

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 12, 2004

FactSet Research Systems Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-11869
(Commission File Number)

13-3362547
(I.R.S. Employer
Identification Number)

601 Merritt 7
Norwalk, Connecticut 06851-1091
(Address of principal executive offices)

(203) 810-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

FactSet Research Systems Inc. is filing this Current Report on Form 8-K/A in order to amend its Current Report on Form 8-K, filed on September 1, 2004, and incorporated herein by reference, to provide certain financial disclosures required by Item 9.01 with respect to the acquisition of all the outstanding shares of Decision Data Systems B.V. (the owner of the JCF Group of companies) by FactSet Europe S.à.r.l.

Item 2.01 Acquisition or Disposition of Assets

On September 1, 2004, pursuant to a stock purchase agreement dated as of June 29, 2004, among FactSet Research Systems Inc., FactSet Europe S.à.r.l., Decision Data Luxembourg S.A. and the seller's stockholder representative, FactSet Europe S.à.r.l. acquired from Decision Data Luxembourg S.A. all the outstanding stock of Decision Data System B.V. ("DDS"), the Netherlands holding company that owns all the stock of the JCF Group of companies, in exchange for 257,067 shares of Common Stock of FactSet Research Systems Inc. and €40,000,000. FactSet Europe S.à.r.l. is a wholly owned, Luxembourg-based subsidiary of FactSet Research Systems Inc.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired.

Financial Statements of DDS, together with accompanying notes, are included in Exhibits 99.2 and 99.3 and are incorporated herein by reference.

(b) Pro Forma Financial Information.

The pro forma financial information required by this Item 9 is included within.

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma combined condensed financial statements have been prepared to give effect to the acquisition of Decision Data System B.V. by FactSet Research Systems Inc. ("FDS"), using the purchase method of accounting and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined condensed financial statements. These pro forma statements were prepared as if this transaction had been completed as of September 1, 2002 for statements of income purposes and as of May 31, 2004 for balance sheet purposes.

The unaudited pro forma combined condensed financial statements are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of operations that would have actually been reported had this transaction occurred on September 1, 2002 for statements of income purposes and as of May 31, 2004 for balance sheet purposes, nor is it necessarily indicative of the future financial position or results of operations. The pro forma combined condensed financial statements include adjustments to reflect the allocation of purchase price to the acquired assets and assumed liabilities of DDS. The purchase price allocation for DDS is subject to revision as more detailed analysis is completed and additional information on the fair values of DDS's assets and liabilities becomes available. Any change in the fair value of the net assets of DDS will change the amount of the purchase price allocable to goodwill.

UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET

As of May 31, 2004 (In thousands)

	Historical		Pro Forma	
	FactSet	DDS	Adjustments	Combined
ASSETS				
Cash and cash equivalents	\$ 40,152	\$ 5,935	\$ —	\$ 46,087
Investments	59,614	3,275	(53,120)(e)	9,769
Receivables from clients and clearing brokers, net	39,807	3,748	—	43,555
Deferred taxes	5,870	—	—	5,870
Other current assets	4,152	1,813	406(g)	6,371
Total current assets	149,595	14,771	(52,714)	111,652
Property, equipment, and leasehold improvements, net	21,942	591	—	22,533
Goodwill	—	—	(958)(f)	—
	19,937	958	47,940(f)	67,877
Intangible assets, net	6,387	—	21,860(f)	28,247
Deferred taxes	4,365	—	—	4,365
Other assets	2,266	—	—	2,266
Total assets	\$ 204,492	\$ 16,320	\$ 16,128	\$ 236,940
LIABILITIES AND STOCKHOLDERS' EQUITY				
Accounts payable and accrued expenses	\$ 16,131	\$ 2,702	\$ —	\$ 18,833
Accrued compensation	14,018	1,650	640(j)	16,308
Deferred fees	9,827	8,062	(763)(d)	17,126
Dividends payable	2,174	—	—	2,174
Taxes payable	6,399	1,178	—	7,577
Total current liabilities	48,549	13,592	(123)	62,018
Deferred rent and other liabilities	7,479	—	—	7,479
Deferred tax liability	—	—	7,214(h)	7,214
Total liabilities	56,028	13,592	7,091	76,711
Stockholders' Equity:				
Common stock	351	—	3(i)	354
Capital in excess of par value	—	—	(455)(i)	—
	57,178	127	12,090(i)	68,940
Treasury stock, at cost	(139,506)	—	—	(139,506)
Retained earnings	230,821	2,578	(2,578)(i)	230,821
Accumulated other comprehensive (loss) income	(380)	23	(23)(i)	(380)
Total stockholders' equity	148,464	2,728	9,037	160,229
Total liabilities and stockholders' equity	\$ 204,492	\$ 16,320	\$ 16,128	\$ 236,940

