ITServices (IT secondment) had a strong year with turnover growing by more than 10%. Gross margin and operating result also improved.

Turnover from *Innotiv* (Engineering secondment and projects) decreased by 18.2%, despite an increase in turnover and operating result for the surveying specialty within Innotiv. The decrease in turnover, as a result of clients' postponed investments and cost reductions, was set off by economies and pushing back idle time. Since the end of 2004, Innotiv's market has appeared to stabilise and generate growth again.

HR Forces and *Legal Forces* were launched successfully and showed very positive growth in turnover and operating result.

Solvus confirms that it is prepared to subscribe, at a price of 0.50 euro per share, to the capital increase proposed by *Bureau van Dijk Computer Services NV* by contributing certain claims. The purpose of this action is to settle the negative equity of Bureau van Dijk CS.

Given the current financial situation of Bureau van Dijk CS and its limited activities, a listing of the shares at Euronext Brussels would have little added value. Consequently, Solvus intends to remove the share from the stock exchange by means of a public buyout offer. The buyout offer will be at the same price per share as applied for the capital increase.

Services & Consultancy

Turnover from this activity has fallen by 65.3% due to the disinvestment of Schoevers. However, not taking into account this sale, an organic growth in turnover of almost 60% has been achieved.

FINANCIAL TARGETS REALISED

Accea, which groups together the activities recruitment & selection, assessment and HR consultancy, experienced a very encouraging growth. The integration of the services and the introduction of a strong international brand proved to be successful and constitute the driving force behind the sustainable, profitable growth of these specialised services. Outplacement specialist *ADV Consult* experienced a slightly weaker year but maintains its position as market leader. *BCR* performed better than the market.

STRATEGY

The Master Plan 2005 contains four strategic core principles:

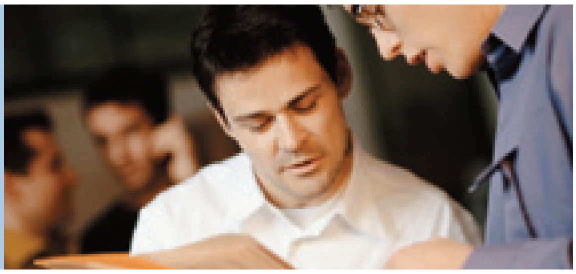
- introduction of a new management structure and culture, while retaining a strong entrepreneurial vision;
- focus on operational excellence by introducing a strict financial framework and management accountability;
- introduction of a new mission statement aimed at offering integrated HR services and solutions through strong international and local brands;
- achieving long-term, profitable growth in existing countries through targeted diversification and segmentation.

Report of the Board of Directors

By the end of 2004, the first phase of the Master Plan 2005 had been completed successfully. A considerable part of senior management in the operating companies has been substantially and structurally strengthened over the past two years. This has necessarily required an internal focus and orientation, but at present both management and staff have their full focus on external and commercial matters once again.

The financial objectives have been realised in respect of debt reduction, cost reductions and increasing profit, both at the consolidated level as well as in terms of the contribution made by several individual operating companies. Net financial debt has continued to improve, and cash flow from operational result has increased. Moreover, the cost base has fallen sharply in relation to previous years. This creates a strong leverage effect causing all growth in turnover to convert automatically into increased profitability.

INTERNAL ORGANISATION STREAMLINED



In 2004 a number of operating companies were divested in order to focus more on our core activities. The internal organisation continued to be streamlined through, among others, the establishment of a Shared Service Center in the Netherlands. The information and reporting systems were further improved, and these allow us to react quickly and effectively to changing market conditions.

The first phase of the Master Plan 2005 has therefore been successfully completed. The second phase of the strategic plan provides for sustainable, profitable growth: Solvus wants to improve further on its turnover and its profitability in the coming years. The exact content of this second phase will be announced at the beginning of the second quarter of 2005.

OUTLOOK

Demand for our services is strengthening in an increasing number of markets in which Solvus is actively involved. The economic recovery, the first signs of which were evident at the end of 2003, has gained in strength.

Solvus will be continuing to work on improving its operational profitability by focussing on operational excellence and profitable core activities. The effect of the objectives achieved in the first phase of the Master Plan will become increasingly evident over the course of 2005.

Consequently, Solvus anticipates higher turnover and profit in 2005 than in 2004. Continuing economic recovery and strengthening demand from the SME segment will give Solvus an additional boost.

STATUTORY ANNUAL ACCOUNTS AND DIVIDEND

As previously mentioned, the consolidated net result (part of the group) for 2004 amounted to 0.8 million euro. The individual result of Solvus NV amounts to -47.9 million euro. Including the deferred result of 2003, the total amount available for appropriation of 2004 amounts to -69.9 million euro. The Board of Directors proposes not to pay out any dividends and to transfer the loss to the next financial year. Solvus will be resuming its dividend distribution policy as soon as circumstances allow.

The loss carried forward arose through non-recurring costs in the financial years of 2004, 2003 and 2002, namely the remission of the long-term loan to Solvus Nederland (50 million euro) and the loss in value / downward revaluation of participating interests (81.9 million euro). Solvus Nederland’s proportion of equity to equity to debts was not healthy during 2004. In order to support Solvus Nederland in a sustainable manner, it has been decided to acquit the long-term loan to Solvus Nederland (50 million euro) and to carry out a capital increase (55 million euro). This capital increase is expressed in the increase in participating interests and shares.

Since the balance sheet shows a loss carried forward, application of the valuation rules must be accounted for in line with corporate legislation. In view of positive equity to the sum of 254.3 million euro, the Board of Directors believes that the present valuation rules, as included with the annual accounts, are correct and well-founded under the present circumstances and that continuity of the business is not in danger.

SUCCESSFUL LAUNCH OF SPECIALISED ACTIVITIES

PROPOSAL FOR DISCHARGE TO THE BOARD OF DIRECTORS AND THE CERTIFIED AUDITOR

We request that you grant discharge to the Board of Directors and the Certified Auditor and that you approve the annual accounts as presented.

EFFECT OF IFRS INTRODUCTION

As of 2005, Solvus will be compiling its consolidated annual accounts according to IFRS. Everything has been internally prepared for this to take place seamlessly. In addition to the results according to Belgian accounting standards, comparative figures have been compiled in accordance with IFRS in the course of 2004 so as to enable a transparent comparison in 2005 with the results from 2004.

The transition to IFRS will mainly affect the presentation of the balance sheet, the income statement, and the cash flow statement, and it requires more extensive explanation. The total effect on equity as of 31 December 2004 is negligible (0.05 million euro). Under IFRS, net profit in 2004 (before minority interests) amounted to 10.2 million euro instead of 0.9 million euro under Belgian GAAP, mainly due to the reversal of the annual amortisations of goodwill according to Belgian valuation rules.

Please refer to the IFRS consolidated financial statements on page 62 for a more detailed explanation.

On behalf of the Board of Directors

25 February 2005

Board of Directors and Committees

BOARD OF DIRECTORS

		Mandate from	until
Chairman	Luc Bertrand	12/05/1998	08/05/2007
Directors	Christian Dumolin (independent director)	12/05/1998	08/05/2007
	Ackermans & van Haaren NV (represented by Luc Bertrand)	29/04/1999	08/05/2007
	Jan Suykens	08/05/2001	08/05/2007
	Rennie F. Hendriksen (independent director)	14/02/2002	10/05/2005*
	Martin Dekker (independent director)	14/02/2002	10/05/2005*
	Alain Dehaze	01/10/2002	08/05/2007
	Tom Bamelis	31/10/2002	10/05/2005*

AUDIT COMMITTEE

Rennie F. Hendriksen, chairman

Tom Bamelis

Martin Dekker

NOMINATION AND REMUNERATION COMMITTEE

Luc Bertrand, chairman

Christian Dumolin

Alain Dehaze (until 25/02/2005)

Jan Suykens (since 25/02/2005)

STRATEGIC COMMITTEE

Jan Suykens (via Legimco NV), chairman

Alain Dehaze

Rob Zandbergen

CERTIFIED AUDITOR

Ernst & Young Bedrijfsrevisoren BCV represented by Boudewijn Van Ussel. The Auditor was reappointed in 2003 for a new term of 3 years, which will end with immediate effect after the general meeting in 2006.

GROUP EXECUTIVE COMMITTEE

Chief Executive Officer:

Alain Dehaze

Chief Financial Officer:

Rob Zandbergen

Executive Vice President Corporate Human Resources:

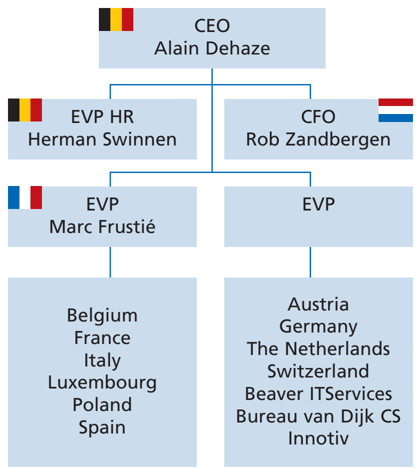
Herman Swinnen

Executive Vice President:

Marc Frustié

Executive Vice President:

Bart Rentmeesters (until 26/11/2004)



* The renewal of mandates for Rennie F. Hendriksen, Martin Dekker and Tom Bamelis will be proposed to the general meeting of shareholders.

CONCISE BIOGRAPHY OF THE MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

Alain Dehaze

Born in 1963. Belgian nationality. Chief Executive Officer (CEO) and chairman of the Group Executive Committee of Solvus since October 2002. Employed within the group since 2000, first as General Manager of Creyf's Belgium, subsequently as General Manager of Creyf's International. Previous employment: Managing Director of ISS-NWG Germany; Business Development Director ISS Europe; European Director for Product Management & Corporate Accounts, Surface & Hospital Hygiene Henkel-Ecolab Germany.

ALAIN DEHAZE

MARC FRUSTIÉ

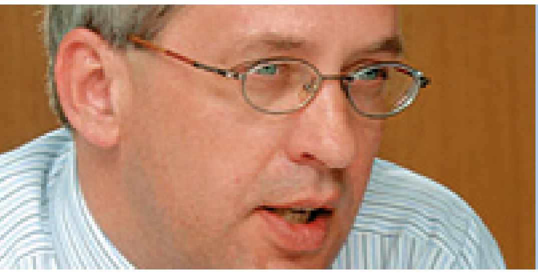
Marc Frustié

Born in 1957. French nationality. Executive Vice President of Solvus since April 2003. Responsible for Belgium, France, Italy, Luxembourg, Poland and Spain. Drector of SETT, the French sector confederation.
Previous employment: Managing Director of Potain, Managing Director of Tokheim-Sofitam, Consultant at McKinsey & Company.

Herman Swinnen

Born in 1949. Belgian nationality. Executive Vice President Corporate Human Resources of Solvus since October 2002. Employed within the group since 1995, first as Human Resources Manager and member of the Creyf's Belgium Executive Committee, and, since the end of 2001, as Vice President Corporate Human Resources of Solvus. Lay judge at the Labour Tribunal in Antwerp. Previous employment: various Human Resources managerial positions at Generale Bank (Fortis).

HERMAN SWINNEN



ROB ZANDBERGEN

Rob Zandbergen

Born in 1958. Dutch nationality. Chief Financial Officer (CFO) of Solvus since March 2003. Member of the Board of Directors of the Dutch professional federation ABU. Previous employment: CFO SNT Group; CFO KPN Telecommerce; CFO Sales SME Market KPN and CFO KPN Asia.

Corporate Governance

The Board of Directors of Solvus has taken note of the provisions of the Belgian Corporate Governance Code which the Corporate Governance Committee, chaired by Mr Lippens, announced on 9 December 2004.

The Board of Directors has long recognised the importance of sound company management and has continued to apply such principles to the present date. The Board lends its full support to the Committee's initiative and will be drawing up a charter over the course of 2005 which will examine the Code's various recommendations and provide explanations should it not be possible to comply with some of them.

Although the Code only comes into effect as of 1 January 2005, the chapter entitled Corporate Governance in this annual report will already be compiled in accordance with the provisions of the new Code as far as possible.

Solvus is a company limited by shares and comes under Belgian law. Its shares are listed on Euronext Brussels. It plays an active role in the management of the companies it controls.

MANAGEMENT AND SUPERVISORY BODIES OF SOLVUS

The internal rules for Corporate Governance, laid down by the Board of Directors, provide the company with a framework for the way in which power and responsibility is divided between the Board of Directors and executive management and ensure that the business is managed efficiently and properly.

The Board of Directors approves corporate strategy and major investments, supervises day-to-day management and compiles the annual accounts as well as the annual report. The Board of Directors also follows up the implementation of the decisions that it makes.

BOARD OF DIRECTORS

The Board of Directors is composed of eight members. They are selected by the Board of Directors on the proposal of the Nomination and Remuneration Committee, after which the choice is presented to the shareholders. The chairman is chosen from among the members of the Board of Directors and is appointed by the Board of Directors.

Luc Bertrand (°1951), Jan Suykens (°1960) and Tom Bamelis (°1966) are members of the Board of Directors and/or the Executive Committee of the benchmark shareholder Ackermans & van Haaren. Christian Dumolin (°1945), Rennie F. Hendriksen (°1939) and Martin Dekker (°1938) sit as independent directors in which their qualifications as independent directors within the meaning of Article 524 §4 of the Belgian Company Code was confirmed by the general meetings of 13 May 2003 and 11 May 2004. This also complies with the provisions of the new Code. Christian Dumolin is also chairman of the Board of Directors of Koramic Building Products and TrustCapital Partners, vice-chairman of Wienerberger and a member of the Board of Governors of the National Bank of Belgium. Rennie F. Hendriksen fulfils various international, non-executive management mandates and is also a business consultant. Before his retirement, Martin Dekker was chairman of the board of NPM Capital BV in Amsterdam and, at present, continues to hold various commissioner's positions in the Netherlands, Ireland and Luxembourg at Belron International NV, Koninklijke Boskalis Westminster NV, Fugro NV, van Lanschot Bankiers NV, Fine Ace BV, Algemeen Nederlands Trustkantoor NV, Arklow Shipping Ltd, van Wijnen NV, IHCHollandMerwdede BV and SI Holding BV. He is also a business consultant. Alain Dehaze (°1963) is a director and CEO. He is also chairman of the Group Executive Committee that is charged with the day-to-day management.

