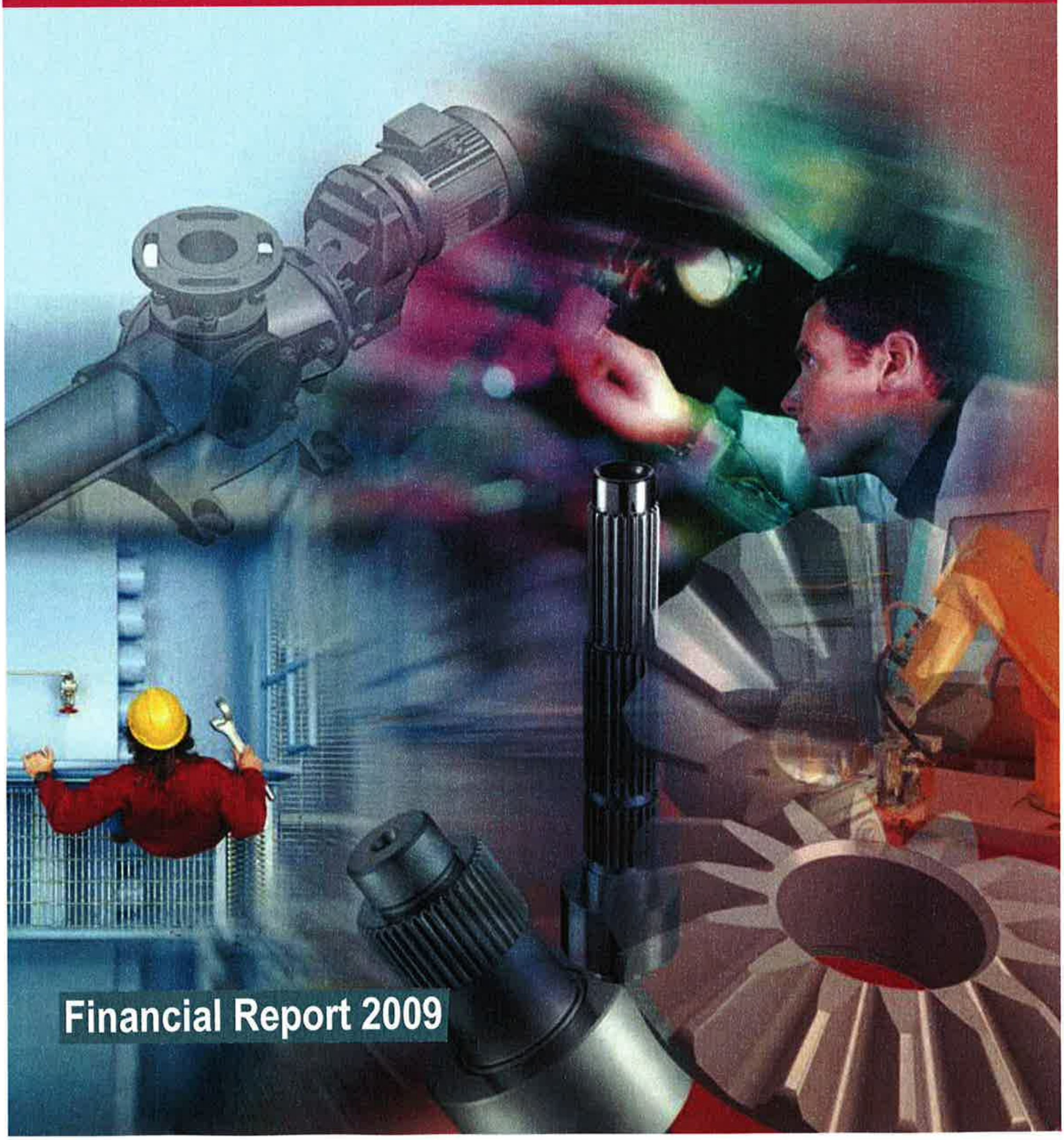
Gévelot

Annual General Meeting of 24 june 2010



Financial Report 2009

Annual General Meeting of 24 june 2010

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Limited Liability Company (Société Anonyme) with capital of 33 514 005 euros
Head Office, Direction and Administration:
6, boulevard Bineau
92300 Levallois-Perret
562 088 542 R.C.S. Nanterre - SIRET N° 562 088 542 00369