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME

Year Ended August 31, 2003

(In thousands, except per share data)

	Pro Forma			
	FactSet	DDS	Adjustments	Combined
Revenues	\$222,295	\$14,476	\$ (763)(d)	\$236,008
Cost of services			(340)(a)	
	66,286	4,761	1,936(a)	72,643
Selling, general and administrative	79,282	7,223	(406)(g)	86,099
Total operating expenses	145,568	11,984	1,190	158,742
Income from operations	76,727	2,492	(1,953)	77,266
Other income	2,289	206	(810)(e)	1,685
Income before income taxes	79,016	2,698	(2,763)	78,951
Provision for income taxes	27,578	1,081	(969)(b)	27,690
Net income	\$ 51,438	\$ 1,617	\$ (1,794)	\$ 51,261
Basic earnings per common share	\$ 1.53			\$ 1.51
Diluted earnings per common share	\$ 1.48			\$ 1.46
Weighted average common shares (Basic)	33,637		257(c)	33,894
Weighted average common shares (Diluted)	34,816		257(c)	35,073

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME

Nine Months Ended May 31, 2004
(In thousands, except per share data)

	FactSet	DDS	Pro Forma	
			Adjustments	Combined
Revenues	\$ 184,228	\$ 13,595	\$ (763)	\$ 197,060
Cost of services	54,464	4,126	(288)(a)	60,023
Selling, general and administrative	65,391	6,807	(406)(g)	71,792
Total operating expenses	119,855	10,933	1,027	131,815
Income from operations	64,373	2,662	(1,790)	65,245
Other income	1,644	148	(810)(e)	982
Income before income taxes	66,017	2,810	(2,600)	66,227
Provision for income taxes	22,685	1,036	(895)(b)	22,826
Net income	\$ 43,332	\$ 1,774	\$ (1,705)	\$ 43,401
Basic earnings per common share	\$ 1.33			\$ 1.32
Diluted earnings per common share	\$ 1.27			\$ 1.26
Weighted average common shares (Basic)	32,639		257(c)	32,896
Weighted average common shares (Diluted)	34,091		257(c)	34,348

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

1. Basis of Pro Forma Presentation

On September 1, 2004, pursuant to a stock purchase agreement dated as of June 29, 2004, among FactSet Research Systems Inc., FactSet Europe S.à.r.l., Decision Data Luxembourg S.A. and the seller's stockholder representative, FactSet Europe S.à.r.l. acquired from Decision Data Luxembourg S.A. all the outstanding stock of Decision Data System B.V., the Netherlands holding company that owns all the stock of the JCF Group of companies, in exchange for 257,067 shares of Common Stock of FactSet Research Systems Inc. and €40,000,000. FactSet Europe S.à.r.l. is a wholly owned, Luxembourg-based subsidiary of FactSet Research Systems Inc.

The unaudited pro forma condensed combined balance sheet at May 31, 2004 is presented to give effect to the acquisition of DDS by FDS had it been consummated on that date. The unaudited pro forma combined condensed statements of income of FDS and DDS for the year ended August 31, 2003 and the nine months ended May 31, 2004 are presented as if the transactions had been consummated on September 1, 2002.

The unaudited pro forma combined condensed financial statements reflect an estimated purchase price of \$65.2 million. The total purchase price of the acquisition is as follows (in thousands):

Cash paid	\$51,077
Fair value of FactSet common stock issued	12,093
Estimated direct acquisition costs	2,043
	<hr/>
Total purchase price	\$65,213
	<hr/>

The final purchase price is dependent on the actual direct acquisition costs. Under the purchase method of accounting, the total estimated purchase price is allocated to DDS's net tangible and intangible assets based upon their estimated fair value as of the date of the acquisition. Based upon the purchase price and the valuation, the preliminary purchase price allocation, which is subject to change based on FactSet's final analysis, is as follows (in thousands):

Tangible assets acquired	\$ 12,965
Amortizable intangible assets:	
Customer relationships	4,800
Software technology	2,700
Data content	13,200
Trade name	1,000
Non-competition agreements	160
Goodwill	47,940
	<hr/>
Total assets acquired	82,765
Liabilities assumed	(17,552)
	<hr/>
Net assets acquired	\$ 65,213
	<hr/>

Intangible assets of \$21.9 million have been allocated to amortizable intangible assets consisting of customer relationships, amortized over ten years using an accelerated amortization method; software technology, amortized over seven years using a straight-line amortization method; data content, amortized over twenty years using a straight-line amortization method; trade name, amortized over three years using a straight-line amortization method; and non-competition agreements, amortized between two and six years using a straight-line amortization method.