There are no statutory regulations concerning an age limit for managerial mandates within Solvus, but the Board of Directors operates an internal rule of a 70-year age limit. Appointments and renewal of mandates are made according to the relevant legal requirements.

The Board of Directors met ten times in 2004, once by means of teleconferencing. One of the meetings was held in the Netherlands at the offices of Content BV for the purpose of being able to observe the Dutch activities more closely with the management concerned. There was an attendance level of over 96%. Martin Dekker was present on nine occasions and Christian Dumolin eight times, while the other members were present at all meetings. In preparation of these meetings, all members receive the agenda and the minutes from the previous meeting, as well as the necessary documents and management report figures. At each meeting the CEO gives a thorough report on the current situation. Rob Zandbergen and Herman Swinnen have permanent seats on the Board of Directors in their respective capacities as CFO and secretary of the Board of Directors. The Board of Directors normally reaches decisions by consensus. Although the directors can obtain the advice of external consultants at the company's expense, this option was not employed in 2004.

The non-executive members of the Board of Directors do not possess any Solvus NV shares, options or warrants in a private capacity. As a member of the Board of Directors, Ackermans & van Haaren owns 10,519,553 Solvus NV shares.

MANAGEMENT COMMITTEES

The Board of Directors is assisted by three management committees to improve decision-making efficiency:

The **Audit Committee** is composed of three directors: Rennie F. Hendriksen as chairman, Martin Dekker and Tom Bamelis. In accordance with the recommendations of the Belgian Corporate Governance Code, this committee is composed solely of non-executive directors, and independent directors are in the majority.

The Audit Committee oversees the company's accounting and financial reporting within the context of a charter approved by the Board of Directors. It also supervises the internal financial and operational audit, asset management and management processes. The Audit Committee can request reports and information on all aspects of the company at any time, both internally as well as from the Certified Auditor, and can carry out any type of audit. In conjunction with the Certified Auditor, it discusses points related to accounting, including the valuation of the company's assets. It evaluates the financial reports audited by the Certified Auditor and advises the Board of Directors on them.

The Audit Committee met five times in 2004. As CEO and CFO, Alain Dehaze and Rob Zandbergen have permanent seats at meetings. The Certified Auditor is usually invited and members of management from the operating companies can also be invited in respect of certain matters.

The **Remuneration Committee** advises the Board of Directors on the overall remuneration of the directors and members of the Group Executive Committee and on how management bodies are operating. Luc Bertrand, Christian Dumolin and Alain Dehaze were members of this committee over the course of 2004. Bearing in mind recommendations 5.3 and 5.4 of the Belgian Corporate Governance Code, the Board of Directors' meeting of 25 February 2005 remodelled this committee into a Nomination and Remuneration Committee and appointed Luc Bertrand, Christian Dumolin and Jan Suykens as its members. All of the members are non-executive directors in accordance with the aforementioned recommendation. However, the Board of Directors ruled that Jan Suykens' knowledge of the company constituted such added value for the new Nomination and Remuneration Committee that it justified a departure from points 5.3.1 and 5.4.1 of the Belgian Corporate Governance Code (which prescribes a majority of independent directors). Luc Bertrand acts as this committee's chairman. The expansion of this renewed committee's duties will be discussed further by the Board in accordance with the new Code. The Remuneration Committee convened four times over the course of 2004. Appointments at managerial level within the operating companies are made in consultation with the companies involved.

The **Strategic Committee** prepares important Board decisions concerning acquisitions and divestments. It provides advice on investor relations and holds business reviews with important operating companies. It is composed of Jan Suykens (via Legimco NV) who acts as its chairman, Alain Dehaze, CEO and Rob Zandbergen, CFO. Last year, the Strategic Committee convened in an official capacity on 11 occasions.

These committees report to the Board about their activities and make recommendations in line with their roles and assignments.

The external audit is carried out by Ernst & Young Bedrijfsrevisoren BCV, represented by Boudewijn Van

Ussel. They account for the external audit as Certified Auditor of both the statutory annual accounts and the consolidated annual accounts.

DAY-TO-DAY MANAGEMENT

The company's day-to-day management rests with the **Group Executive Committee** under the chairmanship of Alain Dehaze, CEO. The Board of Directors appoints its members. It is composed of Rob Zandbergen as CFO, Marc Frustié as Executive Vice President and responsible for operational steering of the operating companies, and Herman Swinnen as Executive Vice President Corporate Human Resources. The Group Executive Committee meets every two weeks and convened nineteen times in 2004.

Given that Solvus' activities are mainly local in character, the operating companies' general managers enjoy far-reaching operational autonomy. On the other hand, accurate and detailed reports are expected, as well as an audit carried out by the CFO and the financial and operational controllers. The CEO and/or members of the Group Executive Committee always hold mandates in the operating companies' Boards of Directors. Structured monthly business reviews complete this supervision.

As of 1 January 2005, the members of the Group Executive Committee owned 2,900 shares in Solvus NV in a private capacity. As of the same date, Alain Dehaze owned 26,721 warrants (with exercise prices of 26.05 euro, 19.25 euro, 20.09 euro and 8.61 euro) and 18,300 options (with exercise prices of 6.94 euro and 11.17 euro).
Rob Zandbergen and Marc Frustié each owned 7,500 warrants (with exercise price of 11.17 euro) and 7,500 options (with exercise price of 6.94 euro). Herman Swinnen owned 8,600 warrants (with exercise prices of 23.00 euro, 21.48 euro, 26.05 euro and 19.25 euro) and 15,000 options (with exercise prices of 6.94 euro and 11.17 euro).

REMUNERATIONS

Over the course of 2004, payments were awarded to the non-executive members of the Board of Directors within and beyond their managerial mandates amounting to the sum of 331 ('000) euro. Independent, non-executive directors receive annual payments respectively of 25 ('000) euro (Rennie F. Hendriksen) or 23 ('000) euro (Martin Dekker and Christian Dumolin) depending on whether or not they chair a committee. These payments did not contain any variables. With regard to the other non-executive directors, Jan Suykens (via Legimco NV) received 37 ('000) euro and Ackermans & van Haaren 223 ('000) euro within and beyond their managerial mandates. These payments did not contain any variables.

Members of the Group Executive Committee and the directors of Solvus' operating companies also receive a variable payment in addition to a fixed payment. On the one hand, this variable payment depends on the growth and profitability (EBITA, conversion rate and operating cash flow) of the companies that they control and, on the other hand, on the achievement of personal objectives.

In 2004, 1,519 ('000) euro was paid gross to the members of the Group Executive Committee (including the CEO) who were in office in the course of that year (of which 1,253 ('000) euro was in fixed payments and 266 ('000) euro in variable payments on the results of 2003). The premiums paid in 2004 for the group insurance of the Group Executive Committee's members amounted to 100 ('000) euro.

In the same year, a fixed payment was paid to Alain Dehaze, as CEO, of 300 ('000) euro, as well as a variable payment of 90 ('000) euro. The premium for his group insurance amounted to 35 ('000) euro. During the same period, he accepted 15,000 options with a exercise price of 11.17 euro.

The total payment made to the group auditor Ernst & Young in Belgium and abroad for services to the group for 2004 amounted to 1,961 ('000) euro, of which 1,290 ('000) euro was for assignments within the mandate and 670 ('000) euro for assignments beyond the mandate. These latter assignments principally concerned fiscal or legal advice and IFRS-related assignments. The group auditor in Belgium and abroad invoiced approximately a third of these personally, and approximately 15% related to a Solvus NV assignment.

Members of the Board of Directors or of the Group Executive Committee were not awarded any loans or benefits in kind.

WARRANTS AND OPTIONS

Since 1999, warrant and option plans have been drawn up for the benefit of executive and senior staff members of Solvus and of executive members of the group's operating companies. The Board of Directors considers warrants and options a valuable instrument for motivating managers and strengthening bonds with the group. These warrants were issued within the context of authorised capital.

Presently (situation on 1 March 2005), there are 259,729 issued warrants (taking into account the stock split), which were allocated after their creation by the Board Meetings of 11 February 1999, 6 March 2001, 28 February 2002, 19 March 2002 and 28 February 2003. This represents 1.02 % of issued shares. The exercise price, the date from which these warrants can be exercised and the year in which this right expires can be summarised as follows:

Number of warrants*	Exercise price	May be exercised from	Until (not beyond)
14,765	21.48	01/01/2004	2012
15,267	26.05	01/01/2005	2014
4,002	26.64	01/01/2005	2012
71,943	19.25	01/01/2006	2015
8,836	19.53	01/01/2006	2015
32,500	20.09	01/01/2006	2015
11,721	8.61	01/01/2006	2015
82,495	11.17	01/01/2008	2013

* Situation as at 1 March 2005. Warrants and options that have expired in the interim have been taken into account.

In addition to this, and within the context of the share option plans approved by the Board of Directors in 2000 and 2003, there are a further 136,800 share options outstanding with the following exercise prices and dates from which they may be exercised:

Number of options *	Exercise price	Can be exercised from	Until (not beyond)
86,800	6.94	01/01/2007	2013
27,500	11.17	01/01/2008	2013

* Situation as at 1 March 2005. Warrants and options that have expired in the interim have been taken into account.

Moreover, a further 110,300 options (situation on 1 March 2005) have been offered to board members at present at an exercise price of 14.24 euro within the context of a share option plan approved by the Board of Directors on 19 January 2005. Of this total, 29,000 have been offered to the chairman and members of the Group Executive Committee. These options have an exercise period of 5 to 10 years. They were offered subject to current fiscal legislation and cannot be exercised before the end of the third year following the year of offer.

In respect of warrants issued before the end of 2002, it was decided by the Board of Directors of 16 June 2003 to extend their exercise period by three years in accordance with article 407 of the programme act of 24 December 2002.

To enable compliance with the obligations that relate to the abovementioned option plans, Solvus has repurchased its own shares following approval of this by the extra-ordinary general meetings of 22 December 2000 and 16 December 2003. As of 1 March 2005, Solvus owns 185,129 own shares. This figure represents 0.73% of the number of existing shares and warrants. 140,000 of these were bought over the course of 2004 at an average price of 14.42 euro.

POLICY REGARDING THE APPROPRIATION OF RESULTS AND DIVIDEND

Taking into account the results of the past financial year, the proposal will be put to the general meeting not to pay out any dividends for the financial year of 2004. Solvus will be resuming its dividend distribution policy as soon as circumstances allow.

PROTECTION AGAINST INSIDER TRADING

All of Solvus' employees, the executive members of the group's operating companies and the members of the Board of Directors signed a protocol to prevent insider trading.

General information for shareholders

CAPITAL

Issued capital

At present, issued capital amounts to 216,692,079.19 euro and is represented by 25,180,691 no-par-value shares.

Capital increases over the last years

Date of deed	Nature of transaction	Total capital (in euro) after transaction	Number of shares after transaction*	Issued shares
Capital at the end of 1998		17,198,455	14,254,070	
29/04/1999	Share premium incorporation	44,591,097	14,254,070	
09/06/1999	Content share-swap offer	53,891,439	17,227,033	2,972,963
29/06/1999	Capital increase	67,968,817	21,727,033	4,500,000
03/08/1999	Content share-swap offer	68,119,526	21,775,209	48,176
03/08/1999	Capital increase	69,683,679	22,275,209	500,000
31/08/1999	Share premium incorporation	154,042,147	22,275,209	
18/09/2000	Optional dividend 1999	154,469,139	22,336,913	61,704
22/12/2000	Share premium incorporation	155,453,935	22,336,913	
22/06/2001	Optional dividend 2000	155,968,806	22,410,894	73,981
22/06/2001	Capital increase	172,149,643	24,735,894	2,325,000
04/07/2001	Capital increase	174,576,769	25,084,644	348,750
30/01/2002	Share premium incorporation	215,865,547	25,084,644	
28/08/2002	Optional dividend 2001	216,692,079	25,180,691	96,047

* For comparison purposes, the number of shares was calculated taking into account the stock split of 1999, whereby 1 share was split into 10 shares.

Authorised capital

Extract from article 7 of the articles of association:

1. In such cases as provided for in the report concerned, the Board of Directors can increase the company capital by 215,865,546.73 euro, at once or in several times, throughout a five-year period to date from the announcement of the amendment to the articles of association on 30 January 2002 in the appendix to the Belgian National Gazette. The Board can also perform this by means of converting its reserves. The Board of Directors has already employed this for a sum of 826,532.46 euro, the deed of registration for which was executed on 28 August 2002.

2. The Board of Directors can limit or withdraw preferential rights in the interests of the company within the boundaries of the authorised capital. The Board of Directors may even limit or withdraw these rights in favour of one or more specific individuals, other than the personnel of the company or its subsidiaries.

* * *

The Board of Directors will propose to a scheduled extraordinary general meeting of shareholders that it should once more confer the right to employ the means by which authorised capital is used as a means of defence if the companies' securities should become the subject of a public takeover bid.

SHARES

Nature of the shares

Article 9 of the articles of association:

The shares are bearer shares. At a shareholder's written request, the Board of Directors will convert the bearer shares into registered shares. This conversion will be made by registration in the shareholders' register, dated and signed by the shareholders or their authorised representatives and two directors of the company. The Board of Directors decides on the denominations in which shares are issued.

Exercise of rights attached to shares
Article 10 of the articles of association:

1. All shares are indivisible in respect of the company.

2. Unless the parties involved agree otherwise, voting rights will be exercised at the general meeting as follows:
   - by the owner and not by a creditor if the share has been pledged to that creditor;
   - by the holder of a right of usufruct and not by the bare owner if the share has been split up into bare ownership and right of usufruct.

3. If a share is owned by various persons or if the rights attached to a share have been divided among several people, other than those referred to in the previous paragraph, the Board of Directors may suspend exercise of the rights attached to it until one single person is indicated to the company as the shareholder.

COMPOSITION OF THE BOARD OF DIRECTORS

Summary of article 13 of the articles of association:

As long as the reference shareholder, Ackermans & van Haaren, possesses either directly or indirectly at least forty per cent of the company's voting shares, it will have the right to present candidates to the general meeting with a view to appointing half of the directors plus one.

SHAREHOLDING

Notification requirement regarding shares
The notification provided for in the Act of Parliament dated 2 March 1989 regarding the publication of major participating interests in companies quoted on the stock exchange and for the regulation of public takeover bids, and in the Royal Executive Decrees is, in the case of the Solvus, already mandatory when a threshold of three percent is reached. (cfr. article 11 of the articles of association)

The denominator (on 1 March 2005) is 25,440,420 (= 25,180,691 shares + 259,729 outstanding warrants).