www.gevelot-sa.fr

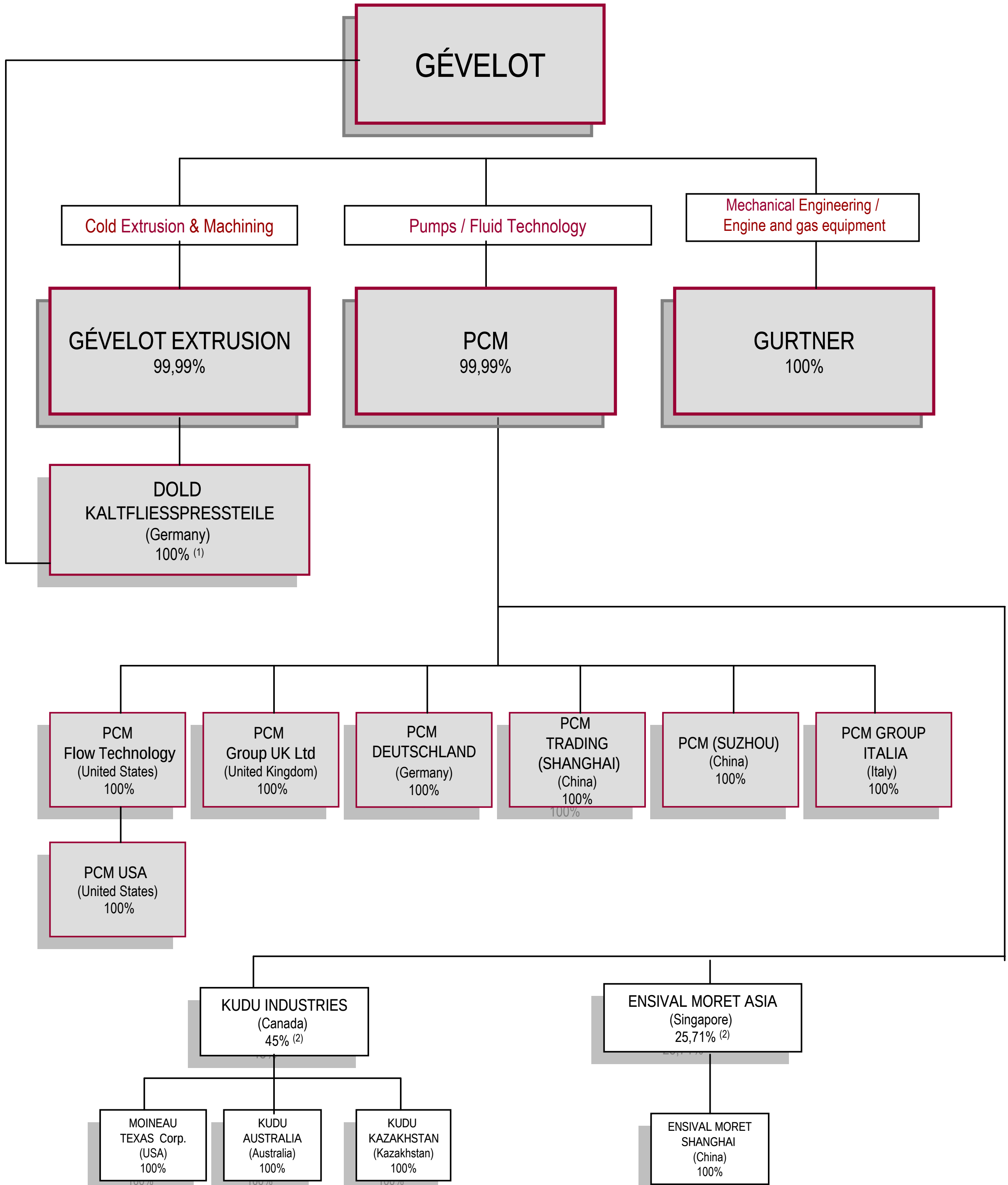
Financial year 2009

Gévelot Group companies

Addresses and Activities

Companies	Addresses	Telephone Fax Internet	Activities
HOLDING COMPANY			
Gévelot S.A. Chairman & Managing Director Paolo MARTIGNONI	6, boulevard Bineau 92300 Levallois-Perret (France)	+33 (0)1 41 49 03 03 +33 (0)1 41 49 03 02 www.gevelot-sa.fr	Management of industrial holdings and related services.
SUBSIDIARIES			
COLD EXTRUSION AND MACHINING SECTOR			
Gévelot Extrusion S.A. Chairman & Managing Director Patrick LHUILLERY	6, boulevard Bineau 92300 Levallois-Perret (France)	+33 (0)1 41 49 03 33 +33 (0)1 47 48 90 34 www.gevelot-extrusion.com	Cold extrusion of steel parts Machining and heat treatment.
Dold K. GmbH	Langenbacher Strasse 17/19 78147 Vöhrenbach (Germany)	+49 (0)7727/509-0 +49 (0)7727/509-166 www.doldgmbh.de	Cold extrusion of steel parts Machining and heat treatment.
PUMPS / FLUID TECHNOLOGY SECTOR			
PCM S.A. Chairman & Managing Director Jacques FAY	17, rue Ernest Laval 92170 Vanves (France)	+ 33 (0)1 41 08 15 15 + 33 (0)1 41 08 15 00 www.pcm.eu	- Fluid technology solutions - Volumetric pumps: with eccentric rotor PCM Moineau, PCM Vulcain, with tube PCM Delasco, metering PCM Précipompe, with lobes PCM Ecolobe - Manufacturing industry, food-processing and oil production markets
- PCM Group UK Ltd.	Pilot Road -Phoenix Parkway Corby, Northants NN17 5YF (United Kingdom)	+44 (0)1536 740200 +44 (0)1536 740201 www.pcm.eu	Manufacture, sales and services for volumetric pumps, Metering systems for reagents and fluid technology solutions
- PCM Deutschland GmbH	Wiesbadener Landstrasse 18 65203 Wiesbaden (Germany)	+49 (0)611/60977-0 +49 (0)611/60977-20 www.pcm.eu	Manufacture, marketing and services for volumetric pumps
- PCM Flow Technology Inc.			Management of industrial holdings and related services
- PCM USA Inc.	11940 Brittmoore Park Drive Houston, Texas 77041 (United States)	+1 (713) 896 4888 +1 (713) 896 4806 www.pcmusa-inc.com	Manufacture, marketing and services for volumetric pumps
- PCM Trading (Shanghaï) Co. Ltd.	Unit 10A01, Shanghaimart 2299 Yanan Road (West) 200336 Shanghaï (China)	+86(0)2162362521 +86(0)2162362428	Marketing and services for volumetric pumps
- PCM (Suzhou) Co. Ltd.	Zhonglu Ecological park - Usine 12 & 13 Pingwang Town - Wungjiang city 215221 Jiangsu Province (China)		Manufacture, marketing and services for volumetric pumps
- PCM Group Italia Srl.	6, via Bergamo 20135 Milano (Italy)	+ 39 02 89 65 56 47 + 39 02 92 88 49 50	Marketing and services for volumetric pumps
- Kudu Industries Inc.	9112 - 40 th Street S.E. Calgary Alberta - T2C 2P3 (Canada)	+1 403 279 5838 +1 403 279 2192 www.kudupump.com	Manufacture, sales and services for oil pumps Design and manufacture of accessories for the oil, petrochemical and related industries
. Moineau Texas Corporation	1112 S.Main Street Seminole Texas 79360 (United States)	+1 (915) 698 0482 +1 (915) 698 11 55	Sales and services for oil pumps
. Kudu Australia Pty Ltd.	L3, 349 Coronation Drive Milton, QLD, 4064 (Australia)	+61 7 3842 3105 +61 7 3371 7300	Sales and services for oil pumps
. Kudu Kazakhstan LLP	50 Yablonevyi Sad Street Bagahashi Village, Karasai District Almaty Oblast, 040907 (Kazakhstan)	73 272 993 092 73 272 993 119	Sales and services for oil pumps
- Ensival Moret Asia Pte Ltd	9 Tai Seng Drive #02-02 Hesche Building 535227 Singapore (Singapore)	+65 281 06 67 +65 281 09 08	Management of industrial holdings and related services
. Ensival Moret Shanghaï Co. Ltd	N° 1590, Li An Road Minhang District 201100 Shanghaï (China)	+86 (0)21.5488.9599 +86 (0)21.5488.9399	Manufacture and marketing of industrial pumps
MECHANICAL ENGINEERING SECTOR / ENGINE AND GAS EQUIPMENT			
Gurtner S.A. Chairman & Managing Director Bruno TRACCO	40, rue de la Libération 25300 Pontarlier (France)	+33 (0)3 81 46 70 22 +33 (0)3 81 39 29 50 www.gurtner.fr	Fluid circulation solutions in the fields of engine and gas equipment

Organization chart of the Gévelot Group



N.B. The stated percentages are those of direct control

(1) 70 % controlled by Gévelot SA and 30 % by Gévelot Extrusion at 31 December 2009

(2) Equity method companies

Administration of Gévelot S.A.

at 24 June 2010

Board of Directors

Chairman & Managing Director	Paolo MARTIGNONI
Directors	Roselyne MARTIGNONI Claudine BIENAIMÉ Charles BIENAIMÉ Pascal HUBERTY Philippe DESTOURS Roberto BARABINO Mario MARTIGNONI

Management

Managing Director	Paolo MARTIGNONI
Deputy Managing Director	Philippe BARBELANE

Auditors

Permanent	PricewaterhouseCoopers Audit (PwC) represented by Pierre RIOU Cabinet ROUSSEL & ASSOCIES (CREA) represented by Christophe BONTE
Substitute	Cabinet FIDEAC represented by Jean MARIÉ Philippe BAILLIN

Agenda

of the Annual General Meeting of 24 June 2010

- The board’s operating and financial review of the company in financial year 2009,
- Auditor’s Reports on the period’s individual and consolidated financial statements,
- Review and approval of the individual financial statements for period ending 31 December 2009,
- Review and approval of the consolidated financial statements for period ending 31 December 2009,
- Approval of the Conventions referred to in Article L.225-38 of the Commercial Code,
- Appropriation of earnings for financial year 2009,
- Directors,
- Proposed resolution to change terms of the Gevelot’s shares buyback plan,
- Proposed resolution to transfer Gevelot’s shares cotation from Euronext to Alternext,
- Discharge of Directors,
- Powers
- Any other business