Goodwill totaling \$47.9 million represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with Statement of Financial Accounting

Standards No. 142, *Goodwill and Other Intangible Assets*, goodwill will not be amortized and will be tested for impairment at least annually. Any change in the fair value of the net assets of DDS will change the amount of the purchase price allocable to goodwill. Final purchase accounting adjustments may therefore differ materially from the pro forma adjustments presented here.

2. Pro Forma Adjustments

Certain reclassifications have been made to confirm DDS's historical amounts to FactSet's financial statement presentation.

The accompanying unaudited pro forma combined condensed financial statements have been prepared as if the acquisition was completed on May 31, 2004 for balance sheet purposes and as of September 1, 2002 for statements of income purposes and reflect the following pro forma adjustments:

- (a) To eliminate the amortization of DDS historical goodwill and reflect amortization of the amortizable intangible assets from the acquisition. The weighted average life of amortizable intangible assets approximates 15 years.
- (b) To adjust the provision (benefit) for taxes to reflect the impact of DDS's pro forma adjustments. The adjustment has been calculated using the effective tax rate of the combined companies.
- (c) To include the 257,067 FactSet common shares paid as part of the acquisition purchase price.
- (d) To adjust DDS deferred revenue to estimated fair value.
- (e) To reflect the cash payment for the DDS acquisition and the resulting decrease in interest income.
- (f) To establish amortizable intangible assets and non-amortizable goodwill resulting from the acquisition.
- (g) To adjust other current assets to include a prepaid commission asset to conform DDS's accounting policies to FactSet's policies.
- (h) To record deferred tax liability arising from the non-tax deductible intangible assets.
- (i) To eliminate the historical stockholders' equity of DDS and record the issuance of 257,067 FactSet common shares paid as part of the acquisition price.
- (j) To record severance costs associated with the acquisition of DDS.

3. Pro Forma Combined Net Income

Shares used to calculate unaudited pro forma combined net income per basic and diluted share were computed using FDS's weighted average shares outstanding during the respective periods plus the issuance of 257,067 FactSet common shares in connection with the DDS acquisition.

- (c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Stock Purchase Agreement, dated as of June 29, 2004, among FactSet Research Systems Inc., FactSet Europe S.à.r.l., Decision Data Luxembourg S.A. and the seller's stockholder representative (as defined therein)*
23.1	Consent of Constantin Reviseurs d'Entreprises
99.1	Press Release, dated as of September 1, 2004*
99.2	Audited Financial Statements as of December 31, 2003 of Decision Data System B.V.
99.3	Unaudited Financial Statements as of June 30, 2004 of Decision Data System B.V.

* Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FACTSET RESEARCH SYSTEMS INC.
(Registrant)

Date: November 12, 2004

By: /s/ ERNEST S. WONG

Ernest S. Wong,
Senior Vice President, Chief Financial Officer,
Treasurer and Secretary

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the inclusion on Form 8-K of FactSet Research Systems Inc. of our report dated October 8, 2004 relating to the financial statements of Decision Data System BV for the twelve months ended December 31, 2003.

Constantin Reviseurs d'Entreprises
Represented by Rene Van Asbroeck
partner

Financial statements 2003 of
Decision Data System B.V.
The Hague

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Decision Data System B.V.
The Hague

CONSOLIDATED BALANCE SHEET

	December 31, 2003
	<u>€</u>
<u>FIXED ASSETS</u>	
<u>Intangible fixed assets</u>	913,675
<u>Tangible fixed assets</u>	473,322
<u>CURRENT ASSETS</u>	
<u>Debtors</u>	
Trade debtors	1,830,421
Other debtors, prepayments and accrued income	965,891
	<u>2,796,312</u>
<u>Securities</u>	2,349,030
<u>Bank and cash</u>	4,164,819
	<u>10,697,158</u>

AS AT DECEMBER 31, 2003 (after appropriation of the result)

	December 31, 2003
	€
<u>GROUP EQUITY</u>	1,495,157
Minority interest	—
<u>LONG-TERM LIABILITIES</u>	—
<u>SHORT-TERM LIABILITIES (< 1 year)</u>	
Credit institutions	26,307
Trade creditors	884,505
Taxes and social security charges	2,044,303
Other liabilities and accruals	6,246,886
	9,202,001
	10,697,158

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED DECEMBER 31, 2003

	2003	
	€	€
Net turnover	14,163,266	
Cost of sales	(2,260,487)	
Gross margin		11,902,779
Salaries and wages	5,229,279	
Social charges and pension charges	1,841,985	
Depreciation of tangible and intangible fixed assets	464,803	
Other operating expenses	2,278,467	
		9,814,534
OPERATING RESULT		2,088,245
Financial income and expenses		239,374
RESULT BEFORE TAXES		2,327,619
Taxation on result from ordinary activities		(637,657)
RESULT AFTER TAX		1,689,962
Minority interest		—
NET RESULT		1,689,962