Notification of shareholding

	Date	Number of shares	%
Ackermans & van Haaren	03/12/1999	9,036,214	40.57*

*Notification on the basis of 22,275,209 shares.

GENERAL MEETING

Meeting
Article 25 of the articles of association:

The annual meeting is held on the second Tuesday in the month of May at ten o'clock in the morning. If this day is a public holiday, the meeting is to be held on the following working day at the same time.

An extraordinary general meeting can be convened as often as the interests of the company require it to do so and must be convened each time shareholders jointly representing one fifth of the issued capital so request.

The Board of Directors or an Auditor convenes meetings. Unless notification should express otherwise when a meeting is convened, the general meeting will be held at the company's registered office.

Number of votes – exercising voting rights
Extract from article 30 of the articles of association:

Every share grants the right to one vote.

General Information

Registered office of the company
Frankrijklei 101, 2000 Antwerp

Legal structure
Public Limited Company under Belgian law (N.V.)
Solvus Resource Group is the trading name of Solvus N.V.

Date of foundation
16 November 1972

Unique company number
Unique company number 0412 773 897
Court of Commerce, Antwerp

Duration of the company
Indefinite

Objectives of the company
Article 3 of the articles of association:
The objectives of the company are:

- to be a holding company;
- to have interests in other companies in order to control their management or participate within them;
- to assist companies in terms of trade, industry and administration, to perform secretarial work, to domicile companies, to provide offices, warehouses and manufacturing premises, to provide preparatory studies and give advice in the fields of management, marketing, import and export; to send and receive mail and, more generally, to do everything that may be efficacious in the foundation, operation and management of companies.

The company may take out a mortgage on its properties and offer as collateral all of its other assets, including its operating capital, and may grant endorsements for all loans, credit and other obligations both for itself and for any third parties, on the condition that it has a vested interest therein.

It may carry out the function of director or liquidator for other companies

Financial year
The financial year begins on 1 January and ends on 31 December.

Locations where the public can consult the documents
The company's articles of association can be consulted at the offices of the Registrar of the Court of Commerce in Antwerp and at the company's registered office.

The annual accounts are deposited at the National Bank of Belgium.

Decisions in respect of appointments and dismissals of members of the company's bodies are published in the appendices to the Belgian National Gazette.

Financial news concerning the company, as well as calls to convene general meetings, are published in the financial press and are available on the company's website.

The most recent version of the coordinated articles of association and the Board of Directors' special reports are available on the company's website.

Printed copies of the annual report can be obtained free of charge from the company's registered office and will be sent to anyone who so requests.

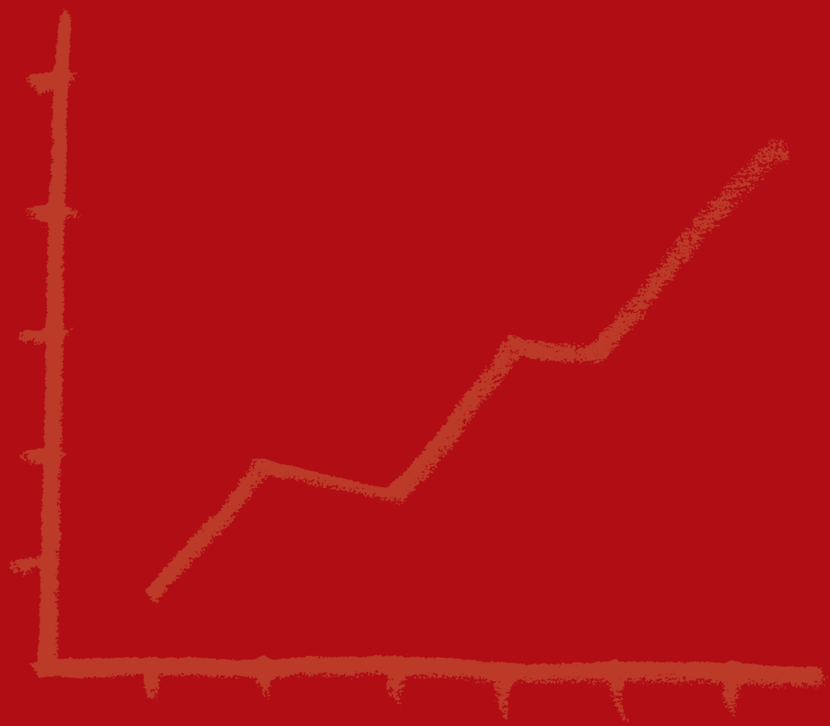
The annual report is available on the company's website (www.solvus.com).

Certified Auditor
Ernst & Young Bedrijfsrevisoren BCV, with registered offices at Marcel Thirylaan 204, 1200 Brussels, represented by Boudewijn Van Ussel.

The Auditor was reappointed in 2003 for a new term of 3 years, which will end with immediate effect after the general meeting in 2006.

Financial

overview



Consolidated annual accounts

BALANCE SHEET

Assets

In euro x 1,000	Notes	2004	2003	2002
Fixed assets		**402,190**	431,270	478,974
I. Formation expenses	VII	**778**	1,769	3,489
II. Intangible assets	VIII	**14,077**	13,074	12,764
III. Positive consolidation differences	XII	**346,368**	358,038	401,179
IV. Tangible assets	XI	**33,529**	53,541	58,189
A. Land and buildings		**2,458**	9,497	14,281
B. Plant, machinery and equipment		**5,088**	7,775	7,840
C. Furniture and vehicles		**8,966**	10,921	13,473
D. Leasing and other similar rights		**28**	121	249
E. Other tangible fixed assets		**16,989**	23,583	22,331
F. Assets under construction and advance payments		**-**	1,644	15
V. Financial assets	I to IV and X	**7,438**	4,848	3,353
B. Other enterprises		**7,438**	4,848	3,353
1. Participating interests and shares		**988**	400	358
2. Amounts receivable		**6,450**	4,448	2,995
Current assets		**387,497**	343,639	406,986
VI. Amounts receivable after one year		**20,177**	16,796	10,301
A. Trade debtors		**300**	-	-
B. Other amounts receivable		**-**	28	1
C. Deferred tax		**19,877**	16,768	10,300
VII. Stocks and contracts in progress		**103**	658	364
A. Stocks		**103**	523	198
4. Goods purchased for resale		**103**	523	198
B. Contracts in progress		**-**	135	166
VIII. Amounts receivable within one year		**268,246**	262,707	320,747
A. Trade debtors		**253,783**	239,263	286,224
B. Other amounts receivable		**14,463**	23,444	34,523
IX. Investments		**48,725**	1,619	18,262
A. Own shares		**2,388**	518	363
B. Other investments and deposits		**46,337**	1,101	17,899
X. Cash at bank and in hand		**42,367**	53,257	46,984
XI. Deferred charges and accrued income		**7,879**	8,602	10,328
Total assets		**789,687**	774,909	885,960

Liabilities

In euro x 1,000	Notes	2004	2003	2002
Equity		**244,047**	243,198	304,837
I. Capital		**216,692**	216,692	216,692
A. Issued capital		**216,692**	216,692	216,692
II. Share premium account		**62,710**	62,710	62,710
IV. Consolidated reserves	XI	**26,119**	25,339	86,783
V. Negative consolidation differences	XII	**214**	224	215
Vbis Imputed positive consolidation differences		**-61,609**	-61,609	-61,609
VI. Translation differences		**-79**	-158	42
VII. Investment grants		**-**	-	4
Minority interests		**1,153**	1,072	1,357
VIII. Minority interests		**1,153**	1,072	1,357
Provisions, deferred tax and latent taxation liabilities		**3,879**	12,373	8,256
IX. A. Provisions for liabilities and charges		**3,879**	12,373	8,256
1. Pensions and similar obligations		**884**	1,448	1,860
4. Other liabilities and charges		**2,995**	10,925	6,396
Creditors		**540,608**	518,266	571,510
X. Amounts payable after one year	XIII	**115,986**	150,044	156,952
A. Financial debts		**115,979**	149,631	156,204
2. Unsubordinated debentures		**68,956**	68,956	68,956
3. Leasing and other similar obligations		**-**	40	132
4. Credit institutions		**46,897**	80,536	87,005
5. Other loans		**126**	99	111
D. Other amounts payable		**7**	413	748
XI. Amounts payable within one year	XIII	**411,942**	352,056	402,251
A. Current portion of amounts payable after one year		**30,788**	15,739	29,994
B. Financial debts		**108,636**	82,089	143,679
1. Credit institutions		**50,030**	16,495	19,628
2. Other loans		**58,606**	65,594	124,051
C. Trade debts		**25,622**	29,384	27,556
1. Suppliers		**25,622**	29,384	27,556
D. Advances received on contracts in progress		**40**	356	403
E. Amounts payable regarding taxes, remuneration		**237,462**	208,056	171,142
1. Taxes		**85,938**	78,067	51,161
2. Remuneration and social security		**151,524**	129,989	119,981
F. Other amounts payable		**9,394**	16,432	29,477
XII. Accrued charges and deferred income		**12,680**	16,166	12,307
Total liabilities		**789,687**	774,909	885,960

INCOME STATEMENT

In euro x 1,000	Notes	2004	2003	2002
I. Operating income		**1,461,783**	1,447,298	1,521,728
A. Turnover	XIV, A	**1,452,578**	1,438,916	1,510,049
B. Changes in stock of finished goods, work and contracts in progress		**-**	74	214
C. Fixed assets - own construction		**-**	-	21
D. Other operating income		**9,205**	8,308	11,444
II. Operating charges		**-1,428,843**	-1,433,284	-1,478,818
A. Raw materials, consumables and goods for sale		**4,449**	2,848	7,765
1. Purchases		**4,449**	2,846	6,324
2. Changes in stock		**-**	2	1,441
B. Services and other goods		**154,179**	171,237	178,940
C. Remuneration of social security, costs and pensions	XIV, B	**1,249,297**	1,228,026	1,248,869
D. Depreciation and other amounts written off formation expenses, intangible and tangible fixed assets		**14,263**	15,649	17,811
E. Amounts written off stocks, contracts in progress and trade debtors		**-2,161**	-7,642	9,125
F. Provisions for liabilities and charges		**-4,145**	-2,449	1,212
G. Other operating charges		**12,961**	25,615	15,096
H. Operating charges capitalised as reorganisation costs		**-**	-	-
III. Operating result		**32,940**	14,014	42,910
IV. Financial income		**1,009**	3,941	2,117
A. Income from financial fixed assets		**-**	9	4
B. Income from current assets		**839**	3,670	1,969
C. Other financial income		**170**	262	144
V. Financial charges		**-24,984**	-28,441	- 31,495
A. Interests and other debt charges		**11,944**	15,340	17,573
B. Amounts written on positive consolidation differences		**10,255**	11,142	12,112
C. Amounts written off current assets other than those mentioned under II.E.		**149**	-	601
D. Other financial charges		**2,636**	1,959	1,209
VI. Result on ordinary activities before taxation		**8,965**	-10,486	13,532

In euro x 1,000	Notes	2004	2003	2002
VII. Extraordinary income		**-**	3,847	3,748
A. Adjustments to depreciation of and to other amounts written off intangible and tangible fixed assets		**-**	-	1,261
B. Adjustments to amounts written off consolidation differences		**-**	10	-
D. Adjustments to provisions for extraordinary liabilities and charges		**-**	382	-
E. Gain on disposal of fixed assets		**-**	566	127
F. Other extraordinary income	XIV, C	**-**	2,889	2,360
VIII. Extraordinary charges		**-2,913**	-54,139	-56,796
A. Extraordinary depreciation and amounts written off formation expenses, intangible and tangible fixed assets		**-**	323	2,321
B. Extraordinary amounts written on positive consolidation differences		**-**	35,892	41,006
C. Amounts written off financial fixed assets		**-**	129	-
D. Provisions for extraordinary liablities and charges		**-4,350**	7,750	2,567
E. Loss on disposal of fixed assets		**-**	791	683
F. Other extraordinary charges	XIV, C	**7,263**	9,254	10,219
IX. Result for the financial period before taxation		**6,052**	-60,778	-39,516
X. A. Transfer from deferred tax and latent tax liabilities		**3,031**	-	-
B. Transfer to deferred tax and latent taxation liabilities		**-588**	-	-
XI. Income taxes		**-7,640**	-1,670	-1,625
A. Income taxes	XIV, D	**-12,735**	-2,057	-2,130
B. Adjustment of income taxes and write-back of tax provisions		**5,095**	387	505
XII. Result for the financial period		**855**	-62,448	-41,141
XIV. Consolidated result		**855**	-62,448	-41,141
A. Share of third parties		**75**	-1,004	-906
B. Share of the group		**780**	-61,444	-40,235

CASH FLOW STATEMENT

In euro x 1,000	2004	2003	2002
Results (share of the group)	**780**	-61,444	-40,235
• Third-party share	**75**	-1,004	-906
• Depreciations	**14,263**	15,983	20,132
• Write-back of depreciations	**-**	-	-1,261
• Amounts written off	**-2,012**	-7,513	5,643
• Depreciation of consolidation differences	**10,255**	47,024	53,118
• Provisions	**-8,494**	4,919	7,862
• Capital gain on disposal of fixed assets	**-618**	-566	-127
• Capital loss on disposal of fixed assets	**3,361**	791	683
• Financial result*	**13,720**	13,357	17,267
• Translation differences	**-**	-1	1
Cash flow from operations (after taxes)	**31,330**	11,546	62,177
Operating capital requirements	**13,282**	88,750	-9,469
Net cash flow from operations (after taxes)	**44,612**	100,296	52,708
Investments	**-15,421**	-23,651	-65,761
• Intangible fixed assets	**-3,404**	-3,886	-5,678
• Tangible fixed assets	**-8,021**	-14,594	-21,802
• Financial fixed assets	**-3,996**	-5,171	-38,281
Disinvestments	**15,724**	9,471	15,199
Capital gain and loss	**-2,743**	-228	-443
Net cash flow from investments	**-2,440**	-14,408	-51,005
Financial operations			
• Capital increase of Solvus NV	**-**	-	1,928
• Financial debts	**7,944**	-82,754	8,492
• Dividends paid by Solvus NV	**-**	-	-3,731
• Financial result*	**-13,720**	-13,357	-17,267

* Additional line compared with the published annual report 2002.