Overview

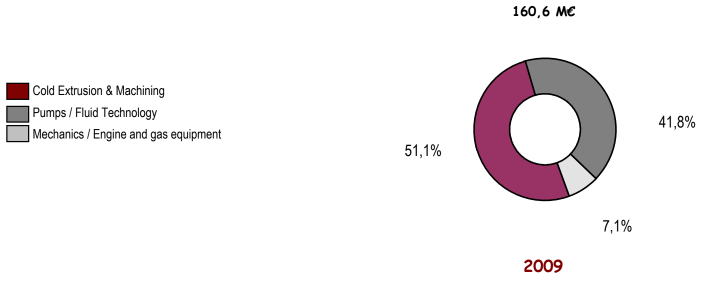
of financial year 2009

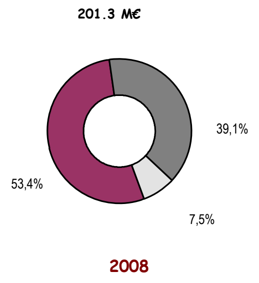
Key figures

(in thousands of euros)	2009	2008	*Percentage change*
Group			
Consolidated turnover excluding tax	160 620	201 271	(20,2)
Turnover originating outside France	*89 926*	*115 720*	*(22,3)*
EBITDA*	13 080	18 603	(29,7)
Current operating income	1 046	*7 569*	(86,2)
Operating income	(2 006)	*5 096*	(139,4)
Operating result before tax	(2 812)	4 145	(167,8)
Net income, Group share	(1 729)	4 347	(139,8)
Net earnings by share (in euros)	(1,81)	4,54	(139,8)
Cash flow from operations	7 429	15 823	(53,0)
Equity	120 384	123 493	(2,5)
Net indebtedness / equity (in %)	21,20	24,60	*(13,8)*
Headcount	*1 221*	*1 414*	*(13,6)*
Gévelot S.A.			
Turnover excluding tax	3 667	3 603	*1,8*
Operating results before tax	3 223	3 165	*1,8*
Exceptional result	(2 316)	(2 142)	-
Exceptional result excluding taxes provision	(289)	(397)	-
Net income	2 477	2 290	*8,2*
Cash flow from operations	5 064	4 604	*10,0*
Net dividend per share (in euros)	1,80	2,00	*(10,0)*
Headcount	*7*	*7*	-

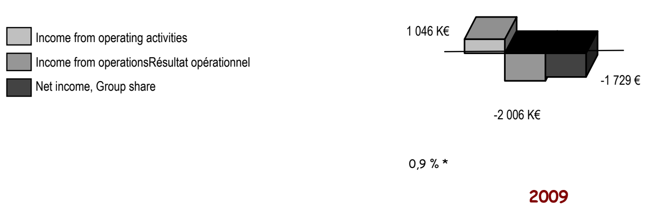
*EBITDA : Earnings before Interest, Tax, Depreciation and Amortization.

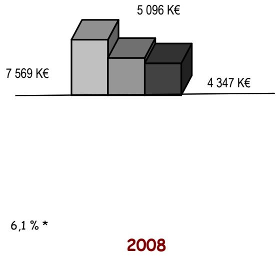
Consolidated turnover by sector





Consolidated P&L





'* The percentages indicate return on equity (results of operations/equity)

Management Report prepared by the Board of Directors

Ladies and Gentlemen,

In accordance with the Law and the Articles of Association, we have brought you together at this Ordinary General Meeting in order to present our report on the performance of our Company and its Subsidiaries during the last financial year and to submit the Parent Company and Consolidated Financial Statements for the year ending December 31st 2009 for your approval.

In the midst of a serious economic crisis, which had an impact on the business levels of our subsidiaries, and especially those subsidiaries linked to the Car Manufacturing Sector, our efforts in 2009 focused on adapting our production facilities to business volumes and on securing liquidity.

The Extrusion Division pursued its efforts to adapt to a market that remained depressed, especially in the first half of 2009, due to the sharp drop in the production schedules of its client companies, the Car and Car Parts Manufacturers.

Although it continued to invest abroad and pursued its innovation efforts, the Pump Division focused on maintaining its competitiveness through controlling its production costs and its general overheads.

Finally, the Engineering Division took steps to reduce running costs, in order to return to operating break-even over time.

Given these conditions, consolidated revenues amounted to €160.6m compared with €201.3m in 2008, i.e. a fall of 20.2%.

Revenues for the Extrusion Division amounted to €82m, a 23.7% fall compared with 2008. A sharp reduction in customer inventories had a particularly severe impact on the first six months of the year (-42%). However, the downturn lost momentum in the last quarter of 2009, due to the rebound in Car Manufacturers' schedules created by Government support measures. Dold, our German subsidiary, also saw a net slowdown in business levels during 2009, due to the poor business volumes experienced by its main customer.

The Pump Division's revenues fell back to €67.1m, a 14.7% contraction compared with 2008. The Division experienced a more significant downturn in the second half of 2009, following guaranteed deliveries of orders booked in 2008 at the beginning of last year.

The Engineering Division's revenues amounted to €11.4m, down 24.7% compared with the 2008 financial year. The contraction was mainly due to a fall in new carburettor sales, which was partially offset by sustained sales of spare-part carburettors for export.

The Group's consolidated operating income from current activities remained positive, although it fell significantly, amounting to €1.0m compared with €7.6m in 2008.

Consolidated financial expense amounted to €0.8m, compared with a €0.9m expense in 2008.

Finally, the Group reported a consolidated net loss of €1.7m in 2009 compared with net income of €4.3m in 2008.

More details of the contribution made to the overall consolidated results by the various Business Divisions are provided in the Notes to the Consolidated Financial Statements.

We were able to obtain one-off financing assistance and deadline extension measures during the first half of 2009, primarily for the Extrusion Division, which was the most severely affected. Our liquidity position recovered at the end of 2009, thanks to a return to higher business volumes.

In addition to innovation funding, medium-term bank loans were granted to our main subsidiaries, enabling them to fund the hoped for recovery in business volumes and future development.

The business activities conducted by the companies included in the Group's scope of consolidation are described in more detail below (the numbers were extracted from each company's individual Financial Statements and should therefore be understood as being before IFRS restatements and inter-company eliminations on consolidation).

Parent Company Business Activities

Gévelot S.A.

The revenues of Gévelot S.A., the parent company, which consist of rental and service fees, amounted to €3.667m, up 1.8%.

Operating income for the financial year amounted to €1.341m compared with €1.114m in 2008.

Net financial income amounted to €1.882m compared with €2.051m, including the dividend contribution from our subsidiaries, which amounted to €1.602m compared with €1.417m in 2008.

Income from current operations before tax amounted to €3.223m compared with €3.165m in 2008.

Exceptional expense amounted to €2.317m compared with €2.142m in 2008. It includes a net additional depreciation charge of €319,000 and a €2.027m intra-group provision for future income tax charges on the deferrable losses of our French subsidiaries. That provision is limited to the tax saved during the period. Sundry financial income amounted to €29,000.

After a corporate income tax charge of €482,000 and the recognition of €2.053m in tax savings due to tax consolidation, Gévelot S.A.'s net income amounted to €2.477m compared with €2.290m in 2008. No investments were made in 2009, compared with investments of €1.4m in 2008.

Subsidiaries' Business Activities

Extrusion and Machining Division

The Division's consolidated revenues amounted to €82.0m.

Tangible and tangible investments amounted to €5.0m, compared with €6.7m in 2008.

Gévelot Extrusion S.A. (France)

After a steep fall in business volumes in the first half of 2009, business levels recovered somewhat in the last quarter.

2009 revenues amounted to €50.997m, down 21.5% compared with 2008. The lower volumes had a very significant impact on the division and output for the financial year amounted to €46.311m following heavy inventory draw-downs, a contraction of 28.1% compared with 2008.

The company reported an operating loss of €4.025m (operating loss of €1.48m in 2008), after depreciation charges of €3.395m (€3.280m in 2008) and lease payments of €1.341m (€1.235m in 2008). This very sharp contraction in operating income was mainly due to inadequate production volumes, which could not be offset by adjustments to running costs (reducing payroll expenses, part-time working, redundancies and reducing overheads), which had a partly deferred impact.

Financial expense amounted to €131,000 compared with expense of €391,000 in 2008, despite a downturn in the contribution made by Dold, the company's German subsidiary (€400,000 compared with €560,000). The improvement was also due to the first positive effects of the decrease in financial debt.