CONSOLIDATED CASH-FLOW STATEMENT

	2003
	€
<u>Cash funds at the beginning of the period</u>	4,710,325
Result from consolidation at equity	1,689,963
Depreciation of tangible and intangible assets	136,957
Other non-cash expenses	690,236
Changes in trade receivables	123,556
Changes in other assets	(293,358)
Changes in trade liabilities, other liabilities	181,897
Changes in deferred revenue	313,552
Changes in accruals - Creditors	(1,041,053)
<u>Cash-flows from operating activities</u>	1,801,750
Payments related to investments in tangible fixed assets	(143,970)
Payments related to investments in intangible fixed assets	(4,530)
Acquisition of subsidiaries net of liquid assets	(311,542)
Payments and receipts in connection with cash investments	(1,308,392)
<u>Cash-flows from investing activities</u>	(1,768,434)
Cash proceeds from issuing bonds/loans	1,570,036
Payments of dividends by the holding company	(2,010,050)
Payments related to repayments of bonds/loans	(178)
Other changes in shareholders' equity	(177,284)
Other changes in minority interests	12,347
<u>Cash-flows from financing activities</u>	(605,129)
<u>Cash funds at the end of the period</u>	4,138,512
Change in cash funds from cash relevant transactions	(571,813)
Cash funds at the beginning of the period	4,710,325
<u>Cash-funds at the end of the period</u>	4,138,512

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Decision Data System B.V. is a company incorporated in The Netherlands. The principal activities of the Company and its subsidiaries (the Group) are the provision of financial market data and software solutions to financial institutions, online services and corporate clients.

The financial statements are presented in euros, the currency in which the majority of the Group's transactions are denominated.

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Accounting Standards (IAS) and generally accepted accounting principles in the Netherlands.

The financial statements have been prepared on the historical cost basis, except for the revaluation of marketable securities.

The principal accounting policies adopted are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to 31 December. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess (deficiency) of the cost of acquisition over (below) the fair values of the identifiable net assets acquired is recognised as goodwill (negative goodwill). The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All significant inter-company transactions and balances between group enterprises are eliminated on consolidation.

Revenue Recognition

Subscription Revenue - Clients are generally invoiced annually, in advance, in accordance with the subscription agreement between the client and the Group.

Subscription revenue is earned each month as the subscribed for service is delivered to clients, according to the specific subscription and the number of users licensed under each subscription agreement. Revenue is recognized when all the following criteria are met:

- The client subscribes to JCF Quant of JCF Data,

- the above services have been rendered and earned during the month,
- the amount of the subscription is fixed and determinable based on established rates for each product offering, pursuant to a subscription agreement or client order form, and
- collectibility is reasonably assured.

Services Revenue is comprised of license fees, development fees and maintenance fees pursuant to agreements with each client. License fees and development fees are recognized on a percentage of completion basis. Maintenance fees are recognized rateably over the term of the maintenance agreement.

Foreign Currencies

Transactions in currencies other than Euros are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on exchange are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recorded directly in equity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Intangible fixed assets

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and amortised on a straight-line basis over its estimated useful life.

Tangible fixed assets

Tangible fixed assets are stated at the lower of cost, less accumulated depreciation and net realizable value. Tangible fixed assets are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised

for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investments

Investments are recognised on a trade-date basis and are initially measured at cost, including transaction costs.

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Trade receivables and other current assets

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Credit institutions

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the profit and loss account using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Short term liabilities

Trade payables are stated at their nominal value.

NOTES TO THE CONSOLIDATED BALANCE SHEET

31-12-2003

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INTANGIBLE FIXED ASSETS

This item consists of:

Patent and trademarks	514
Goodwill	913,161

€

Patents and trademarks

COST

At January 1, 2003	58,884
Additions	4,420
At December 31, 2003	63,304

AMORTISATION

At January 1, 2003	50,295
Charge for the year	12,495
At December 31, 2003	62,790

CARRYING AMOUNT

At December 31, 2003	514
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€

Goodwill

COST

At January 1, 2003	1,498,752
Arising on acquisition of a subsidiary	160,732
At December 31, 2003	1,659,484

AMORTISATION

At January 1, 2003	418,478
Charge for the year	327,845
At December 31, 2003	746,323

CARRYING AMOUNT

At December 31, 2003	913,161
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Goodwill is amortized over its estimated useful life. The foreseeable life of the goodwill arising on past acquisitions is 5 years.