In euro x 1,000	2004	2003	2002
Net cash flow from financing	**-5,776**	-96,111	-10,578
Total cash variation	**36,396**	-10,223	-8,875
• Net variation	**-**	-	3,252
• Translation differences	**-32**	-147	-18
• Changes in the consolidation circle	**36,364**	-10,370	-5,641
Liquidity position at the start of the period	**54,874**	65,244	70,885
Liquidity position at the end of the period	**91,238**	54,874	65,244

In 2004, Solvus generated a cash flow from operational result of 31.3 million euro, or 19.8 million euro more than in the previous year. The working capital requirement improved to 13.3 million euro by keeping the number of days sales outstanding constant (this was already considerably improved in 2003) and by better coordinating our outgoing payments to the incoming cash flows.

Net investments fell by 12 million euro to 2.4 million euro, mainly due to the fact that there were no acquisitions in 2004 as well as to a decline in investments in tangible fixed assets owing to a strict policy on costs.

Free cash flows were used to reduce financial debt, causing net financial debt to decrease to 164.3 million euro.

Annex

Annex to the consolidated annual accounts

I. LIST OF THE CONSOLIDATED COMPANIES AND THE COMPANIES ACCOUNTING FOR USING THE EQUITY METHOD

Company name and registered address	Capital subscribed (in %)	% variation in capital subscribed (compared to the previous exercise)
Accea France SAS, France - Parc de la Tannerie 12, FR-57070 Saint-Julien les Metz	100.00	0.00
Accea Nederland BV, the Netherlands - Bezuidenhoutseweg 273, NL-2594 AN 's Gravenhage	100.00	0.00
Accea NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	100.00	0.00
Accea SA, Luxemburg - Rue de Merl 51-53, LU-2146 Luxembourg	96.64	21.64
Accea, Consultoria en Recursos Humanos SL, Spain - Carretera de Sant Joan de les Abadesses 100, ES-17800 Olot	100.00	0.00
ADV Consult BVBA, Belgium - Leuvensesteenweg 775, BE-1140 Brussel	100.00	0.00
Aide Bureaux Interims NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	100.00	0.00
Alter Ego SA, Luxemburg - Rue de Merl 51-53, LU-2146 Luxembourg	100.00	0.00
BCResult BV, the Netherlands - Adriaen Van Ostadelaan 140, NL-3583 AM Utrecht	100.00	0.00
Beaver ITServices BV, the Netherlands - Overschiestr. 184, NL-1062 XK Amsterdam	100.00	0.00
Beaver ITServices NV, Belgium - Fr. Rooseveltplaats 10/12, BE-2060 Antwerpen	100.00	0.00
Branca Recursos y Serveis SL, Spain - Carretera de Sant Joan de les Abadesses 100, ES-17800 Olot	100.00	0.00
Bureau van Dijk Computer Services NV, Belgium - Terhulpsesteenweg 187, BE-1170 Brussel	94.15	0.00
Bureau van Dijk Computer Services SA, Luxemburg - Avenue de la Gare 65, LU-1611 Luxembourg	94.15	0.00
Bureau van Dijk Hosting Services NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	94.15	0.00
Carrière Planning Groep Beheer BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Carrière Projectdiensten BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Carrière Uitzendbureau BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
CDG Telediensten BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Centro de Trabajo Tempo ETT SL, Spain - Carretera de Sant Joan de les Abadesses 100, ES-17800 Olot	100.00	0.00
Content Beheer BV, the Netherlands - Bezuidenhoutseweg 273, NL-2594 AN 's Gravenhage	100.00	0.00
Content BV, the Netherlands - Bezuidenhoutseweg 273, NL-2594 AN 's Gravenhage	100.00	0.00

Company name and registered address	Capital subscribed (in %)	% variation in capital subscribed (compared to the previous exercise)
Content Professionals BV, the Netherlands - Bezuidenhoutseweg 273, NL-2594 AN 's Gravenhage	100.00	0.00
Contentancy BV, the Netherlands - Adriaen van Ostadelaan 140, NL-3583 AM Utrecht	100.00	0.00
Creyf's AG, Switzerland - Rue du Criblet 1, CH-1700 Fribourg	100.00	0.00
Creyf's Anzeigenservice GmbH, Germany - Landsberger Strasse 312, DE-80687 München	100.00	0.00
Creyf's ASA Student BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Creyf's Beheer BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Creyf's Construct NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	100.00	0.00
Creyf's France SAS, France - Parc de la Tannerie 12, FR-57070 Saint-Julien Les Metz	100.00	0.00
Creyf's Holding Deutschland GmbH, Germany - Landsberger Strasse 312, DE-80687 München	100.00	0.00
Creyf's Interim BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Creyf's Interim Horeca BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Creyf's Interim SA, Luxemburg - 51-53 Rue de Merl, LU-2146 Luxembourg	100.00	0.00
Creyfs Interim SAS, France - Parc de la Tannerie 12, FR-57070 Saint-Julien Les Metz	100.00	0.00
Creyf's NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	100.00	0.00
Creyf's Outsourcing GmbH, Germany - Landsberger Strasse 312, DE-80687 München	100.00	0.00
Creyf's Personalservice GmbH, Germany - Landsberger Strasse 312, DE-80687 München	100.00	0.29
Creyf's Personalservice GmbH, Austria - Mariahilferstrasse 88a, AU-1070 Wien	100.00	0.00
Creyf's Polska. Sp.z.o.o., Poland - ul. Piotrkowska 111, PL-90-425 Lodz	62.05	0.00
Creyf's Recursos Humanos SL, Spain - Carretera de Sant Joan de les Abadesses 100, ES-17800 Olot	100.00	0.00
Creyf's Select BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Creyf's Select SpA, Italy - Via G. Murat 23, IT-20159 Milano	73.00	8.00
Creyf's Select Sp.z.o.o., Poland - Grzybowska 77, PL-00-844 Warsawa	100.00	0.00
Creyf's Services NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	100.00	0.00
Creyf's SpA, Italy - Via G. Murat 23, IT-20159 Milano	73.00	8.00
Creyf's Trabajo Temporal ETT SA, Spain - Carretera de Sant Joan de les Abadesses 100, ES-17800 Olot	100.00	0.00

Company name and registered address	Capital subscribed (in %)	% variation in capital subscribed (compared to the previous exercise)
Development Assistance BVBA, Belgium - Fr. Rooseveltplaats 12/9, BE-2060 Antwerpen	100.00	0.00
East West European Staffing SA, Luxemburg - Boulevard du Prince Henri 3 B, LU-1724 Luxembourg	66.10	0.00
Express Medical Interim NV, Belgium - Boulevard de France 7, BE-1420 Braine l'Alleud	100.00	0.00
Financial Forces Nederland BV, the Netherlands - Bezuidenhoutseweg 273, NL-2501 's Gravenhage	100.00	0.00
Financial Forces NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	51.00	0.00
Gestion Publicité Commercialisation SA, France - Place Gramont 12, FR-64000 Pau	100.00	0.00
HR Forces NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	51.00	-49.00
Innotiv Belgium NV, Belgium - Rijnkaai 37, BE-2000 Antwerpen	100.00	0.00
Innotiv France SAS, France - Rue Gallieni 114, FR-92100 Boulogne Billancourt	100.00	0.00
Innotiv Germany GmbH, Germany - Kuckelke 4, DE-44135 Dortmund	100.00	0.00
Innotiv Group BV, the Netherlands - Het Rond 18, NL-2711 BW Zoetermeer	100.00	0.00
Innotiv Netherlands Beheer BV, the Netherlands - Het Rond 18, NL-2711 BW Zoetermeer	100.00	0.00
Innotiv Netherlands Engineering BV, the Netherlands - Het Rond 18, NL-2711 BW Zoetermeer	100.00	0.00
Innotiv Netherlands Operations BV, the Netherlands - Het Rond 18, NL-2711 BW Zoetermeer	100.00	0.00
Inter-Re SA, Luxemburg - Route de Trèves 6b, LU-2633 Luxembourg	100.00	0.00
K. Reijerkerk 's Gravendeel Beheer BV, the Netherlands - Houtkoperstraat 17, NL-3334 KD Zwijndrecht	100.00	0.00
Landmeetkundig Buro Geotec BV, the Netherlands - Houtkoperstraat 17, NL-3334 KD Zwijndrecht	100.00	0.00
Oberon Informatiesystemen BV, the Netherlands - Teteringsedijk 295B, NL-4817 ME Breda	100.00	0.00
Receptel NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	100.00	0.00
S&C Select BV, the Netherlands - Bezuidenhoutseweg 273, NL-2501 's Gravenhage	100.00	0.00
Solcos BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Solvus International NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	100.00	0.00
Solvus Nederland BV, the Netherlands - Rompertsebaan 50, NL-5231 GT 's Hertogenbosch	100.00	0.00
Spekan Engineering NV, Belgium - De Bruwaan 35/b, BE-9700 Oudenaarde	100.00	0.00
StarJob BV, the Netherlands - Reaal 5c, NL-2353 TK Leiderdorp	100.00	0.00
StarJob Recruitment Services BV, the Netherlands - Reaal 5c, NL-2353 TK Leiderdorp	100.00	0.00
TechniTemps Interim NV, Belgium - Frankrijklei 101, BE-2000 Antwerpen	100.00	0.00
Top 64 Intérim SARL, France - Rue Marca 18, FR-64000 Pau	100.00	0.00
Topdrill Intérim SARL, France - Rue Marca 18, FR-64000 Pau	100.00	0.00

V. CONSOLIDATION CRITERIA AND CHANGES TO THE CONSOLIDATION CIRCLE

Consolidation criteria

AREA OF APPLICATION

The consolidating company Solvus NV and all of its subsidiaries are included in the consolidation.

CONSOLIDATION METHOD

All of the subsidiary companies, whether controlled directly or indirectly, are fully consolidated. Creyf's Projects NV and Legal Forces NV were not included in the consolidation circle due to their negligible size.

Changes to the consolidation circle

In the first half of the year, Schoevers (the Netherlands), Bureau van Dijk France (France), Bureau van Dijk IT and JConsults (Belgium) were sold. Additionally, some mergers took place, among others in Belgium and the Netherlands, and the activity of Creyf's Technics (Luxembourg) was discontinued.

VI. VALUATION RULES

Principle

The valuation rules applied to drawing up the consolidated annual accounts are the same as those used for the annual accounts of Solvus NV.*

At the consolidated level, deferred tax assets should be accounted for if the subsidiary concerned has generated a fiscal loss carried forward. These deferred tax assets can be accounted for only if there is relative certainty that the subsidiary concerned is in a position of continuity and taxable profit in the long term. Deferred tax assets are entered in the consolidated balance sheet as long-term receivables.

Consolidation differences

Consolidation differences relate to the positive difference between the purchase price of a participating interest and the proportional share of the equity, corresponding to the purchased percentage of the participating interest.

Within the sectors where Solvus is active, the acquisition price principally reflects goodwill, making direct allocation to components for assets and liabilities impossible. In 1999, the Board of Directors opted to amortise the consolidation goodwill on participating interests over a maximum of 40 years. Moreover, on the basis of an exemption granted by the Banking, Finance and Insurance Commission, the Board of Directors offset the positive consolidation difference for Content Beheer of 61.6 million euro against the share premium accrued as a result of the Creyf's / Content share-swap offer as described in the offer notice of 5 May 1999.

The long-term strategy of Solvus is based on acquiring or maintaining a dominant presence in Europe in the temping sector, secondment and projects and in other human resources services. In view of this, Solvus is entering into long-term participating interests to support the expansion of its national and international network and/or the provision of services. The acquisition price paid in these sectors principally reflects the goodwill component. Generally speaking, this goodwill can only increase over time as a result of growth in annual performance. The growth potential of the purchased company is always the determining factor in the initial purchase price paid by Solvus.

It is only when this growth fails to materialise in the future that the issue arises of a lasting decrease in value thus requiring amortisation.

Additionally, in the temping sector on an international level and especially in neighbouring countries, positive consolidation differences are written off against equity without passing through the income statement. The international dimension forces Solvus to compare itself with its main European competitors. The various methods of handling goodwill lead to distortion in the ratios applied by international analysts.

Countries neighbouring Belgium interpret Article 30 §2 of the 7th European Directive on positive consolidation differences very differently, with Belgium maintaining the strictest interpretation.

In 1999, therefore, the Board of Directors requested a derogation from the Banking, Finance and Insurance Commission permitting them to offset the positive consolidation difference for Content Beheer of 61.6 million euro against the share premium that arose as a result of the Creyf's / Content share-swap offer. The Commission gave its consent on the basis of Article 8 of the Royal Decree of 1 September 1986.

*See summary of the valuation rules on page 84.

In 1999, on the basis of the same arguments, the Board of Directors decided to change the valuation rules regarding the amortisation of positive consolidation differences and to set the amortisation period at a maximum of 40 years.

In principle, positive consolidation differences on participating interests acquired after 1 January 1999 will be amortised over a period of 40 years. An Audit Committee within the Board of Directors carries out an annual evaluation of the amortisation period for every individual participating interest in the light of a participating interest's annual performance and, consequently, its lasting value. The Board of Directors will proceed with additional amortisation in the event of a lasting loss in value.

For positive consolidation differences already existing at the end of 1998, it was specifically decided to spread the balance to be amortised over 40 years less the period for which amortisation had already taken place.

Moreover, no reversal was made of any amortisation that had already been accounted for. In 2004, goodwill was amortised according to the amended valuation rules of 1999.

If the goodwill for Content Beheer had not been deducted from the share premium for the sum of 61.6 million euro but instead had been amortised over 40 years, this would have meant additional amortisation costs of 1.5 million euro for 2004. Without imputation of the positive consolidation differences on the share premium, equity would have been 296.5 million euro as at 31 December 2004, i.e. 21.5% higher than the published equity of 244.0 million euro.

The Board of Directors believes that by making these amendments they are meeting with requirements concerning:

- transparency as regards information for investors and a clear European comparison with its competitors;
- the 7th European Directive, Article 30 §2.

Conversions for foreign subsidiaries

The individual accounts of companies that do not come under the euro are analysed in the consolidation in their local currency and only then converted into euros. Conversion is performed at the average rate for the income statement; the balance sheet is converted at the closing price. The consolidation included 18 companies under Belgian law, 6 under Luxembourg law, 7 under French law, 26 under Dutch law, 5 under German law, 1 under Swiss law, 1 under Austrian law, 5 under Spanish law, 2 under Italian law and 2 under Polish law.