Exceptional expense amounted to €264,000. It included a capital gain of €1.651m realised on the sale by Gévelot S.A. of 50% of its holding in Dold, its German subsidiary. An expense of €1.261m was recognised for restructuring costs and for the headcount adjustments made in February and June within the context of the French employment protection plan; other exceptional expense included €79,000 in net provisions for social security risks and €369,000 in net additional depreciation charges.

After taking account of a research tax credit, the net loss for the 2009 financial year amounted to €3.979m, compared with a loss of €3.465m in 2008.

The cash outflow from operations was €3.138m, compared with a €1.167m inflow in 2008.

The global headcount as at December 31st 2009 amounted to 479 people (including 17 people on leave as a result of job reclassification or advance notice of redundancy), including one person on a fixed-term contract and 13 temporary workers, compared with 547 people in 2008, none of whom was a temporary worker, i.e. a decline of 15% excluding ongoing job reclassifications.

Dold Kaltfliesspressteile GmbH (Germany)

Revenues for the 2009 financial year amounted to €31.545m compared with €43.092m in 2008, i.e. a decrease of 26.8%.

Output for the financial year, which was down 32.2%, amounted to €28.850m.

The operating loss under these conditions amounted to €122,000 compared with a profit of €1.376m in 2008.

Financial expense amounted to €120,000 compared with €85,000 in 2008.

Exceptional expense amounted to €620,000, compared with €494,000 in 2008, which was due to restructuring expenses.

The company reported a net loss of €793,000 compared with a net profit of €659,000 in 2008, including an income tax credit of €69,000.

Cash flow from operations amounted to €1.088m, compared with €2.494m in 2008.

As at the end of 2009, Dold is now 70% owned by Gévelot S.A. and 30% by Gévelot Extrusion, following the sale of 50% of Gévelot Extrusion's holding in the company to Gévelot S.A.

The global headcount amounted to 285 people as at December 31st 2009, including nine apprentices, compared with 339 people, including nine apprentices, as at December 31st 2008, i.e. a decrease of 16%.

Pump and Fluid Technology Division

Consolidated divisional revenues amounted to €67.1m, compared with €78.6m in 2008, i.e. a contraction of 14.7%.

Intangible and tangible investments amounted to €3.9m, compared with €5.6m in 2008.

PCM S.A. (France)

PCM's business activities were characterised by a severe slowdown in incoming orders in the Oil & Gas Division, as well as by a sharp fall in the Food & Industry Division's sales as a result of the global economic crisis.

The company's revenues amounted to €60.714m in 2009 (of which 64.8% were export sales), compared with €70.139m in 2008, i.e. a fall of 13.4%.

The Oil & Gas Division's revenues were down slightly compared with 2008, as the fall in revenues mainly affected the Industry & Food Divisions.

Revenues from services, which fell by €2.0m, amounted to 3.5% of the total.

PCM generated operating income of €6.539m compared with €6.1m in 2008, i.e. an increase of 7.2%, due both to an improvement in margins and to the adaptation measures that were taken in late 2008.

Financial income amounted to €295,000 compared with €538,000 in 2008. It includes total income from investments in subsidiaries of €318,000, income from investments of €21,000 and a net foreign exchange loss of €85,000.

Income from current operations before tax amounted to €6.834m under these conditions, compared with €6.638m in 2008, i.e. an increase of 2.9%.

Net exceptional expense amounted to €2.567m compared with €717,000 in 2008. The main exceptional items were.

- exceptional intangible depreciation and impairment charges of €1.369m;
- net expenses of €646,000 linked to the closure of the Rambouillet plant and of PCM Venezuela;
- a net €605,000 additional depreciation charge.

Employee profit-sharing amounted to €264,000 compared with €350,000 in 2008.

Corporate income tax amounted to €1.297m, compared with €1.394m in 2008, after taking a €273,000 research tax credit into account.

The financial year ended with net income after tax of €2.706m, compared with €4.176m in 2008, a contraction of 35.2%.

The global headcount amounted to 288 people as at December 31st 2009, including eight temporary workers, compared with 320 people, including eight temporary workers, as at December 31st 2008, i.e. a decrease of 10 %.

Cash flow from operations amounted to €5.553m, compared with €5.054m in 2008.

A dividend of €1.279m will be proposed in respect of 2009.

PCM Group UK Ltd (United Kingdom)

Revenues, which amounted to GBP 2.611m compared with GBP 3.925m in 2008, were down 33.5%. The decrease was mainly due to the global economic crisis, which had a severe impact on industrial and water treatment systems sales and installations, which are the company's core business.

The company's net income amounted to GBP 248,000 compared with GBP 236,000 in 2008. This stable result, despite a decrease in revenues, can be explained by an improvement in margins and a reduction in personnel expense.

A decision was taken to pay a dividend of GBP 400,000 in respect of 2009's net income in June 2010.

The headcount was 18 people as at 31st December 2009, compared with 20 at the end of 2008.

PCM Deutschland GmbH (Germany)

Revenues amounted to €1.709m, down 25.7% compared with 2008, due to the combined effect of the steep decrease in pump sales and the decrease in spare-part sales.

Net income amounted to €33,000, compared with €189,000 in 2008. This outcome was due to a fall in business levels, as the cost structure did not change in 2009.

The decision was taken to pay a dividend of €250,000 in April 2010.

The headcount was nine people as at December 31st 2009.

PCM Flow Technology (United States)

This company, which has no commercial activities and was founded in April 2004, is a 100%-owned subsidiary of PCM and controls 100% of PCM USA's business activities.

In October 2009, the company received a USD 3m capital increase, which was approved by a decision of the PCM Board of Directors taken on July 30th 2009, and was intended for its PCM USA Inc. subsidiary.

PCM USA Inc. (United-States)

2009 revenues amounted to USD 3.954m, compared with USD 4.943m in 2008, i.e. a decrease of 20%. That fall was primarily linked to the sharp decrease of rotor sales to our main customer in the Americas region. That decrease was due to the fall in the oil price during the first half of 2009 and to a decrease in the investments made by oil producers.

The company reported a net loss of USD 475,000 compared with net income of USD 279,000 in 2008. The loss was attributable to the fall in revenues and to the costs of setting up the PCM Canada subsidiary in the second half of 2009.

This subsidiary benefited from a capital increase of USD 3m from its sole shareholder, PCM Flow Technology Inc., which took place in October 2009. The company's share capital was therefore raised to USD 6.501m. The aim of this increase was to reinforce the company's capital structure, in order to continue making the industrial investments necessary for the development of the American hub.

Consequently, the USD 1.45 m current account advance agreed by PCM in late 2008 was repaid in full in 2009.

The headcount was 15 people as at December 31st 2009, close to the end-2008 headcount (14 people).

PCM Trading (Shanghai) Co Ltd (China)

The company's business levels increased, as China was markedly less affected by the economic crisis than the rest of the world.

2009 revenues amounted to RMB 23.487 compared with RMB 20.77m in 2008, i.e. an increase of 13.1%.

Net income amounted to RMB 1.32m compared with RMB 1.975m, down 33.2%. Given that the company is in a start-up phase, this development is not material.

In order to support business development in the Asia-Pacific region, a decision was taken to increase PCM's 100%-owned subsidiary's share capital by €1.16m in March 2009. 20% of that increase was paid in in April 2009, which increased the company's share capital to RMB 7.566m, i.e. €777,000. The remaining 80% (€928,000) will be paid in in March 2010.

PCM (Suzhou) Co Ltd (China)

This company, which is a 100%-owned subsidiary of PCM, was founded in December 2008 following the obtention of a 30-year operating licence. Its aims are to develop industrial activities in the Asia-Pacific region, in order to become PCM's 3rd world hub after the USA (Houston) and Europe (Champtocé-sur-Loire).

65% of the company's capital, amounting to RMB 12.64m, i.e. €1.423m, was paid in in January 2009. The remaining 35% will be paid in in June 2010.