TANGIBLE FIXED ASSETS

	<u>Land and buildings</u>	<u>Fixtures and equipment</u>	<u>Total</u>
	€	€	€
COST			
At January 1, 2003	35,989	908,746	944,735
Additions	4,292	228,096	232,388
Exchange differences	—	(13,695)	(13,695)
Disposals	—	(74,723)	(74,723)
	<u>40,281</u>	<u>1,048,424</u>	<u>1,088,705</u>
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At January 1, 2003	17,636	473,396	491,032
Charge for the year	4,385	195,347	199,732
Exchange differences	—	(6,303)	(6,303)
Eliminated on disposals	—	(69,078)	(69,078)
	<u>22,021</u>	<u>593,362</u>	<u>615,383</u>
CARRYING AMOUNT			
At December 31, 2003	<u>18,260</u>	<u>455,062</u>	<u>473,322</u>

The estimated useful lives of buildings is 20 years. For fixtures and equipment 3-10 years is applied.

TRADE DEBTORS

Trade receivables at the balance sheet date comprise of:

	<u>Year ended 31-12-2003</u>
	€
Trade receivables	1,871,850
Provisions for bad debts	(41,429)
	<u>1,830,421</u>

OTHER DEBTORS, PREPAYMENTS AND ACCRUED INCOME

Other debtors, prepayments and accrued income at the balance sheet date comprise of:

Prepaid expenses	233,151
Deposits	133,819
Advances to employees	25,190
Loans	433,491
Receivable from taxation	140,240
	<hr/>
	965,891

SECURITIES

Securities at the balance sheet date comprise of marketable securities which have been revalued at the year end.

BANK AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of 90 days. The carrying amount of these assets approximates to their fair value.

Credit Risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

CREDIT INSTITUTIONS

	<u>2003</u>
	€
Bank overdrafts	26,307

The borrowings are repayable on demand or within one year.

	<u>31-12-2003</u>
	€
<u>OTHER LIABILITIES AND ACCRUALS</u>	
Deferred income	4,503,386
Other creditors	
- Management fees accrued in B.V.	138,906
- Accrued expenses	678,818
- Accrued compensation expense	
- Commissions	293,156
- Debts	584,261
- Other liabilities	48,359
	<hr/>
	6,246,886

OTHER FINANCIAL LIABILITIES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days.

The directors consider that the carrying amount of trade payables approximates to their fair value.

OPERATING LEASE ARRANGEMENTS

The Group as Lessee

	<u>31-12-2003</u>
	€
Minimum lease payments under operating leases recognised in income for the year	455,460

At the balance sheet date, the Group had outstanding commitments under non-cancelable operating leases, which fall due as follows:

	<u>2003</u>
	€
Within one year	484,846
In the second to fifth year inclusive	627,776
After five years	—
	<u>1,112,622</u>

EVENTS AFTER THE BALANCE SHEET DATE

None.

RELATED PARTY TRANSACTIONS

During the periods covered, group companies entered into the following transactions with related parties who are not members of the Group:

	Purchases from		Amounts owed to/from related parties	
	2003	2002	2003	2002
	€	€	€	€
Managing Director of a subsidiary	140,000	—	140,000	—
Shareholder of SoftPartner SAS	—	1,185,000	300,000	600,000
Director of a subsidiary	9,908	9,908	—	—
Daughter of a Director	517,088	282,488	17,800	100,078
Manis Management Consulting	93,385	91,977	—	—
MKY Financial Software Limited	583,829	413,472	638,236	691,274
Managing Director of a subsidiary			433,500	—
Decision Data Luxembourg SA			—	2,000,000

In fiscal year 2003, the group purchased from the Managing Director of one of the Group's subsidiaries, the shares in such subsidiary held by him.

In fiscal year 2002, the group purchased from the shareholder of SoftPartner SAS his interest in SoftPartner SAS.

A director of a Subsidiary of the Group receives consulting fees from a second group company.

The Group is party to an agreement with the daughter of a director of the Group. This person acts as a sales representative for the Group in Spain and Portugal. Her remuneration is based on three components, 1) the value of new contracts signed in the territory, 2) the aggregate value of the territory on a monthly basis and 3) the aggregate value of the territory as of the termination date of the agreement.

The Group is party to an agreement with Manis Management Consultants (MMC), an entity controlled by the brother of a director of the Group. MMC acts as a sales representative for the Group in Canada. Manis's remuneration is based on three components, 1) the value of new contracts signed in the territory, 2) the aggregate value of the territory on a monthly basis and 3) the aggregate value of the territory as of the termination date of the agreement.