Start-up losses of new offices in Italy

In the consolidated annual accounts, start-up losses from the new offices opened in Italy in 2000 and 2001 were capitalised on the balance sheet and amortised over 5 years.

Amortisation costs in 2004 amounted to 0.323 million euro. No losses were capitalised in 2004.

VII. STATEMENT OF FORMATION EXPENSES

In euro x 1,000	Amounts
Net carrying value at the end of the preceding period	1,770
Movements during the period	
• New expenses incurred	8
• Depreciation	-964
• Translation differences	-
• Other	-36
Net carrying value at the end of the period	778
Detail	
• Expenses of formation or capital increase, loan issue expenses, discounts and other formation expenses	740
• Reorganisation costs	38

VIII. STATEMENT OF INTANGIBLE ASSETS

In euro x 1,000	Research and development expenses	Concessions, patents, licences, etc.	Goodwill	Advance payments
a) Acquisition cost at the end of the preceding period	20	14,270	6,596	-
Movements during the period				
• Acquisitions including fixed assets, own production	-	3,253	143	-
• Sales and disposals	-	-2,015	-	-
• Transfers from one heading to another	-	1,845	-	-
• Translation differences	-	9	-	-
• Other movements*	-	-2,508	-	-
At the end of the period	20	14,854	6,739	-
c) Depreciation and amounts written down at the end of the previous period	9	6,624	1,179	-
Movements during the period				
• Recorded	7	2,885	199	-
• Written down after sales and disposals	-	-1,596	-	-
• Transfers from one heading to another	-	-	-	-
• Translation differences	-	7	-	-
• Other movements*	-	-1,778	-	-
At the end of the period	16	6,142	1,378	-
d) Net carrying value at the end of the period	4	8,712	5,361	-

* Specifically modifications caused by variations of consolidation parameters (article 11 of the Royal Decree of 3 December 1993).

IX. STATEMENT OF TANGIBLE FIXED ASSETS

In euro x 1,000	Land and buildings	Machinery and equipment	Furniture and vehicules	Leasing and similar engage-ments	Other tangible assets	Assets con-structions and advance payments
a) Acquisition cost at the end of the preceding period	15,013	23,008	27,198	790	44,854	1,644
Movements during the period						
• Acquisitions including fixed assets, own construction	944	761	2,362	3	3,951	-
• Sales and disposals	-924	-2,021	-6,037	-534	-3,821	-18
• Transfers from one heading to another	1,280	-1,742	337	-80	-1,119	-1,626
• Translation differences	3	25	16	-10	-1	-
• Other movements*	-13,102	-6,957	-4,908	-27	-6,583	-
At the end of the period	3,214	13,074	18,968	142	37,281	-
c) Depreciation and amounts written down at the end of the previous period	5,516	15,233	16,277	669	21,271	-
Movements during the period						
• Recorded	212	2,308	1,940	49	5,699	-
• Reversals	-	-	-	-	-	-
• Written down after sales and disposals	-345	-2,001	-4,581	-516	-3,318	-
• Transferred from one heading to another	665	-950	-	-67	-753	-
• Translation differences	1	16	5	-8	-2	-
• Other movements*	-5,293	-6,620	-3,639	-13	-2,605	-
At the end of the period	756	7,986	10,002	114	20,292	-
d) Net carrying value at the end of the period	2,458	5,088	8,966	28	16,989	-
Of which						
• Furniture and vehicles	-	-	-	28	-	-

* Specifically modifications caused by variations of consolidation parameters (article 11 of the Royal Decree of 3 December 1993).

X. STATEMENT OF FINANCIAL FIXED ASSETS

In euro x 1,000	Other enterprises
1. Participating interests and shares	
a) Acquisition cost at the end of the preceding period	474
Movements during the period	
• Acquisitions	652
• Sales and disposals	-64
• Transfers from one heading to another	-
At the end of the period	1,062
d) Uncalled-up amounts	
At the end of the previous period	74
Movements during the period	-
At the end of the period	74
Net carrying value at the end of the period	988
2. Amounts receivable	
Net carrying value at the end of the previous period	4,448
Movements during the period	
• Additions	2,225
• Reimbursements	-230
• Translation differences	7
• Other	-
Net book value at the end of the period	6,450

XI. STATEMENT OF CONSOLIDATED RESERVES

In euro x 1,000	Amounts
Consolidated reserves at the end of the previous period	25,339
Movements	
• Share of the group in the consolidated result	780
• Other movements	-
Exchange-rate differences for the businesses in foreign currency relating to the 2004 opening balance sheet	-
Consolidated reserves at the end of the period	26,119

XII. STATEMENT OF CONSOLIDATION DIFFERENCES AFTER APPLICATION OF THE EQUITY METHOD

In euro x 1,000	Positive consolidation differences	Imputed positive consolidation differences	Negative consolidation differences
Net carrying value at the end of the preceding period	358,037	-61,609	224
Movements during the period			
• Arising from an increase of the percentage held	1,820	-	-
• Arising from a decrease of the percentage held	-61	-	-
• Write-downs	-10,255	-	-
• Other modifications	-3,173	-	-10
Net carrying value at the end of the period	346,368	-61,609	214

XIII. STATEMENT OF AMOUNTS PAYABLE

In euro x 1,000	Debts with a remaining duration of: max. one year	at least one but max. 5 years
a) Analysis of the amounts originally payable after one year according to their residual term		
Financial debts	30,788	115,979
1. Subordinated loans	-	-
2. Unsubordinated debentures	-	68,956
3. Leasing and other similar obligations	-	-
4. Credit institutions	30,788	46,897
5. Other loans	-	126
Other amounts payable	-	7
Total	**30,788**	**115,986**

XIV. RESULTS

In euro x 1,000	2004	2003	2002
A. Net turnover			
2. Aggregated turnover of the group in Belgium	**388,153**	353,766	330,228
B. Average number of employees and personnel charges			
11. Average number of employees	**43,200**	40,946	43,051
• Workers	**29,620**	27,734	14,343
• Employees	**13,528**	13,157	28,657
• Management	**52**	55	51
12. Personnel charges			
• Remuneration and social benefits	**1,249,297**	1,228,026	1,248,869
13. Average number of people employed in the companies of the group in Belgium	**9,162**	8,403	5,399
C. Extraordinary results			
1. Analysis of other extraordinary revenues			
• Other extraordinary revenues	**-**	279	298
• Extraordinary revenues drawn on bank guarantees by sellers of acquired companies	**-**	-	514
• Rationalising French administration	**-**	-	1,548
• Composition of the lump sum payment from the interest rate swap	**-**	2,610	-
2. Analysis of other extraordinary costs			
• Restructuring costs*			
- Belgium	**-**	1,038	2,426
- the Netherlands	**-**	3,976	4,829
- France	**-**	837	1,414
- Germany	**-**	324	577
- Luxembourg	**-**	-	195
- Spain	**-**	-	168
- Switzerland	**-**	832	245
- Italy	**-**	74	-
• Various extraordinary costs**	**2,913**	2,173	365

* Restructuring costs: social plan costs, dismissal pay and rental commitments bought off for the remaining terms of leases, writing off tangible fixed assets.

** Decrease in value on the sale of financial fixed assets of Schoevers (1/2004) and Bureau van Dijk CS (1-6/2004).

XVI. RELATIONSHIPS WITH AFFILIATED ENTERPRISES AND ENTERPRISES LINKED BY PARTICIPATING INTERESTS BUT NOT INCLUDED IN THE CONSOLIDATION

In euro x 1,000	2004	2003	2002
1. Financial fixed assets			
• Participating interests and shares	**751**	400	358
2. Amounts receivable	**-**	4,448	2,995
• Within one year	**-**	4,448	2,995

XVII. FINANCIAL RELATIONSHIPS WITH DIRECTORS OR MANAGERS OF THE CONSOLIDATING ENTERPRISE

In euro x 1,000	2004
A. Total amount of remunerations granted in respect of their responsabilities in the consolidation enterprise, its subsidiaries and its affiliated enterprises, including the amounts in respect of retirement pensions granted to former directors or managers	**721**

Report

Auditor's report

ON THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 ADDRESSED TO THE GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY SOLVUS NV

In accordance with legal and statutory provisions, we are pleased to report on the performance of the audit assignment entrusted to us.

We have audited the annual accounts for the financial year ending 31 December 2004, which were prepared under the responsibility of the Board of Directors, showing equity of 244,047 ('000) euro, a balance sheet total of 789,687 ('000) euro and an income statement which shows a profit for the financial year of 780 ('000) euro. We have also examined the annual report.

Unqualified audit opinion on the consolidated annual accounts

We conducted our audits according to the standards of the Belgian Institute of Registered Accountants (Institut des Réviseurs d'Entreprises / Instituut der Bedrijfsrevisoren). These professional standards require that we plan and perform the audit in such a way as to obtain reasonable assurance about whether the financial statements are free of material misstatement, taking into account Belgian statutory regulations and regulations pertaining to administrative law.

In accordance with those standards, we took into account the group's administrative and accounting organisation, as well as its internal control procedures. We have obtained the clarifications and information required for our audit. We have examined evidence, on a test basis, supporting the amounts included in the consolidated annual accounts. We have assessed in their entirety the valuation rules, the significant accounting estimates made by the company and the representation of the consolidated annual accounts. We believe that these procedures form a reasonable basis for our opinion.

In our opinion, the consolidated annual accounts ended 31 December 2004 give a true and fair view of the capital, financial position and the consolidated results, in accordance with statutory regulations and those pertaining to administrative law as applicable in Belgium, and the information given in the notes to the consolidated annual accounts is satisfactory.

Additional declarations (and information)

The consolidated annual report contains the information required by law and is consistent with the consolidated annual accounts.

Antwerpen, 25 March 2005
Ernst & Young Bedrijfsrevisoren BCV / SCC
Certified auditor

Represented by
Boudewijn Van Ussel
Partner

IFRS consolidated financial statements

As a company listed on the stock exchange, Solvus will be compiling its consolidated annual accounts according to IFRS as of 2005. Consequently, both the opening balance sheet as at 1 January 2004 and the consolidated balance sheet and income statement on 31 December 2004 were converted from Belgian valuation rules to IFRS.

In accordance with IFRS standards, the adjustments resulting from the transition from Belgian accounting standards (Belgian GAAP) to IFRS were acknowledged in the equity as of 1 January 2004. In this transition, Solvus opted to make use of five exemptions as provided for in IFRS 1:

- no business combinations were corrected that appeared prior to the transition date;
- all cumulative actuarial profits and losses on pension commitments from the past were acknowledged in the equity;
- the 'fair value' or revaluation was employed as the purchase price for land and buildings;
- the option and warrant plans issued before 7 November 2002 were not dealt with according to IFRS 2;
- it was assumed that there were no cumulative exchange rate differences in foreign operations on 1 January 2004.

In these explanatory notes, the balance sheet reported according to Belgian valuation rules on 31 December 2003 is reconciled with the converted IFRS opening balance sheet as at 1 January 2004.

In addition, the balance sheet as at 31 December 2004, the income statement for 2004 and the 2004 cash flow statement were converted to IFRS. The reconciliation between the reported financial statements according to Belgian valuation rules and the converted IFRS balance sheet, income statement, and cash flow statement was included under point 2 (page 66).

A more detailed explanation follows of the most important differences in both the opening balance sheet and the balance sheet as at 31 December 2004. In addition, a distinction was made for ease of understanding between adjustments and reclassifications.

1. OPENING BALANCE SHEET AS AT 1 JANUARY 2004

In euro x 1,000	Belgian valuation rules	Revisions Reclassifications		Revisions Adjustments		IFRS
Total non-current assets	448,066	-3,053		5,900		**450,913**
Tangible assets	53,541	-5,556	A,B	5,138	(1)	**53,123**
Goodwill	358,038	0		0		**358,038**
Intangible assets (including formation expenses)	14,843	1,311	A,B	-295	(2)	**15,859**
Investments in associates	0	0		0		**0**
Investments in subsidiaries	0	0		0		**0**
Financial assets	4,848	581	A,F	-1,196	(3)	**4,233**
Deferred tax assets	16,796	611	A,D	2,253	(4)	**19,660**
Total current assets	326,843	22,827		-1,616		**348,054**
Inventories	658	-315		0		**343**
Trade receivables	239,263	25,760	C,E	-446		**264,577**
Tax receivables	0	6,543	D	0		**6,543**
Other receivables (including deferred charges and accrued income)	32,046	-8,060	E	-1,170	(5)	**22,816**
Cash and cash equivalents	54,876	-1,101	F	0		**53,775**
Total assets	774,909	19,774		4,284		**798,967**
Total equity	244,270	-518		-6,961		**236,791**
Issued capital	216,692	-4,981	G	0		**211,711**
Group reserves	26,506	3,880	G	-6,961		**23,425**
Minority interests	1,072	583	G	0		**1,655**
Total non-current liabilities	162,417	-7,393		7,751		**162,775**
Long-term borrowings	149,631	0		3,085	(6)	**152,716**
Other payables	413	0		0		**413**
Provisions	12,373	-8,927	H	-88		**3,358**
Employee benefit obligations	0	1,534	I	570		**2,104**
Deferred tax liabilities	0	0		4,184	(4)	**4,184**
Total current liabilities	368,222	27,685		3,494		**399,401**
Short-term borrowings	97,828	25,215	C	2,671	(6)	**125,714**
Trade payables	29,384	28		0		**29,412**
Tax payables	78,067	714		0		**78,781**
Other payables (including accrued charges and deferred income)	32,954	-2,050	I	823		**31,727**
Provisions	0	2,226	H,I	0		**2,226**
Employee benefit obligations	129,989	1,552	I	0		**131,541**
Total equity and liabilities	774,909	19,774		4,284		**798,967**

1.1 Adjustments to equity in the opening balance sheet

The most important adjustments to equity as at 1 January 2004 are:

Identified IFRS - Belgian GAAP revisions (in million euro)	Effect on equity* 1 January 2004
Reclassification of leasing contracts (1), (2) and (6)	0.8
Revaluation of buildings on first application of IFRS (1)	0.3
Start-up losses of new offices (2)	-1.1
Capital increase costs (2)	-0.5
Internal development of Solvus trademark (2)	-0.5
Effective interest method on an authorised loan (3)	-1.2
Deferred taxes (4)	-1.9
Capitalised publicity costs (5)	-1.2
Other effects	-1.7
Total revisions before minority interests	**-7.0**

* The effect of the adjustments in the explanatory notes is shown prior to the possible effects of taxation.