The revenues generated between June and December 2009 amounted to RMB 432,000 due to the late start-up of the business activities (September 2009).

The net loss amounted to RMB 2.975m, due to the fact that the start-up business levels did not cover operating costs.

PCM Group Venezuela C.A. (Venezuela)

This company, which is a 99.98%-owned subsidiary of PCM, was founded in May 2008.

Due to administrative delays, which are the norm in Venezuela and which prevented the start-up of the business, as well as to a very uncertain local political context, the decision was taken to close this company. The company was wound up in November 2009.

PCM Group Italia Srl (Italy)

This company, which is 100% owned by PCM, was founded in May 2008. Its aim is to develop PCM's commercial activities in Italy.

The revenues generated in 2009 amounted to €389,000 compared with €118,000 in 2008 (six months of operations).

The company reported a net loss of €70,000 as at the end of 2009, compared with a €43,000 loss as at the end of 2008. This outcome is explained by the cost of setting up the marketing department and a full year of costs.

The headcount was three people as at December 31st 2009.

Kudu Industries Inc. (Canada)

Consolidated revenues amounted to CAD 75.587m compared with CAD 84.214m in 2008, i.e. a decrease of 10.2%, which was due to the fall in the oil price in the first part of the financial year and to the reduction in oil producers' investments.

Where conventional production is concerned, products are becoming commoditised, while increased competition is leading to lower margins and volumes.

Given the price of oil in the first months of 2009, projects for extracting oil from bituminous sands by steam injection, which require the use of the PCM Vulcain™ pump, have been shelved.

The overall unit reported a consolidated loss of CAD 263,000 compared with a profit of CAD 4.108m in 2008.

No dividend shall be paid in respect of 2009.

Ensival Moret Asia (EMA) (Singapore)

PCM has held a 25.71% stake in this company, a purely financial entity that controls 100% of the Ensival Moret Shanghai (EMS) (China) industrial company, since October 2002.

The company reported net income of SGD 39,000, or €19,000, for 2009.

Ensival Moret Shanghai (EMS) (China)

EMS' main business activity is Ensival Moret. This focus intensified after we had founded PCM Suzhou in China.

EMS' parent company revenues for 2009 amounted to RMB 85.867m (€9.025m) compared with RMB 76.727m (€7.504m); i.e. an increase of 11.9%.

The company reported net income of RMB 3.364m (€354,000) compared with RMB 744,000 (€73,000) in 2008. This increase in net income is attributable to our partners and is directly linked to the growth of their business in China. This trend will intensify now that we have created our own organisation.

Engineering & Engine and Gas Equipment Division

The Division's revenues amounted to €11.4m, down 24.7% compared with 2008.

Industrial investments amounted to €0.3m, compared with €0.6m in 2008.

Gurtner

Net revenues amounted to €11.398m in 2009 compared with €15.134 million in 2008, a contraction of 24.7%.

In the Engine Equipment segment, revenues from new carburettors fell by 44.6%, as the impact of the current financial crisis only aggravated the structural decline in this market. The supply of spare-part carburettors remained at the same level as in 2008. Sales of new products for Car Manufacturers (dosing pumps) rose by 7.4%, despite the impact of the crisis on the car market. Overall business levels in the Engine Equipment segment were down 34.8%.

In the Gas Equipment segment, revenues fell by 17.1% compared with 2008. The Domestic Gas business' revenues, which were affected by the crisis in the property market, declined by 15.3%, while revenues from the Gas Network Operator business were down 24.6%, primarily due to the loss of an important market in 2009.

Output was down 27.4%.

The company reported an operating loss of €193,000 compared with an €864,000 loss in 2008, a year when a large number of provisions on current assets were made.

Net financial expense amounted to €12,000 compared with €116,000 in 2008.

The loss from current operations was €205,000, compared with a loss of €980,000 in 2008.

Exceptional expense amounted to €399,000 and mainly included €320,000 in social security costs linked to the restructuring measures implemented at the Pontarlier production site, as well as net regulated provisions of €57,000, and €65,000 in provisions for risks.

Various tax credits amounting to €190,000 were recognised at the corporate tax level.

Finally, the net loss was €414,000 compared with a loss of €852,000 in 2008.

The global headcount amounted to 98 people as at December 31st 2009, compared with 120 people in December 2008, i.e. a decrease of 18%.

Cash flow from operations amounted to an inflow of €177,000 compared with an outflow of €67,000 in 2008.

The Gévelot Group's business activities

Consolidated financial statements

Consolidated revenues for the financial year amounted to €160.6m.

Income from current operations amounted to €1.0m, compared with €7.6m in 2008. The Extrusion Division made a negative contribution of €4.0m, compared with a positive contribution of €1.9m in 2008. Although it declined by 25%, the Pump Division's contribution was still positive. The contribution made by the Engineering Division remained negative, but improved by 50%.

The consolidated pre-tax operating loss amounted to €2.0m, after taking into account other operating income and expense of €3m, which corresponds primarily to restructuring costs.

After an income tax credit of €0.9m and a €0.2m loss from equity affiliates, the consolidated net loss for the 2009 financial year amounted to €1.7m, compared with net income of €4.3m in 2008.

Group Investments

Intangible and tangible investments amounted to €0.8m and €8.4m respectively, or €9.2m in total, compared with €14.3m in 2008. These sums mainly correspond to industrial investments in productivity and new markets.

Employees

The Group's headcount as at December 31st 2009 amounted to 1,221 people (including 424 outside France), excluding ongoing measures and temporary staff, compared with 1,414 people as at December 31st 2008, i.e. an overall decline of 14%.

As at the end of 2009, Gévelot S.A. employed seven people.

The Group's research and development activities

Research and development expenditure amounted to €4.2m for the Group as a whole. Development expenditure of €0.5m was released under the provisions of IAS 38.

Gévelot Extrusion

During the 2009 financial year, €174,000 was released as development expenses, out of a total amount of €803,000.

The 2009 development programme focused mainly on new sets of parts for new markets (sprockets, gear box shafts, etc.).

Given the innovative nature of the process and the measures taken to reduce the impact on the environment of two projects into account, Oséo awarded Gévelot Extrusion a repayable advance of €1.2m, €0.5m of which was received during the 2009 financial year.

Dold

During the 2009 financial year, €202,000 was released as development expenditure, out of the total amount of €975,000 that has been set aside.

PCM

During the 2009 financial year, €85,000 was released as development expenditure, out of a total amount of €1.767m.

In the Oil & Gas segment, PCM's Vulcain™ technology gained a large number of customers, but sales were held back by the fall in the oil price in early 2009. Research activities in the multiphase field continued.

In the Industry segment, new models in the EcoMoineau™ industrial pump range were developed.

In the Food segment, 2009 saw the continuation of a large number of studies to improve the parts' cleanability and food compliance.

Gurtner

There was no release of funds for research and development expenses for the 2009 financial year; those expenses amounted to €633,000.

Gurtner's Research and Development efforts in the Engine Equipment segment focused mainly on perfecting and industrialising the *Midjet* LPG reducer model. In the Gas Equipment segment, R&D efforts focused on studying, building prototypes for and running standardised tests on a new natural gas nozzle.

Consolidated financial structure

Total assets amounted to €194.6m compared with €219.5m as at the end of 2008, i.e. a decrease of €24.9m.

Fixed assets decreased by €2.6m and current assets decreased by €22.3m.

Excluding provisions for risks and charges, the Group's debt decreased by €19.8m, due to a €4.3m reduction in financial debt, a €12.6m reduction in trade payables, a €1.8m reduction in debt relating to fixed assets and a €1.1m reduction in deferred tax liabilities.

Although the Group's net consolidated financial position (cash and cash equivalents, minus borrowings from credit institutions and sundry financial debt) was still negative to the tune of €3.0m, it improved by €7.8m compared with 2008 due to the €4.0m increase in net cash and the €3.6m decrease in financial debt.