The Group is party to an agreement with MKY Financial Software Limited (MKY), an entity controlled by a director of the Group, under which MKY has granted to the Group an exclusive license to develop, market and sell certain software, in exchange for a fixed percentage of license revenues earned by the Group.

In fiscal year 2003, the group made an advance to the managing director of a subsidiary in the group. The advance is expected to be repaid in 2004.

On 16 December 2002 the company made a loan to Decision Data Luxembourg SA, shareholder of the company. This loan was repaid on the 18 September 2003 in full. Interest charged on the loan amounted to 2.65% and was repaid together with the loan principal.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

REVENUE

An analysis of the Group's revenue is as follows:

	<u>Year ended</u> <u>31-12-2003</u>
	€
Sales of goods (subscription)	11,955,619
Sales of services (consulting)	1,885,303
	<hr/>
	13,840,922
Other operating income	322,344
	<hr/>
	14,163,266

Personnel

During the 2003 year the average number of employees was 112.

Supplemental Disclosures Required Under the US GAAP and Securities and Exchange Commission Regulations

The following information has been prepared to present supplemental disclosures required under US GAAP and the U.S. Securities and Exchange Commission (SEC) regulations.

1. Reconciliation of Shareholders' Equity to US GAAP

	<u>2003</u>
ISA/IFRS GAAP shareholders' equity as reported in the Consolidated Statement of Financial Position	€1,495
Adjustments to conform to US GAAP:(a)	
Business combinations and goodwill	518
Reclassification of Minority interests outside Shareholders' equity	0
Tax effect	0
	<u>€2,013</u>

(a) For 2003, the impact of the adjustment on ISA/IFRS GAAP Consolidated Statement of Financial Position is:

- Business combinations and goodwill: "Goodwill, net". These adjustments mainly impact gross amount of goodwill due to differences in accounting standards between IAS/IFRS (amortization over useful life) and US GAAP (net book values as of December 15, 2001; gross amounts for subsequent acquisitions; impairment test on remaining goodwill values).
- Under US GAAP, Minority interests should be reported outside Shareholders' equity.

2. Reconciliation of Net Profit to US GAAP

	<u>2003</u>
ISA/IFRS GAAP net profit as reported in the Consolidated Statement of Income	€1,690
Adjustments to conform to US GAAP :	
Business combination and goodwill(a)	328
	<u>€2,018</u>

(a) Amortization of goodwill in IAS/IFRS GAAP is reversed, since goodwill is no longer amortized under US GAAP.

Report of Independent Auditors

To the Shareholders of JCF Group:

Constantin Netherlands have audited the accompanying consolidated statement of financial position of JCF Group and subsidiaries (together the "Company"), as of December 31, 2003, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the period ended December 31, 2003, expressed in Euros and prepared in conformity with accounting principles generally accepted under IAS/IFRS. We, Constantin Réviseurs d'Entreprises, Belgium, have audited the information presented in attached supplemental disclosures which includes the effect of the differences between accounting principles generally accepted under IAS/IFRS and generally accepted accounting principles in the United States of America on the Company's consolidated net income and shareholder's equity as of and for the year ended December 31, 2003. These financial statements, as well as the supplemental information, are the responsibility of the Company's management. Our responsibility is to express an opinion on the information included in the supplemental disclosures based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the information included in the supplemental disclosures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

The accounting practices of the Company used in preparing the accompanying consolidated financial statements under IAS/IFRS vary in certain respects from generally accepted accounting principles in the United States of America. A description of the significant differences between the Company's accounting practices and generally accepted accounting principles in the United States of America and the effect of those differences on the consolidated net profit for the year ended December 31, 2003 and shareholders' equity as of December 31, 2003 is set forth in the attached supplemental disclosures.

In our opinion, the information included in the supplemental disclosures referred to above present fairly, in all material respects, the information required with respect to generally accepted accounting principles in the United States of America as of and for the year ended December 31, 2003.

October 8, 2004

Constantin Réviseurs d'Entreprises, represented by
René Van Asbroeck, Partner

Unaudited Financial Statements as of June 30, 2004
 Decision Data System B.V.
 The Hague

A. FINANCIAL STATEMENTS JUNE 30, 2004

Decision Data System B.V.
 The Hague

CONSOLIDATED BALANCE SHEET

	<u>June 30, 2004</u>
	€
<u>FIXED ASSETS</u>	
<u>Intangible fixed assets</u>	777,821
<u>Tangible fixed assets</u>	476,871
<u>CURRENT ASSETS</u>	
<u>Debtors</u>	
Trade debtors	3,367,087
Other debtors, prepayments and accrued income	1,380,684
	4,747,771
<u>Securities</u>	1,789,718
<u>Bank and cash</u>	5,466,408
	<u>13,258,589</u>