The adjustments are explained in more detail below for each balance sheet heading:

(1) In accordance with the criteria of Belgian accounting law, a number of rights of use relating to tangible assets were treated as operational leasing. Given the more stringent conditions under IFRS, a number of contracts needed to be reclassified as financial leasing. 4.8 million euro in tangible assets was capitalised by this means. Because of the IFRS first appliance, land and buildings were re-evaluated on the basis of an appraiser's report, which resulted in a net increase in value of 0.3 million euro.

(2) A number of rights of use relating to intangible assets were also reclassified as financial leasing for a total of 1.8 million euro. Moreover, a number of other costs that were capitalised under Belgian valuation rules had to be charged against equity under IFRS. These costs relate to the start-up losses of a number of new offices (-1.1 million euro), costs of capital increase (-0.5 million euro) and the internally developed and patented Solvus trademark (-0.5 million euro).

(3) In accordance with IAS 39, the loans authorised for a French government institution should be written down according to the effective interest method (effect of -1.2 million euro).

(4) In addition to the deferred tax assets on fiscal losses carried forward, deferred taxes on temporary differences between the tax basis for assets and liabilities and their book value should also be recorded for financial reports under IFRS (impact on assets +2.3 million euro and impact on liabilities +4.2 million euro). The greatest effect is related to the equalisation reserve of the Luxembourg reinsurance company (effect on assets of +4.2 million euro).

(5) Under Belgian GAAP, costs for publicity campaigns and promotions had been capitalised; these have to be acknowledged directly as cost in accordance with IAS 38 (effect of -1.2 million euro).

(6) The adjustment to financial debts, both long-term and short-term, is explained by the reclassification of a number of rights of use as financial leasing. Financial leasing reclassifications have had a total positive impact on Solvus' equity of 0.8 million euro.

In addition to the effects already mentioned, a further number of smaller effects were included in the opening balance sheet, including the collective provision for bad debts, actuarial calculations for pension commitments and revaluations of interest rate swaps.

1.2 Classification changes due to application of IFRS
The following effects on the balance sheet are explained by differences in classification between IFRS and Belgian valuation rules:

A Schoevers and Bureau van Dijk CS had to be considered as subsidiaries that became available for sale on 31 December 2003, so that the estimated loss on disposal should be allocated proportionally to these companies' fixed assets (-4.3 million euro principally composed of -4.0 million euro in tangible assets and -0.3 million euro in intangible assets).

B Under Belgian valuation rules, assets under construction and advance payments (tangible assets) also included software under development, which has to be treated as an intangible asset according to IFRS (1.6 million euro).

C Under Belgian valuation rules, discounted bills were deducted from outstanding trade receivables, while these should be presented on the balance sheet as short-term financial debts under IFRS (25.2 million euro).

D According to Belgian valuation rules, tax assets were included in the other receivables, but should be given a separate entry according to IFRS (reclassification of 7.2 million euro). 0.6 million euro of this was reclassified as deferred tax assets and 6.6 million euro as tax receivables.

E Reclassification of the other receivables consists mainly of the separate entry for tax assets (-7.2 million euro), reclassification of part of the deferred charges and accrued income as trade receivables (-0.6 million euro) and receivables from the pensions insurer deducted from the higher debt (-0.3 million euro).

F When Belgian valuation rules were applied, own shares were entered as cash and cash equivalents. According to IFRS, these should be deducted from equity (-0.5 million euro). Moreover, a number of bank guarantees were reclassified from cash and cash equivalents to other financial assets, given that these may not be applied freely (-0.6 million euro).

G According to Belgian valuation rules, the costs of capital increase were included in the reserves by means of depreciations, while they should be deducted from collected capital under IFRS (5.0 million euro). In addition, own shares in the portfolio were deducted from the reserves (0.5 million euro). The impact of all IFRS adjustments should be attributed proportionally to minority interests as well (0.6 million euro).

H Under IFRS, provisions should be divided into current and non-current provisions (-2.1 million euro). A number of provisions (principally for pensions) are classed under IFRS as employee benefit obligations (-2.6 million euro). Finally, the provision for estimated loss on disposal of the subsidiaries was allocated to these participating interests' fixed assets (-4.3 million euro).

I Pension provisions had to be reclassified from provisions to employee benefit obligations. Moreover, a number of other payables (principally in respect of insurance companies) had to be classified as employee benefit obligations according to IFRS.

2. CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2004, INCOME STATEMENT, AND CASH FLOW STATEMENT

Balance sheet as at 31/12/2004 In euro x 1,000	Belgian valuation rules	Revisions Reclassifications		Adjustments	IFRS
Total non-current assets	422,367	2,250		12,547	**437,164**
Tangible assets	33,529	0		2,854 (1)	**36,383**
Goodwill	346,368	0		10,255 (2)	**356,623**
Intangible assets (including formation expenses)	14,855	0		-431 (3)	**14,424**
Investments in associates	0	0		0	**0**
Investments in subsidiaries	0	250		0	**250**
Financial assets	7,738	2,000	A	-1,521 (4)	**8,217**
Deferred tax assets	19,877	0		1,390 (5)	**21,267**
Total current assets	367,320	20,909		-1,059	**387,170**
Inventories	103	0		0	**103**
Trade receivables	253,783	25,547	B	-319	**279,011**
Tax receivables	6,061	0		0	**6,061**
Other receivables (including deferred charges and accrued income)	16,281	0		-740 (6)	**15,541**
Cash and cash equivalents	91,092	-4,638	C	0	**86,454**
Total assets	789,687	23,159		11,488	**824,334**
Total equity	245,200	-2,388		2,343	**245,155**
Issued capital	216,692	-4,981	D	0	**211,711**
Group reserves	27,355	2,222	D	2,343	**31,920**
Minority interests	1,153	371	D	0	**1,524**
Total non-current liabilities	119,865	29		6,572	**126,466**
Long-term borrowings	115,979	0		1,061 (7)	**117,040**
Other payables	7	0		0	**7**
Provisions	3,879	-854		-1	**3,024**
Employee benefit obligations	0	883		349	**1,232**
Deferred tax liabilities	0	0		5 163 (5)	**5,163**
Total current liabilities	424,622	25,518		2,573	**452,713**
Short-term borrowings	139,424	25,547	B	2,165 (7)	**167,136**
Trade payables	25,622	0		0	**25,622**
Tax payables	85,938	0		0	**85,938**
Other payables (including accrued charges and deferred income)	22,114	-82		523	**22,555**
Provisions	0	2		0	**2**
Employee benefit obligations	151,524	51		-115	**151,460**
Total equity and liabilities	789,687	23,159		11,488	**824,334**

Income statement In euro x 1,000	Belgian valuation rules	Revisions Reclassifications	Adjustments	IFRS	Continuing operations	Discontinuing operations
Revenue	1,452,578	0	227	**1,452,805**	1,445,135	7,670
Rendering of services	1,452,467	0	227	**1,452,694**	1,445,024	7,670
Sale of goods	111	0	0	**111**	111	0
Cost of services/goods sold	1,161,362	0	-126	**1,161,236**	1,155,261	5,975
Direct employee benefits	1,104,675	0	0	**1,104,675**	1,100,258	4,417
Consumables used	4,449	0	0	**4,449**	3,445	1,004
Other direct operating expenses	52,238	0	-126 (1)	**52,112**	51,558	554
Gross profit/(loss)	291,216	0	353	**291,569**	289,874	1,695
Other operating income	9,205	-912	-341	**7,952**	7,741	211
Indirect employee benefits	147,538	0	-47	**147,491**	146,296	1,195
Other indirect operating expenses	105,700	-3,070	-3,006 (1),(6)	**99,624**	99,043	581
Net gain/(loss) on disposal of discontinued operations	-2,913	0	0	**-2,913**	0	-2,913
Earnings before interest, tax, depreciation, amortisation and impairment	44,270	2,158	3,065	**49,493**	52,276	-2,783
Depreciation	10,191	0	1,807 (1)	**11,998**	11,909	89
Amortisation	4,052	0	364 (1),(3)	**4,416**	4,397	19
Impairment	10,255	2,169	-10,382 (2)	**2,042**	1,917	125
Earnings before interest and tax	19,772	-11	11,276	**31,037**	34,053	-3,016
Net finance (costs)/income	13,720	-11	181 (1),(4)	**13,890**	13,887	3
Profit/(loss) before income tax	6,052	0	11,095	**17,147**	20,166	-3,019
Income tax expense	5,197	0	1,796 (5)	**6,993**	6,829	164
Profit/(loss)	855	0	9,299	**10,154**	13,337	-3,183
Income from associates	0	0	0	**0**	0	0
Minority interests	75	0	-207	**-132**	-116	-16
Net profit/(loss)	780	0	9,506	**10,286**	13,453	-3,167

Cash flow statement In euro x 1,000	Belgian valuation rules*	Revisions	IFRS	Continuing operations	Discontinued operations
Net cash flow from operating activities	44,612	2,136	**46,748**	50,958	-4,210
Net profit/(loss)	780	9,506	**10,286**	13,453	-3,167
Minority interest	75	-207	**-132**	-116	-16
Income tax expense/(income)	5,197	1,651	**6,848**	6,685	163
Net finance costs/(income)	13,720	170	**13,890**	13,887	3
Depreciation, amortisation and impairment	22,506	-8,360	**14,146**	13,978	168
Provisions	-7,625	0	**-7,625**	-3,095	-4,530
Capital (gain)/loss on disposal of fixed assets	2,743	342	**3,085**	299	2,786
Cost of allocated options/warrants	0	156	**156**	156	0
Change in net operating capital	10,530	-1,266	**9,264**	8,881	383
Income taxes (paid)/received	-3,314	144	**-3,170**	-3,170	0
Net cash (used in)/from investing activities	294	18	**312**	-9,411	9,723
Acquisition of subsidiary, net of cash/ (net overdraft) acquired	-2,271	0	**-2,271**	-2,271	0
Disposal of subsidiary, including net overdraft/ (cash) disposed of	9,923	0	**9,923**	0	9,923
Purchase of tangible assets	-8,021	-95	**-8,116**	-8,015	-101
Purchase of intangible assets	-3,404	0	**-3,404**	-3,304	-100
Proceeds from the disposal of tangible assets	2,658	0	**2,658**	2,657	1
Proceeds from the disposal of intangible assets	400	0	**400**	400	0
Interest received	1,009	113	**1,122**	1,122	0
Dividends received	0	0	**0**	0	0
Net cash (used in)/from financing activities	368	-3,821	**-3,453**	-3,429	-24
Return of capital	0	0	**0**	0	0
Proceeds from financial debts	19,389	332	**19,721**	19,721	0
Repayment of financial debts	0	-2,528	**-2,528**	-2,528	0
Change in financial fixed assets	-2,241	-1,342	**-3,583**	-3,562	-21
(Purchase)/Sale of own shares	-2,019	0	**-2,019**	-2,019	0
Proceeds from issuance of share capital	0	0	**0**	0	0
Translation difference	-32	0	**-32**	-32	0
Interest paid	-14,729	-283	**-15,012**	-15,009	-3
Dividends paid	0	0	**0**	0	0
Net variation in available resources	45,274	-1,667	**43,607**	38,118	5,489
Cash and cash equivalents - opening balance sheet	38,381	-583	**37,798**	37,454	344
Cash and cash equivalents - closing balance sheet	83,655	-2,250	**81,405**	81,405	0

* The cash flow statement according to Belgian valuation rules above is already in the new IFRS layout. See commentary on the cash flow statement on page 70.

2.1 Adjustments to equity on the consolidated balance sheet as at 31 December 2004 and the income statement for 2004

The most important adjustments to equity as at 31 December 2004 and the 2004 result are:

Established IFRS - Belgian GAAP revisions (in million euro)	Effect on equity* 31 Dec 2004	Net result 2004
Reclassification of leasing contracts (1), (3) and (7)	0.3	-0.5
Goodwill (2)	10.3	10.3
Start-up losses of new offices (3)	-0.5	0.6
Capital increase costs (3)	-0.3	0.2
Internal development of Solvus trademark (3)	-0.3	0.2
Effective interest method on an authorised loan (4)	-1.5	-0.3
Deferred taxes (5)	-3.8	-1.9
Capitalised publicity costs (6)	-0.8	0.4
Other effects	-1.1	0.3
Total revisions before minority interests	**2.3**	**9.3**

* The effect of the adjustments in the explanatory notes is shown prior to the possible effects of taxation.

The revisions are explained in more detail below for each balance sheet heading:

(1) As a result of reclassifying rights of use as financial leasing, the residual book value of the tangible assets was presented on the balance sheet as at 31 December 2004 (2.9 million euro).

(2) In accordance with Belgian valuation rules, consolidation goodwill was amortised over a period of maximum 40 years. In accordance with IFRS, the goodwill impairment system was applied, enabling the recorded amortisation of goodwill to be reduced (10.3 million euro). The impairment test at the end of 2004 did not give cause for additional capital write-off.

(3) The residual book value of the intangible assets was placed on the balance sheet as a result of the financial leasing reclassification (0.7 million euro). The residual book value of the start-up losses for a number of new offices, costs of capital increase and the internally developed and patented Solvus trademark (totalling -1.1 million euro, cfr. table supra) had to be removed from the assets. The discrepancy with the adjustment to the opening balance sheet (1 million euro, cfr. table on page 64 and table supra) could be removed from the 2004 result.

(4) In accordance with IAS 39, the loans authorised for a French government institution should be written down according to the effective interest method (effect of -1.5 million euro on the balance sheet as at 31 December 2004 and -0.3 million euro on the 2004 result).

(5) In addition to the deferred tax assets on fiscal losses carried forward, deferred taxes on temporary differences between the tax basis for assets and liabilities and their book value should also be recorded for financial reports under IFRS (effect of -3.8 million euro on the balance sheet as at 31 December 2004 and -1.9 million euro on the 2004 result). The greatest effect is related to the equalisation reserve of the Luxembourg reinsurance company (effect of -5.1 million euro on the balance sheet as at 31 December 2004 and -0.9 million euro on the 2004 result).

(6) Costs for publicity campaigns and promotions had been capitalised under Belgian GAAP; these have to be acknowledged directly as cost in accordance with IAS 38 (effect of -0.8 million euro on the balance sheet as at 31 December 2004 and 0.4 million euro on the 2004 result).