Overall, Current Assets amounted to €87.6m, providing ample cover for all third-party debts due in less than one year, which amounted to €49.5m.

In summary, the “Debt-to-Equity” ratio amounted to 21.2%, compared with 24.6% as at the end of 2008.

The “Debt-to-Revenues" ratio amounted to 15.9%, compared with 15.1% as at the end of 2008.

The total cost of debt amounted to €919,000 (0.6% of revenues) as at the end of 2009, compared with €1.615m in 2008 (0.8%).

Pension commitments

See Note 14 in the Notes to the Consolidated Financial Statements.

Consolidated Equity Capital

See the Consolidated Financial Statements (page 24).

2010 Outlook for the Group

After being seriously affected by the financial and economic crisis in 2009, we see 2010 as a transition year, in which we shall continue our efforts to adapt to the new global economic environment.

Parent Company

Gévelot S.A.’s revenues consist of rental and service fees. The rents for the industrial production sites made available to Gévelot Extrusion were lowered, in order to take the actual situation of the property market into account.

The Group will remain profitable.

Extrusion & Machining Division

Based on current forecasts, the Division is likely to return to operating break-even in 2010.

Pump & Fluid Technology Division

Consolidated revenues are likely to be higher than in 2009.

The outlook for the Division’s business levels is slightly better in 2010. International development will continue. The 2009 results level is likely to be maintained.

Engineering & Engine and Gas Equipment Division

A slight improvement in revenues is forecast for 2010.

The structural medium-term decline in carburettor sales, which has not been offset by recent developments, will require us to make continued efforts to adapt.

Under these conditions, the Division should return to break-even, excluding exceptional expense.

Information and new technology systems

Gévelot Extrusion

The overhaul of the Financial Management and Human Resources Management systems was finalised in 2009. The following processes were implemented and are now operational:

- the office and infrastructure servers have been replaced in order to improve the reliability and flexibility of the information system;
- the financial software in Germany was upgraded on July 1st 2009,
- a new version of the Gévelot Extrusion website, focusing on customer purchasing and consulting, has been launched.

PCM

The information system upgrade continues, in order to enable PCM to pursue its international development.

- The new IT room in Champtocé-sur-Loire was opened in 2009. Operational security was fundamental to this project, and safeguards against fire and power failure were installed.
- A customer relationship initiative was rolled out for PCM and its subsidiaries in 2009. The subsidiaries now have access to multi-lingual software that operates in "web" mode and stores the Company's data.
- The preliminary phase of the Group’s ERP project was approved. The team dedicated to its roll-out then installed the same software in China. This project will be completed in the first quarter of 2010.

Gurtner

The actions taken in the Information Systems and New Technologies fields in 2009 were as follows:

- the payment and accounting module was installed and integrated;
- the EDI installation process was launched for GrDF and other Wholesale Customer, with a view to full integration of exchanges during the 2nd quarter of 2010.

Corporate Governance Bodies

The Board of Directors, which consists of eight Members, met four times in 2009.

The Audit Committee, which consists of three Members, met four times in 2009, and reported back to the Board of Directors on a regular basis.

Valid delegation of powers

The Joint Ordinary and Extraordinary General Meeting of June 25th 2009 adopted the 9th ordinary resolution, which authorised the Board of Directors to require the company to buy its own shares, in accordance with the provisions of Articles L. 225-209 and following of the French Commercial Code and European Regulation Nº 2273/2003 of December 22nd 2003.

This authorisation was granted for a period of 18 months from the date of the Meeting.

This same Joint Ordinary and Extraordinary General Meeting adopted the 11th extraordinary resolution, which authorises the Board of directors, in accordance with the provisions of Articles L. 225-209, to cancel all or part of the treasury shares held by the company, or which the company may hold in the context of the aforementioned Article L. 225-209, and to reduce shareholders' equity by the par value of the cancelled shares, within a limit equivalent to 10% of shareholders' equity over periods of 24 months.

This authorisation was granted for a period of 26 months from the date of the June 2009 General Meeting.

An adjustment to the average buy-back price and an extension of the deadline shall be proposed at the next Ordinary General Meeting.

Directors

The renewal of Mr Roberto Barbino's Director's Mandate shall be proposed at the same General Meeting.

Remuneration of Company Officers and Positions Held

In accordance with the provisions of Article L 225-102-1 of the French Commercial Code, we hereby advise you of the remuneration and benefits of all kinds awarded to each of Gévelot S.A.'s Company Officers in 2009 by Gévelot S.A., the companies that it controls, or the companies that control it. We also advise you of the positions that those Officers held during the financial year.

Mr Paolo Martignoni, Chairman and Chief Executive,
received the following amounts:

	in 2009	*2008 (Reminder)*
- Gross fixed remuneration paid by the Company	€160,004	*€160,004*
- Attendance fees paid by the Company and by the Companies it controls	€20,900	*€20,900*

and held the following positions within the Group:
Director of Gévelot
Director of Gévelot Extrusion
Director of PCM
Director of Gurtner

Positions outside the Group:
Chairman and Chief Executive of Sopofam

Mr Philippe Barbelane, Deputy Chief Executive,
received the following amounts:

	in 2009	*2008 (Reminder)*
- Gross remuneration paid by the Company	€183,820	*€183,820*
- Benefits in kind awarded by the Company, and valued at	€8,076	*€11,525*
- Attendance fees paid by the Company and by the Companies it controls	€8,300	*€8,300*
- Variable remuneration	€15,000	*€15,000*

and held the following positions within the Group:
Permanent Representative of Gévelot, Director of PCM
Permanent Representative of Gévelot, Director of Gurtner

Positions outside the Group: Nil.

Ms Claudine Bienaimé, Director,
received the following amounts:

	in 2009	*2008 (Reminder)*
Attendance fees paid by the Company and by the Companies it controls	€22,300	*€22,300*

and held the following positions within the Group:
Director of Gévelot Extrusion
Director of PCM
Director of Gurtner
Chairman of the Gévelot Audit Committee

Positions outside the Group:
Member of the Supervisory Board of Publicis Groupe SA
Member of the Audit Committee of Publicis Groupe SA
Member of the Compensation Committee of Publicis Groupe SA
Director of:
- Publicis Groupe Investments BV (Netherlands)*
- Publicis Holdings BV (Netherlands)*
- Publicis Groupe Holdings BV (Netherlands)*

Permanent Representative of Publicis Conseil SA on the Board of Re:Sources 133 SAS

and in addition:
Chairman and Chief Executive of:
- Société Immobilière du Boisdormant SA (France)

Deputy Chief Executive of:
- Rosclodan SA (France)
- Sopofam SA (France)

Manager of:
- SCI Presbourg Etoile (France)

**Mandate expired during the 2009 financial year*

Ms Roselyne Martignoni, Director,
received the following amounts:

	in 2009	*2008 (Reminder)*
Attendance fees paid by the Company and by the Companies it controls	€18,600	*€18,600*

and held the following positions within the Group:
Director of Gévelot Extrusion
Director of PCM

Positions outside the Group:
Director of Sopofam
Director of Rosclodan
Director of S.A. Société Immobilière du Boisdormant

Mr Philippe Destours, Director,
received the following amounts:

	in 2009	*2008 (Reminder)*
Attendance fees paid by the Company and by the Companies it controls	€19,900	*€19,900*

and held the following positions within the Group:
Director of PCM
Permanent Representative of Gévelot, Director of Gévelot Extrusion
Member of the Audit Committee
Positions outside the Group: Nil