	June 30, 2004
	€
GROUP EQUITY	2,221,662
<u>Minority interest</u>	<u>—</u>
LONG-TERM LIABILITIES	—
SHORT-TERM LIABILITIES (< 1 year)	
Credit institutions	—
Trade creditors	626,511
Taxes and social security charges	1,681,438
Other liabilities and accruals	8,728,978
	<u>11,036,927</u>
	13,258,589

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS
ENDED JUNE 30, 2004

	2004	
	€	€
Net turnover	8,076,494	
Cost of sales	(1,112,533)	
Gross margin		6,963,961
Salaries and wages	3,107,005	
Social charges and pension charges	1,076,310	
Depreciation of tangible and intangible fixed assets	247,960	
Other operating expenses	1,639,607	
		6,070,882
OPERATING RESULT		893,079
Financial income and expenses		53,549
RESULT BEFORE TAXES		946,628
Taxation on result from ordinary activities		314,848
RESULT AFTER TAX		631,780
Minority interest		—
NET RESULT		631,780

CONSOLIDATED CASH-FLOW STATEMENT

	2004
	€
<u>Cash funds at the beginning of the period</u>	4,138,512
Result from consolidation at equity	631,780
Depreciation of tangible and intangible assets	93,189
Other non-cash expenses	133,194
Profit/Loss on disposals of fixed assets	(9,663)
Profit/Loss on disposals of investments	(11,450)
Changes in trade receivables	(1,536,666)
Changes in other assets	(393,001)
Changes in trade liabilities, other liabilities	(670,107)
Changes in deferred revenue	2,411,830
Changes in accruals - Creditors	119,511
<u>Cash-flows from operating activities</u>	768,617
Payments related to investments in tangible fixed assets	(83,562)
Payments related to investments in intangible fixed assets	(22,320)
Payments and receipts in connection with cash investments	592,228
<u>Cash-flows from investing activities</u>	486,346
Cash proceeds from issuing bonds/loans	(21,792)
Other changes in shareholders' equity	94,725
<u>Cash-flows from financing activities</u>	72,933
<u>Cash funds at the end of the period</u>	5,466,408
Change in cash funds from cash relevant transactions	1,327,896
Cash funds at the beginning of the period	4,138,512
<u>Cash-funds at the end of the period</u>	5,466,408

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Decision Data System B.V. is a company incorporated in The Netherlands. The principal activities of the Company and its subsidiaries (the Group) are the provision of financial market data and software solutions to financial institutions, online services and corporate clients.

The financial statements are presented in euros, the currency in which the majority of the Group's transactions are denominated.

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Accounting Standards (IAS) and generally accepted accounting principles in the Netherlands.

The financial statements have been prepared on the historical cost basis, except for the revaluation of marketable securities.

The principal accounting policies adopted are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to 30 June. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess (deficiency) of the cost of acquisition over (below) the fair values of the identifiable net assets acquired is recognised as goodwill (negative goodwill). The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The results of subsidiaries acquired or disposed of during the six month period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All significant inter-company transactions and balances between group enterprises are eliminated on consolidation.

Revenue Recognition

Subscription Revenue - Clients are generally invoiced annually, in advance, in accordance with the subscription agreement between the client and the Group.

Subscription revenue is earned each month as the subscribed for service is delivered to clients, according to the specific subscription and the number of users licensed under each subscription agreement. Revenue is recognized when all the following criteria are met:

- The client subscribes to JCF Quant of JCF Data,

- the above services have been rendered and earned during the month,
- the amount of the subscription is fixed and determinable based on established rates for each product offering, pursuant to a subscription agreement or client order form, and
- collectibility is reasonably assured.

Services Revenue is comprised of license fees, development fees and maintenance fees pursuant to agreements with each client. License fees and development fees are recognized on a percentage of completion basis. Maintenance fees are recognized rateably over the term of the maintenance agreement.

Foreign Currencies

Transactions in currencies other than Euros are recorded at the rates of exchange prevailing on the dates of the transactions. At the balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on exchange are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recorded directly in equity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the six month period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Intangible fixed assets

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and amortised on a straight-line basis over its estimated useful life.

Tangible fixed assets

Tangible fixed assets are stated at the lower of cost, less accumulated depreciation and net realizable value. Tangible fixed assets are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment

At the balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised

for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investments

Investments are recognised on a trade-date basis and are initially measured at cost, including transaction costs.

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Trade receivables and other current assets

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Credit institutions

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the profit and loss account using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Short term liabilities

Trade payables are stated at their nominal value.