(7) The adjustment to financial debts, both long-term and short-term, is explained by the reclassification of a number of rights of use as financial leasing. Therefore, the financial leasing reclassifica-tion has had a total positive impact of 0.3 million euro on Solvus' equity, but has had a negative effect on 2004's result before tax of -0.5 million euro.

In addition to the effects already mentioned, a further number of smaller effects were included in the opening balance sheet, including the collective provision for bad debts, actuarial calculations for pension commitments and revaluations of interest rate swaps. The cost of the issued option and warrant plans is also contained in these other effects on the net result; this has not had any impact on equity (0.2 million euro).

2.2 Classification changes due to application of IFRS

The following effects on the balance sheet are explained by differences in classification between IFRS and Belgian valuation rules:

A A number of bank guarantees had to be reclassified from cash and cash equivalents to other financial assets, given that these cannot be applied freely (effect of 2.2 million euro). Moreover, investments in associates and investments in subsidiaries have to be presented separately under IFRS (effect of -0.2 million euro).

B Under Belgian valuation rules, discounted bills were deducted from outstanding trade receivables, while these should be presented on the balance sheet as short-term financial debts under IFRS (25.5 million euro).

C In accordance with Belgian valuation rules, own shares were presented as investments. According to IFRS, these should be deducted from equity (-2.4 million euro). Moreover, a number of bank guarantees were reclassified from cash and cash equivalents to other financial assets, given that these may not be applied freely (-2.2 million euro).

D In accordance with Belgian valuation rules, the costs of capital increase were included in the reserves by means of depreciations, while they should be deducted from collected capital under IFRS (5.0 million euro). In addition, own shares in the portfolio were deducted from the reserves (-2.4 million euro). As a result of all IFRS adjustments, part of the adjusted reserves is to be attributed to third parties (-0.4 million euro).

2.3 Explanation of the 2004 cash flow statement

The cash flow statement according to Belgian valuation rules - as included in the annual report - has already been put into the new IFRS layout above. The principal changes are explained on the one hand by advances in current accounts, which according to IFRS should be presented as cash and cash equivalents, and on the other hand by own shares, which are no longer included in the cash and cash equivalents.

In addition to layout changes, the IFRS adjustments also affect the cash flows:

- *Net cash from operating activities* has been increased principally by the reclassification of leasing contracts. The payments to leasing companies are considered in this instance as debt repayments.
- *Net cash from investing activities* is explained principally by the fall in received interest, which is due to the revaluation of SWAPs at market value.
- *Net cash from financing activities* was affected on the one hand by the reclassification of leasing contracts and, on the other hand, by the reclassification of guarantees from cash and cash equivalents to other financial assets.

IFRS

Auditor's Report

SPECIAL PURPOSE AUDITOR'S REPORT ON THE 31 DECEMBER 2004 PRELIMINARY IFRS FINANCIAL INFORMATION

To the management of Solvus NV

We have audited the accompanying preliminary IFRS consolidated balance sheet of Solvus NV as at 31 December 2004 and the related consolidated statements of income and cash flows for the year then ended (thereon referred to as "preliminary IFRS financial information"). The preliminary IFRS financial information is the responsibility of the company's directors. They have been prepared as part of the company's conversion to International Financial Reporting Standards (IFRS). Our responsibility is to express an opinion on the preliminary IFRS financial information based on our audit.

We conducted our audit in accordance with IAS standards (International Standards on Auditing). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the preliminary IFRS financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the preliminary financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the preliminary IFRS financial information. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the preliminary IFRS financial information as at 31 December 2004 and for the year then ended have been prepared, in all material respects, in accordance with the basis set out in page 62, which describes how IFRS have been applied under IFRS 1, including the assumptions management has made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when management prepares its first complete set of IFRS financial statements as at 31 December 2005 as further described below.

Without qualifying our opinion, we draw attention to the fact that page 72 explains why there is a possibility that the preliminary IFRS financial information may require adjustment before constituting the final IFRS financial statements. Moreover, we draw attention to the fact that, under IFRS, only a complete set of financial statements with comparative financial information and explanatory notes can provide a fair presentation of the company's financial position, results of operations and cash flows in accordance with IFRS.

Antwerpen, 25 March 2005
Ernst & Young Bedrijfsrevisoren BCV
Certified auditor

Represented by
Boudewijn Van Ussel
Partner

IFRS

Valuation rules

BASIS OF FINANCIAL STATEMENTS

The consolidated financial statements of Solvus have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the IASB, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC, that remain in effect.*

The consolidated financial statements have been prepared on an historical cost basis, except for derivative financial instruments that are measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair values attributable to the risks that are being hedged.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Solvus NV and its subsidiaries.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the group.

Minority interests represent the interests in subsidies that are not held by the group.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

For foreign operations with a functional currency other than the euro, assets, liabilities and equity items other than those resulting from income and expenses recognised in the period, are translated to the euro at the rate of exchange ruling as at the balance sheet date. Income and expenses recognised in the period are translated at weighted average exchange rates for the year. All resulting exchange differences are recognised as a separate component of equity. On disposal of a foreign operation, the accumulated exchange differences are recognised in the income statement as a component of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate accordingly.

REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue of the group primarily results from rendering of services. The following specific recognition criteria apply:

- Fees charged for temp-agency services are recognised as revenue as the services are provided.

- Fees charged for IT and engineering secondment on a 'time & material' basis are recognised as revenue as the services are provided.

- Fees charged for IT and engineering projects on a fixed price basis are recognised as revenue by reference to the stage of completion of the contract. The stage of completion is determined by the survey of work performed as documented in the project administration. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

- Fees charged for recruitment & selection on a 'no cure, no pay' basis are recognised as revenue at the moment the assignment is successfully completed.

* With reservation of possible changes to the standards and interpretations by the IASB or the European Commission.

- Fees charged for recruitment & selection on a split contract basis are recognised as revenue on the basis of the contractual billing terms, which is generally one third upon signing of the contract, one third upon presentation of a number of possible recruits to the client, and one third upon successful completion of the assignment.

- Fees charged for fixed price individualised outplacement contracts are recognised as revenue on a straight-line basis over the period of consultancy services rendered. The period of consultancy is determined on the basis of a semi-annually updated twelve months' rolling average of historical data. In case of significant changes in market conditions, the management committee of the group will consider such conditions in determining the average period of consultancy.

- Fees charged for consultancy services on a 'time & material' basis (outplacement, training, testing, assessment and all other consultancy services) are recognised as revenue as the services are provided.

Revenue from the sale of goods in respect of IT and engineering projects ("box moving") is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer.

Revenue from the sale of IT licences is recognised when the user key is handed over to the client.

Interest income is recognised as the interest accrues.

Dividend income is recognised when the shareholders' right to receive the payment is established.

Revenue is measured at the nominal value of cash received or receivable. Value added taxes are excluded from revenues.

GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as a deduction of such expense item over the periods necessary to match the grant on a systematic basis to the expense item that it is intended to compensate.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to other income, pro-rata the depreciation or amortisation charge of the relevant asset.

INCOME TAXES

Deferred income tax is provided on all temporary differences as at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill.

Deferred income tax assets are recognised for deductible temporary differences and carry-forward of unused tax credits and tax losses, to the extent that it is probable that taxable profit will be available in the foreseeable future against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised. Concerning foreseeable future a term of 4 years is adopted. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

TANGIBLE ASSETS

An item of land, buildings, leasehold improvements, office equipment and vehicles is recognised as a tangible asset when:

(i) it is probable that future economic benefits associated with the asset will flow to the group, and
(ii) the cost of the asset can be measured reliably.

Upon recognition a tangible asset is measured at cost.

The cost of a tangible asset comprises its purchase price or production/construction cost, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing the asset to working condition for its intended use. Borrowing costs that are directly attributable to the acquisition, construction or production of a tangible fixed asset, are capitalised as part of the cost of that item. For items that have been revalued to fair value prior to 1 January 2004, date of transition to IFRS, the revalued amounts are considered as cost.

Subsequent to initial recognition as an asset, the tangible assets are carried at their cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is accounted for as an expense on a straight-line basis over the estimated useful lives of the tangible assets. Land is not depreciated. The estimated useful lives of the other items are as follows:

Class	Lifetime (number of years)
Buildings	20 to 33 years
Leasehold improvements	The shorter of 5 years and the remaining period up to the end of the lease contract
Office equipment:	
- Computer, fax, copier, etc.	5 years
- Furniture	10 years
Vehicles	5 years

The depreciable amount is calculated at cost less residual value. The residual value of the items of tangible assets of Solvus is considered to be insignificant and therefore not taken into account in the calculation of the depreciable amount.

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of tangible assets is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised as an expense in the income statement.
A reversal of an impairment loss is recognised as income in the income statement. The increased carrying amount of the asset due to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised. After the recognition of an impairment loss or a reversal of an impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

GOODWILL

Goodwill is stated at cost less any accumulated impairment losses. The cost basis at 1 January 2004 of goodwill purchased prior to 1 January 2004, date of transition to IFRS, is determined as the carrying amount under Belgian GAAP at 1 January 2004, adjusted for impairment.

The cost basis of goodwill purchased subsequent to 1 January 2004, date of transition to IFRS, represents the excess of the cost of the acquisition over the acquired interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition.

When the acquisition agreement provides for an adjustment to the purchase consideration contingent on one or more future events (earn-out arrangements), the amount of the adjustment is included in the cost basis of the goodwill and a provision is recognised if the adjustment is probable and the amount can be measured reliably. When a contingency affecting the amount of the purchase consideration is resolved subsequent to the date of the acquisition, so that payment of the amount is probable and a reliable estimate of the amount can be made, the cost basis of goodwill is adjusted and a provision recognised.

Goodwill is allocated to cash generating units, which represent the lowest level at which management monitors the return on investment in assets that include the goodwill. A cash-generating unit can in no way be larger than a business segment. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that it may be impaired (i.e. triggering event), by comparing its carrying amount, including the goodwill, with its recoverable amount. The recoverable amount of a cash-generating unit is the higher of its net selling price and value in use. The net selling price is defined as the amount obtainable from the sale of the cash-generating unit in an arm's length transaction between knowledgeable, willing parties, after deducting any direct disposal costs. The value in use is the present value of estimated future cash flows (discounted cash flows) expected to arise from continuing use of the cash-generating unit and from its disposal at the end of its useful life. If the recoverable amount of the unit exceeds its carrying amount, the unit and the goodwill allocated to that unit are regarded as not impaired. If the carrying amount of the unit exceeds its recoverable amount, it is determined whether the goodwill allocated to that unit is impaired, by comparing the implied value of the goodwill with its carrying amount. The implied value of goodwill is the excess of the recoverable amount of the cash-generating unit to which the goodwill has been allocated over the net fair value of the identifiable assets, liabilities and contingent liabilities that would be recognised if that cash-generating unit would have been acquired in a business combination at the date of the impairment test. Any excess of the carrying amount of goodwill over its implied value is recognised immediately in the income statement as an impairment loss. Any remaining excess of the carrying amount of the unit over its recoverable amount is recognised in the income statement as an impairment loss to be allocated to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. An impairment loss recognised for goodwill cannot be reversed in a subsequent period.

INTANGIBLE ASSETS

Intangible assets (primarily computer software) are recognised if, and only if:

(i) the asset is identifiable;
(ii) the group controls the assets;
(iii) it is probable that future economic benefits that are attributable to the asset will flow to the entity;
(iv) the cost of the asset can be measured reliably.

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

The cost of internally generated software for internal use will only be capitalised to the extent it arises from the development phase of an internal project and all of the following can be demonstrated:

(i) the technical feasibility of completing the project,
(ii) the intention to complete the project and to use the asset,
(iii) the ability to use the asset,
(iv) how the asset will generate probable future economic benefits,
(v) the availability of adequate technical, financial and other resources to complete the development and to use the asset, and
(vi) the ability to measure the expenditure attributable to the asset during its development reliably.

The cost of internally generated software for internal use includes, if applicable:

(i) expenditure on materials and services used or consumed in generating the asset,
(ii) the salaries, wages and other employment-related costs of personnel directly engaged in generating the asset,
(iii) any expenditure that is directly attributable to generating the asset.

Intangible assets with a finite useful life are amortised on a straight-line basis over their useful economic life, which is determined at 4 years for software. Amortisation starts when the asset is available for use. The amortisation period is reviewed at each financial year-end.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Intangible assets with an indefinite useful life must be reviewed for impairment at every year-end. When the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of intangible assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised as an expense in the income statement. A reversal of an impairment loss is recognised as income in the income statement. The increased carrying amount of the asset due to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised. After the recognition of an impairment loss, the amortisation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

NON-CURRENT FINANCIAL ASSETS

Non-current financial assets (primarily lease guarantees and leasing rights) that do not have a fixed maturity are measured at cost. Those that do have a fixed maturity are measured at amortised cost using the effective interest rate method. In case of guarantees in connection with rental agreements, any discount will be deferred and charged to income as rental expense over the term of the rental agreement. Non-current financial assets are subject to review for impairment. If it is probable that not all amounts due (principal and interest) will be collected according to the contractual terms, an impairment loss is recognised and included in the net result for the period. The amount of the loss is the difference between the asset's carrying amount and its recoverable amount, being the present value of expected future cash flows discounted at the asset's original effective interest rate. At each balance sheet date it is assessed whether there is any objective evidence that a financial asset may be impaired. If any such evidence exists, the recoverable amount is estimated.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price.

TRADE AND OTHER RECEIVABLES

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

Individual allowances for uncollectable amounts are recorded based on an aging analysis:

- first 6 months overdue: no write-offs, unless bankruptcy is involved or a credit note has to be drawn up;
- between 6 and 12 months overdue: write-offs have to be evaluated on an individualised basis;
- overdue by more than 12 months: 100% has to be written off.

Payments made after the end of the reporting date up to and including the time of audit should be taken into account when setting up these write-offs. Exceptions with respect to this valuation rule can occur only in cases with extremely specific documentation.

The part for which no individual write-off has been assessed is subject to a collective impairment, based on historical data over the last 3 years.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

DEBTS

All debts are initially recorded at cost, being the fair value of the consideration received net of issue costs associated with the debt. After initial recognition, debts are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount, premium or settlement. Gains and losses are recognised in net profit or loss when the liabilities are derecognised or impaired, as well as through the amortisation process.

PROVISIONS

Provisions are recognised when (i) the group has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation.