Mr Charles Bienaimé, Director,
received the following amounts:

	in 2009	*2008 (Reminder)*
Attendance fees paid by the Company and by the Companies it controls	€12,600	*€12,600*

and held the following positions within the Group:
Director of Gévelot Extrusion

Positions outside the Group:
Chairman of Rosclodan
Member of the Supervisory Board of Meeschaert Family Office
Chief Executive of Meeschaert Family Office (France)
Director of Meeschaert Family Office (Belgium)
Director of Meeschaert Family Office (Switzerland)
Member of the Executive Board of Financière Meeschaert

Mr Roberto Barabino, Director,
received the following amounts:

	in 2009	*2008 (Reminder)*
Attendance fees paid by the Company and by the Companies it controls	€14,000	*€14,000*

and held the following positions within the Group:
Director of PCM

Positions outside the Group:
Director of Hofima spa
Director of Omba Impianti & Engineering spa
Director of ASG Superconductors spa
Director of Sima & Tectubi spa
Director of Paramed srl
Director of Betazero srl
Director of Malacalza Investimenti srl

Mr Pascal Huberty, Director,
received the following amounts:

	in 2009	*2008 (Reminder)*
Attendance fees paid by the Company and by the Companies it controls	€8,000	*€8,000*

and does not hold any other position within the Gévelot Group

Positions outside the Group:
Head of Commercial Development for the Alterpack Organisation since January 2009
Company Manager

Mr Mario Martignoni, Director,
received the following amounts:

	in 2009	*2008 (Reminder)*
- Gross remuneration paid by the Company	€32,834	*€37,985*
Attendance fees paid by the Company and by the Companies it controls	€20,900	*€16,900*

and held the following positions within the Group:
Director of Gévelot Extrusion
Director of PCM
Director of Gurtner
Chairman and Director of PCM GROUP Italia Srl
Director of Kudu Inc.

Positions outside the Group:
Deputy Chief Executive and Director of Sopofam

Sundry information

This information concerns amounts paid both by your Company and the Companies that it controls under the meaning of Article L. 233-16 of the French Commercial Code.

Sopofam and Rosclodan (shareholders of Gévelot SA), did not pay any remuneration to the Company Officers of Gévelot S.A.

No expenditure was incurred in respect of the Company Officers' pensions in 2009.

Social and Environmental Impact of the Business

Gévelot S.A. shall publish a consolidated document addressing Sustainable Development as an appendix to the Management Report. That document shall summarise the information relating to Social and Environmental issues, in accordance with the provisions initially set out in Articles D 148-2 and 148-3 of the Decree of March 23rd 1967, amended by Decree N° 2002.221 of February 20th 2002.

Risk Management

When describing the main risks faced by the company, the following points should be addressed.

General Risks

1. Market Risk

The Group is positioned in a number of separate markets, which limits its exposure to the fluctuations of a single sector.

The Extrusion Division Market

There are two types of "market" risk for the car market served by the Extrusion Division.

- First of all, the market has been relocating to "low-cost" countries for several years, which has had two consequences: lower volumes when cars or sub-components are actually manufactured abroad, and heavy pressure on sales prices (and therefore margins) if manufacturers want to remain competitive and avoid relocating their production and losing market share.

This is the situation both in France (Gévelot Extrusion) and in Germany (Dold).

- The second risk is the fall in new vehicle sales, which reflects the impact of the current economic environment on a European market that is experiencing structural over-capacity issues.

The current crisis is having a severe effect on the car industry, where production levels remain very low, despite being supported by a package of Government-sponsored measures (scrappage scheme subsidies).

The Pump Division Market

The Petrol Pumps business is particularly sensitive to the fall in the oil price, especially when the price falls below $80.00 per barrel. We normally see a slowdown in new wells and therefore in investments below that level. This situation has a particularly severe impact on the new Vulcain™ pump, which enables more expensive oil to be extracted from bituminous sands.

PCM is all the more sensitive to fluctuations in this market due to its 45% interest in Kudu, a subsidiary which operates exclusively in the Petroleum Sector. In fact, Kudu accounts for around 20% of PCM's sales in the Petroleum Sector.

Sales of the other pumps (Food and Industrial sectors) are usually linked to overall economic activity in France and overseas.

PCM's policy of relocating its marketing offices (Middle-East, Asia and Africa) closer to the oil extraction areas makes the company less exposed to the risk of a downturn in business levels in a single country, but has not enabled it to avoid the impact of a global crisis.

The Engineering Division Market

Over the past few years, Gurtner has been losing momentum in the "New" carburettors market, as motorcycle manufacturing is increasingly relocated to China. Its "Spare-Parts" business is also facing competition from low-cost countries.

Additive pumps, a new market for Gurtner in the car manufacturing sector, are also seeing the same falls in volume as those experienced in the Extrusion Division.

2. Country Risk

A small proportion of the Group's business activities are exposed to Country risk, mainly in the Para-Petroleum sector. However, this exposure remains immaterial.

Financial Risk

The Group is exposed to different types of financial risk through its business activities: These risks are linked to the Group's industrial and commercial activities, to its funding requirements and to its investment policy, primarily abroad. They mainly relate to the risk of fluctuations in exchange and interest rates, but also to sharp swings in commodity prices.

1. Financial risks linked to industrial and commercial activities

- Currency risk

The Gévelot Group is exposed to financial risk through its industrial and commercial activities. That risk may result from fluctuations in the exchange rate of certain currencies, due to the fact that the Group's production facilities are located within the euro zone although it sells its products world-wide, which involves invoicing in foreign currencies.

Management of the currency risk for the Pumps and Fluid Technologies Division is based on the principle of invoicing the cost of the Group's manufacturing companies to the Group's marketing companies in the local currency of the latter. The forward currency risk on payment of these inter-company invoices is hedged if the amounts are material.

The same principle applies to sales outside the Group, primarily for foreign currency customer invoices in the Pump Division. A forward hedge is put in place as soon as a foreign currency sale is recognised.

The Group does not hedge currencies for future sales; the operating margin is therefore subject to fluctuations depending on currency trends.

Likewise, the Group has not put any foreign currency hedges in place for its foreign currency assets.

- Risk of price fluctuations

The Group is exposed to fluctuations in commodity prices, including the price of Steel, which affects the Extrusion Division. In order to handle future fluctuations that could have a material impact on operating margins, the Group is developing multiple supply points and uses contracts including framework price fluctuations with its suppliers and customers, whenever possible.

- Credit risk

The Group pays particular attention to the security of payments for the goods and services that it delivers to its customers.

For the Extrusion Division, the business is concentrated on a limited number of Customers, who can traditionally show excellent financial guarantees.

Moreover, the Extrusion Division is relatively protected due to its products, which are hard to substitute and are often subject to long and complicated approval procedures. These products make the Division a core short-term provider.

The Extrusion Division has recently withdrawn from international markets (primarily the USA) and has refocused on its home European markets (France and Germany), which are less exposed to the risk of non-payment.

Finally, the Division uses Credit Insurance whenever possible.

The Pump Division's business displays a greater level of risk. However, except of a few major Export Customers in the Petroleum Sector, which are monitored on an individual basis (deliveries are limited depending on amounts outstanding), PCM's other customers do not present any significant individual risk and are generally the subject of recovery procedures by specialised companies.
Finally, one of PCM's major customers in the Petroleum Sector is Kudu Inc, a Canadian company in which PCM has a 45% interest. PCM could not remain unaware doing business with this customer became risky.

2. Risks linked to funding transactions

The Group turns to the banking sector to meet the funding needs of its industrial and commercial businesses, as and when required.

Refinancing transactions for Gévelot Extrusion have been arranged, and other transactions are under consideration, including the use of guaranteed funds that are part of the support package for the car industry sponsored by individual Governments, in order to enable the company to overcome the slowdown in business levels in the sector as best it can.

Other Group Companies have very low or non-existent levels of debt.