NOTES TO THE CONSOLIDATED BALANCE SHEET

30-6-2004

€

INTANGIBLE FIXED ASSETS

This item consists of:

Patent and trademarks	19,431
Goodwill	758,390
	<u>777,821</u>

€

Patents and trademarks

COST

At January 1, 2004	63,304
Additions	22,430
	<u>85,734</u>

AMORTISATION

At January 1, 2004	62,790
Charge for the year	3,513
	<u>66,303</u>

CARRYING AMOUNT

At June 30, 2004	<u>19,431</u>
------------------	---------------

	€
Goodwill	
COST	
At January 1, 2004	1,659,484
At June 30, 2004	1,659,484
AMORTISATION	
At January 1, 2004	746,323
Charge for the year	154,771
At June 30, 2004	901,094
CARRYING AMOUNT	
At June 30, 2004	758,390

Goodwill is amortized over its estimated useful life. The foreseeable life of the goodwill arising on past acquisitions is 5 years.

TANGIBLE FIXED ASSETS

	Land and buildings	Fixtures and equipment	Total
	€	€	€
COST			
At January 1, 2004	40,281	1,048,424	1,088,705
Additions	—	105,631	105,631
Exchange differences	—	8,630	8,630
Disposals	—	(38,513)	(38,513)
At June 30, 2004	40,281	1,124,173	1,164,454
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At January 1, 2004	22,021	593,362	615,383
Charge for the year	2,209	87,467	89,676
Exchange differences	—	5,245	5,245
Eliminated on disposals	—	(22,721)	(22,721)
At June 30, 2004	24,230	663,353	687,583
CARRYING AMOUNT			
At June 30, 2004	16,051	460,820	476,871

The estimated useful lives of buildings is 20 years. For fixtures and equipment 3-10 years is applied.

TRADE DEBTORS

Trade receivables at the balance sheet date comprise of:

	<u>Six months ended 30-6-2004</u>
	€
Trade receivables	3,409,901
Provisions for bad debts	(42,814)
	<u>3,367,087</u>

OTHER DEBTORS, PREPAYMENTS AND ACCRUED INCOME

Other debtors, prepayments and accrued income at the balance sheet date comprise of:

Prepaid expenses	630,490
Deposits	136,243
Advances to employees	11,379
Loans	455,283
Receivable from taxation	147,289
	<u>1,380,684</u>

SECURITIES

Securities at the balance sheet date comprise of marketable securities which have been revalued at June 30, 2004.

BANK AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of 90 days. The carrying amount of these assets approximates to their fair value.

Credit Risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

	€
<u>OTHER LIABILITIES AND ACCRUALS</u>	
Deferred income	6,915,216
Other creditors	
- Management fees accrued in B.V.	193,580
- Accrued expenses	1,035,921
- Debts	584,261
	<u>8,728,978</u>

OTHER FINANCIAL LIABILITIES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days.

The directors consider that the carrying amount of trade payables approximates to their fair value.

EVENTS AFTER THE BALANCE SHEET DATE

None.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

REVENUE

An analysis of the Group's revenue is as follows:

	<u>Six months ended 30-6-2004</u>
	€
Sales of goods (subscription)	6,592,165
Sales of services (consulting)	1,222,478
	<u>7,814,643</u>
Other operating income	261,851
	<u>8,076,494</u>

Supplemental Disclosures Required Under the US GAAP and Securities and Exchange Commission Regulations

The following information has been prepared to present supplemental disclosures required under US GAAP and the U.S. Securities and Exchange Commission (SEC) regulations.

1. Reconciliation of Shareholders' Equity to US GAAP

	June 30, 2004
ISA/IFRS GAAP shareholders' equity as reported in the Consolidated Statement of Financial Position	€2,222
Adjustments to conform to US GAAP:(a)	
Business combinations and goodwill	673
Reclassification of Minority interests outside Shareholders' equity	0
Tax effect	0
US GAAP shareholders' equity	€2,895

(a) For 2004, the impact of the adjustment on ISA/IFRS GAAP Consolidated Statement of Financial Position is:

- Business combinations and goodwill: "Goodwill, net". These adjustments mainly impact gross amount of goodwill due to differences in accounting standards between IAS/IFRS (amortization over useful life) and US GAAP (net book values as of December 15, 2001; gross amounts for subsequent acquisitions; impairment test on remaining goodwill values).
- Under US GAAP, Minority interests should be reported outside Shareholders' equity.

2. Reconciliation of Net Profit to US GAAP

	June 30, 2004
ISA/IFRS GAAP net profit as reported in the Consolidated Statement of Income	€ 632
Adjustments to conform to US GAAP :	
Business combination and goodwill(a)	155
US GAAP net profit	€ 787

(a) Amortization of goodwill in IAS/IFRS GAAP is reversed, since goodwill is no longer amortized under US GAAP.