PENSION BENEFITS

The group operates several defined contributions and defined benefit pension schemes.

For a defined contribution plan, the contribution payable to a plan in exchange for services rendered by eligible employees during a period is recognised as a period expense as the services are rendered.

The cost of providing benefits under a defined benefit plan is determined separately for each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the cumulative unrecognised actuarial gains or losses for each individual plan exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.

EMPLOYEE SHARE INCENTIVE PLANS

The group has employee warrant and share option plans. The employee services received are measured at the fair value of the warrants and share options granted and recognised as an expense in the income statement when they are rendered during the vesting period.

LEASES

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Finance leases, which transfer to the group all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

The group enters into sale and leaseback transactions involving the sale of office buildings and IT equipment and the leasing back of the same assets. When these lease-backs are operating leases, any profit or loss arising from these transactions is recognised immediately in the income statement. When these leasebacks are finance leases, any profit or loss arising from these transactions is deferred and amortised over the lease term.

DERIVATIVE FINANCIAL INSTRUMENTS

The group uses interest rate swaps to hedge its risks associated with interest rate fluctuations on its debt. Such interest rate swaps are stated at fair value. For the purposes of hedge accounting, hedges are classified as either fair value hedges where they hedge the exposure to changes in the fair value of fixed rate debt, or cash flow hedges where they hedge exposure to variability in cash flows associated with floating rate debt.

In relation to fair value hedges that meet the conditions for special hedge accounting, any gain or loss from remeasuring the swap at fair value is recognised immediately in the income statement. Any gain or loss on the hedged debt attributable to the hedged interest rate risk is adjusted against the carrying amount of the debt and recognised in the income statement. In relation to cash flow hedges that meet the conditions for special hedge accounting, the portion of the gain or loss on the swap that is determined to be an effective hedge is recognised directly in equity. These gains and losses recognised in equity are transferred to the income statement over the lifetime of the debt pro-rata the amortisation of the swap. The ineffective portion of the hedge is recognised immediately in profit or loss. Hedge accounting is discontinued when the swap expires or is sold or terminated, or when the hedge no longer meets the criteria for qualification for hedge accounting. In the case of a fair value hedge, the remaining adjustment to the carrying amount of the debt is amortised to the income statement over the remaining lifetime of the debt. In the case of a cash flow hedge, the remaining cumulative gain or loss on the swap recognised in equity is transferred to the income statement over the remaining lifetime of the debt.

For derivatives that do not qualify for special hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the period.

SHAREHOLDERS' EQUITY

The net proceeds from the issue of equity shares are credited to shareholders' equity. The net proceeds are defined as the fair value of the consideration received, net of the incremental external costs directly attributable to the equity transaction. Own shares are deducted from equity.

Statutory

Condensed statutory annual accounts

The Certified Auditor has given full approval to the statutory annual accounts for the financial year 2004. The integral annual accounts, including the Board of Directors' report on the financial year of 2004 and the Auditor's Report, will be deposited at the National Bank of Belgium and are available on request at the company's registered office or via the website www.solvus.com.

BALANCE SHEET AFTER PROFIT DISTRIBUTION

Assets

In euro x 1,000	2004	2003	2002
Fixed assets	**407,783**	351,906	372,786
I. Formation costs	**263**	527	1,332
II. Intangible assets	**337**	511	684
III. Tangible assets	**157**	391	373
IV. Financial assets	**407,026**	350,477	370,397
A. Affiliated companies	**407,026**	350,477	370,397
1. Shares	**362,757**	296,477	320,397
2. Amounts receivable	**44,269**	54,000	50,000
Current assets	**14,516**	49,899	20,546
V. Amounts receivable after one year	**-**	-	-
VII. Amounts receivable within one year	**12,004**	47,199	13,417
VIII. Investments	**2,388**	518	363
A. Own shares	**2,388**	518	363
IX. Cash at bank and in hand	**106**	260	6,623
X. Deferred charges and accrued income	**18**	1,922	144
Total assets	**422,299**	401,805	393,332

Liabilities

In euro x 1,000	2004	2003	2002
Equity	**254,273**	302,165	327,424
I. Capital	**216,692**	216,692	216,692
II. Share premium account	**62,710**	62,710	62,710
IV. Reserves	**44,730**	44,730	44,800
V. Deferred result	**-69,859**	-21,967	3,221
Provisions and deferred taxes	**467**	467	467
VII. Provisions	**467**	467	467
Creditors	**167,559**	99,173	65,441
VIII. Amounts payable after one year	**-**	10	20
IX. Amounts payable within one year	**167,034**	99,029	64,863
X. Accrued charges and deferred income	**525**	134	558
Total liabilities	**422,299**	401,805	393,332

INCOME STATEMENT

In euro x 1,000	2004	2003	2002
I. Operating income	**6,480**	6,333	6,546
II. Operating charges	**-5,209**	-6,190	-6,644
III. Operating result	**1,271**	143	-98
IV. Financial income	**16,722**	15,170	9,742
V. Financial charges	**-4,498**	-4,925	-5,070
VI. Result on ordinary activities before taxes	**13,495**	10,388	4,573
VII. Extraordinary income	**-**	4	48,104
VIII. Extraordinary charges	**-61,388**	-35,641	-35,653
IX. Result for financial period before taxes	**-47,893**	-25,249	17,025
X. Income taxes	**1**	-9	-2
XI. Result for financial period	**-47,892**	-25,258	17,023
XIII. Result for financial period to be distributed	**-47,892**	-25,258	17,023

EXPLANATORY NOTES ON EXTRAORDINARY CHARGES AND INCOME

In euro x 1,000	
Extraordinary charges	-61,388
Breakdown of the most important sums:	
Cancellation of debt Solvus Nederland BV	-50,000
Impairment of financial fixed assets - Bureau van Dijk Computer Services NV	-10,840

ISSUES OF THE GROUP UNDER GUARANTEE OF SOLVUS NV

Within the context of the takeover of 94.15% of the shares in Bureau van Dijk Computer Services NV, Solvus International NV issued a debenture loan to the value of 68.9 million euro with a coupon of 6% and for a duration of 5 years. The global certificate represents a bearer global certificate of 2,704,144 debentures with a nominal value of 25.5 euro each. Solvus NV guarantees this debenture loan unconditionally and irrevocably.

In addition, Solvus NV, Solvus International NV and Creyf's NV can collect jointly a maximum of 94 million euro under their commercial paper programme. The total debt collected under this programme also comes under the unconditional and irrevocable guarantee of Solvus NV. Within the context of the commercial paper programme, the aforementioned companies can appeal to a number of back-up lines at the issuing banks (in the event that not enough commercial paper was placed) up to a maximum sum of 50 million euro. The total debt included within the context of this back-up line also comes under the unconditional and irrevocable guarantee of Solvus NV.

VIII. STATEMENT OF CAPITAL

	Amount (in euro x 1,000)	Number of shares
A. Capital		
1. Issued capital		
At the end of the preceding period	216,692	25,180,691
At the end of the period	216,692	25,180,691
2. Structure of the capital		
2.1. Share categories		
• Ordinary shares	88,744	10,312,500
• VVPR shares	2,577	299,440
• Ordinary shares with VVPR strip sheet	125,371	14,568,751
2.2. Registered and bearer shares		
• Registered		10,520,504
• Bearer		14,660,187
C. Own shares	2,388	185,129
E. Non-issued authorised capital	215,866	

XVIII. RELATIONS WITH AFFILIATED COMPANIES AND COMPANIES WITH WHICH A PARTICIPATION RELATIONSHIP EXISTS

In euro x 1,000		2004	2003
Receivables:	• Subordinated	**-**	-
	• Others	**44,269**	54,000

This relates to a loan granted to Beaver ITServices (37.2 million euro), to Creyf's Trabajo Temporal ETT SA (6.5 million euro) and to Creyf's AG (0.6 million euro).

SUMMARY OF THE VALUATION RULES

Formation expenses
Costs that correspond to the definition given to formation expenses in the Royal Decree of 30 January 2001 are capitalised at purchase price in such cases as they arise. They are written off for depreciation on a straight-line basis over a five-year period.

Intangible assets
Costs for research and development, franchises, patents, licences, goodwill, certificates, trademarks and other items, acquired from third parties, are recorded as assets at their purchase cost, including the costs associated with them. They are written off on a straight-line basis over a five-year period.

Tangible assets
Tangible fixed assets are valued at purchase cost.

Depreciation is entered annually as follows:

Administrative or commercial buildings	3%
Installations, machines and equipment	20%
Computer equipment	20%
Vehicles and rolling stock	20%
Office furniture	10%
Machines subject to leasing contracts	20%
Leased vehicles and rolling stock	20%
Illuminated signs	20%
Improvements to rented premises	20%

The rate of depreciation is applied on a straight-line basis. The first depreciation is not adjusted on a pro rata temporis basis. The Board of Directors may proceed to revalue certain asset components if this concerns assured and lasting increased value compared to the purchase cost. Capital gains recorded as a result of such decisions are entered directly under the relevant item on the liabilities side as revaluation surplus.

There was no revaluation of tangible fixed assets during the course of the financial year.

Financial assets
SHARE

The financial fixed assets are valued at purchase cost or contribution value. Associated costs are capitalised.

At the end of the financial year all participating interests are valued individually taking into account their nature and characteristics.

The Board of Directors relies on the following principles for the valuation of participating interests:

- stock market value: where listed companies are concerned;
- equity value: net assets or intrinsic value;
- return value: value expressed as a factor of the net return;
- open market value of recently sold securities or contribution value.

In principle, carrying values are not adjusted when estimated values are higher. However, in accordance with the Royal Decree of 30 January 2001, a revaluation can be recorded if the Board of Directors regards the capital gain as assured and lasting. If a lasting loss in value is established for a participating interest, a write-off will be recorded for the amount of the loss in value.

The lasting nature of the loss in value is assessed as follows:

- for listed securities: if the security stands at over 30% less at the close of the financial year;
- unlisted securities: if the value is lower than the book value and if no improvement can be expected in the short term.

Write-back of amounts written off is recorded for the sum of the write-offs previously recorded when the valuation at the end of the financial year exceeds the previous valuation and when it is considered to be lasting in nature.

RECEIVABLES

Receivables from affiliated companies at more than one year, and intended to make a lasting contribution to the development of the company concerned, are recorded at their nominal value or purchase cost. The same valuation rules are applied to increases or losses in value as are applied to the underlying participating interests.

GUARANTEES

Guarantees and cash secureties are recorded at their nominal value.

Receivables at more than one year

These receivables are valued at their nominal value. The assets contain no long-term receivables yielding no interest or abnormally low interest. The same valuation rules are applied to these as to the receivables from affiliated companies.

Receivables within one year

These receivables are valued at their nominal value.

Write-offs are applied to them in the following cases:

- the first 6 months overdue: no write-offs, unless bankruptcy is involved or a credit note has to be drawn up;
- between 6 and 12 months overdue: write-offs on an individualised basis;
- overdue by more than 12 months: 100% write-off.

Payments made after the end-of-year up to and including the time of audit should be taken into account when arranging these write-offs. Departures from the new rules can occur only through a decision made at group level and in cases with very specific documentation.

Investments

Investments are valued at their nominal value or, in the case of listed stock, at market price if this is lower.

Cash at bank and in hand

Valuation is made at nominal value. Foreign currencies are valued at the rate applicable on the balance sheet date. Write-downs are recorded if the open market value on the balance sheet date is lower than the purchase cost.

Deferred charges and accrued income

Amounts recorded in these accounts relating to the closure of the financial year are valued at nominal value.

Provisions for liabilities and charges

These are expressed at nominal value. At the end of each financial year the Board of Directors will examine the provisions that must be set up to cover the risk of possible losses that arose during the course of the financial year. The provisions relating to previous financial years are regularly reviewed.

Amounts payable after one year

The amounts payable are valued at nominal value. The liabilities do not contain any long-term debts not accruing interest or with abnormally low interest.

Amounts payable within one year

The debts are valued at nominal value. Where necessary provisions have been created for those debts relating to taxation, remuneration and social security charges.

Accrued charges and deferred income

Amounts recorded in these accounts relate to the closure of the financial year and are valued at nominal value.

Income statement

Both income and charges are recorded at nominal value. Results arising from the conversion of foreign currency and exchange operations are recorded as financial income or charges, unless these are specifically associated with another item in the income statement.

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Het jaarverslag is eveneens beschikbaar in het Nederlands.
Le rapport annuel est également disponible en français.

The annual report can be downloaded from the website www.solvus.com with versions available in Dutch, French and English. You can register on the website to receive press releases by e-mail and to have the annual report mailed to you.

The agreement between the Dutch and French version, which are the official versions in Belgium, is verified by Solvus Resource Group, which declares to be responsible for this. The English version is a translation of the Dutch and French versions.

Solvus Resource Group - Annual Report 2004
Design, layout and production:
Minale Design Strategy, Edison
Photo credits: Katrien Verbeke
Image banks: Zefa, Photonica, Corbis, Getty Images, Photo Alto
Translation: E-globalcom.net
Printed in Belgium: Baillien-Maris
Responsible publisher: Véronique Hellemans, Solvus Resource Group, Frankrijklei 101, 2000 Antwerpen, Belgium

www.solvus.com

DEFINITIONS

Cash flow	please refer to the cash flow statement on page 48 for the component parts
Current assets	total assets - fixed assets - amounts receivable > 1 year
EBIT	operating result - amortisation of positive consolidation differences
EBITA	operating result
EBITDA	operating result before ordinary depreciation and amortisation
EBTA	result on ordinary activities before amortisation of positive consolidation differences and before tax
EPS	net result (part of the group) per share
Fractional value per share	capital / number of shares
Gearing	net financial debt / equity
Gross margin	total operating income - direct costs
Idle time	freely available project staff who are not actively employed for a client
IFRS	International Financial Reporting Standards
Intrinsic value	equity / number of shares
Net financial costs	financial costs + amortisation on positive consolidation differences – financial income
Net financial debt	long-term financial debt + short-term financial debt - investments - cash at bank and in hand
Organic	excluding the activities of Bureau van Dijk Computer Services (1-6/2004) and Schoevers (1/2004)
Price / earnings ratio	share price at 31 December / result on ordinary activities per share
ROCE	EBITA / total assets - short-term operating debt
ROE	EBITA / equity
SG&A	indirect costs
Working capital	limited current assets (current assets – amounts payable at more than one year) less the accrued charges and deferred income and the amounts payable within one year

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