- Risk of interest rate fluctuations

Where necessary (in cases where the company is borrowing a large amount), the Group puts in place interest-rate hedges instruments for significant long-term variable-rate borrowings. In order to do so, the Group's centralised Treasury Department analyses the portfolio and suggests the appropriate tools (interest-rate swaps) to limit future risks within appropriate and controlled cost limits.

3. Financial risks linked to investment transactions abroad

- Currency risk

The Group has made investments abroad and outside the euro zone. The net value of those investments is exposed to exchange rate risk. These net assets, which are mainly located in Canada, the USA and China, are not currently covered by any specific hedge.

Due to Suppliers

In accordance with Article 24-11 of the French Economic Modernisation Act (LME) of August 4th 2008 and Decree 2008-1492 of December 30th 2008, Gévelot S.A.'s Supplier Payables and related accounts (trade and investment payables) amounted to €202,000 as at the end of 2009 and broke down as follows:

Accrued	<31 days	31 to 60 days	>60 days	Total
€33,000	€46,000	€66,000	€57,000	€202,000

Allocation of profit

The following profit allocation shall be proposed:

. Profit for the financial year €2,476,816.05

. Previous balance carried forward................ €2,528,633.84

. Total to be allocated......................................€5,005,449.89

. Legal reserve €123,840.80

. Other reserves €247,305.71

. Dividend €1,723,577.40

- €2,094,723.91

. Losses carried forward
after allocation €2,910,725.98

In the event that the allocation set out above is approved, the dividend of €1.80 per share, which is eligible for the 40% tax credit intended for beneficiaries of the capped tax credit scheme, will be paid from July 1st 2010 onwards.

We would remind you that the following dividends were paid over the past three financial years, in accordance with the legal provisions in force:

Financial Y	Net	Tax Credit	Number of Shares remunerated	Number of Shares overall
2006	2.20	nm	957,543	957,543
2007	2.20	nm	957,543	957,543
2008	2.00	nm	957,543	957,543

Stock Market

During 2009, the price of the shares, which are listed on the Eurolist C Compartment of the NYSE Euronext Paris, was as follows:

		Euros
Price as at the end of 2008		16.11
Share price low		12.00
Share price high		28.90
Price as at the end of 2009		27.50
Number of shares traded:		
in 2009	133,379	
in 2008	22,822	

As at March 31st 2010, the share price was €23.36, while the total volume traded since the beginning of the year was 20,994.

Shareholders

As at December 31st 2009, over two thirds of Gévelot's share capital was owned by long-term shareholders, primarily by the following entities:

- La SOCIETE DE PORTEFEUILLE FAMILIAL (SOPOFAM), which owns over one third of the shares,
- ROSCLODAN, which owns over 5%.

In addition, the Stock Picking France Mutual Fund, and Financière de l'Echiquier, an independent portfolio management company, both owned over 5% of the shares. Finally, none of the Companies controlled by Gévelot has an interest in the Company.

The Group's staff does not own any shares in the company, regardless of the form or origin of the investment.

Draft proposal to renew the authorisation for Gévelot S.A.'s buy-back programme

Sixth Resolution

The aim of the Sixth Ordinary Resolution is to renew the authorisation granted to the Board of Directors to require the Company to buy back its own shares up to a limit equivalent to 5% of shareholders' equity for a 12-month period. The original authorisation was granted by the Ninth Resolution adopted by the Joint Ordinary and Extraordinary General Meeting of June 25th 2009.

These purchases would take place within the framework:

- of Articles L. 225-209 and following of the French Commercial Code, which also enable the Board of Directors to be authorised to cancel all or part of the shares acquired, within a limit equivalent to 10% of shareholders' equity over periods of 24 months,

- European Regulation N° 2273 of December 22nd 2003.

The maximum number of shares that may be acquired under the terms of the authorisation that is being requested remains 5% of the Company's shareholders' equity as at the date of the present Meeting. That amount corresponds to 47,877 shares with a par value of €35.

The total amount dedicated to these acquisitions shall not exceed €2,300,000.

The aim of the buy-back authorisation that is being requested is to enable the potential cancellation of any shares acquired, in accordance with the terms of the Eleventh Extraordinary Resolution adopted by the Joint Ordinary and Extraordinary General Shareholders' Meeting of June 25th 2009.

The Board of Directors shall inform the shareholders gathered together at the Annual General Meeting of all the transactions performed pursuant to the present Resolution. It is specified that the Company did not use the previous authorisation.

Listing and Transfer

Given that Articles 11 and 13 of Law N° 2009-1255 of October 19th 2009 have introduced a simplified transfer mechanism, the Board of Directors shall propose transferring the listing of Gévelot shares from the Regulated Market (Euronext Eurolist Compartment C) to the Over-the-Counter Market (Alternext), the aim being to limit listing restrictions and costs.

Non-deductible expenses

(Law of July 12th 1965, Article 27)
The re-inclusion of general overheads into taxable income during the 2009 financial year only concerns Gévelot and amounted to €30,977, compared with €30,199 in 2008.

Events after the accounting cut-off date

Extrusion Division

There was a marked improvement in business levels in the first quarter of 2010 compared with 2009. We must nonetheless remain cautious about the outlook over the coming months. Productivity initiatives will continue.

Pump Division

The outlook for sales in the Oil & Gas sector outside Europe is improving. Visibility in Europe remains poor. A rationalisation of PCM's tertiary services in France has been under consideration since the first quarter of 2010.

Engineering Division

1st quarter 2010 revenues appear to confirm our forecasts. We will need to pursue our adaptation efforts in order to ensure a return to profitability.

The Board of Directors

Statement from the Directors regarding the 2009 Financial Report

We hereby certify that, to the best of our knowledge, the financial statements have been prepared in accordance with applicable accounting standards and they give a true and fair view of the net assets, financial position and results of the Company and all the companies included in the scope of consolidation. We also certify that the management report attached presents a true account of developments in the businesses, results and financial position of the Company and all the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties that they face.

Hervé Siehr
Group Finance Director

Philippe Barbelane
Deputy Managing Director

Consolidated financial statements at 31 December 2009

Consolidated balance sheet at 31 December 2009
(IFRS accounting basis)

ASSETS *(in thousands of euros)*		Net amount at 31.12.2009	Net amount at 31.12.2008
Goodwill	*Note 4*	894	834
Intangible assets	*Note 4*	5 186	6 742
Tangible assets	*Note 4*	91 714	93 767
Long-term financial assets*	*Note 7*	1 375	1 351
Interests in associated companies	*Note 5*	7 876	6 962
TOTAL FIXED ASSETS (I)		107 045	109 656
Inventories	*Note 8*	26 444	40 495
Trade notes and accounts receivable	*Note 9*	30 480	38 596
Other receivables	*Note 10*	5 842	8 068
Matured tax claim	*Note 16*	1 110	2 002
Current financial assets	*Note 7*	114	381
Cash and cash equivalents	*Note 11*	23 574	20 311
TOTAL CURRENT ASSETS (II)		87 564	109 853
GRAND TOTAL (I + II)		194 609	219 509

LIABILITIES *(in thousands of euros)*		Net amount at 31.12.2009	Net amount at 31.12.2008
Equity available to consolidating company		120 351	123 461
Minority interests		33	32
TOTAL EQUITY (I)		120 384	123 493
Long-term provisions*	*Note 13*	3 427	4 197
Long-term financial liabilities	*Note 15*	8 893	10 947
Deferred tax liability	*Note 16*	10 452	11 557
TOTAL LONG-TERM LIABILITIES (II)		22 772	26 701
Trade accounts payable		13 577	24 826
Accounts payable to asset suppliers		1 109	2 886
Current provisions	*Note 16*	1 907	3 171
Other accounts payable	*Note 12*	17 110	18 455
Matured tax liability	*Note 16*	68	58
Current financial liabilities	*Note 15*	17 682	19 919
TOTAL CURRENT LIABILITIES (III)		51 453	69 315
TOTAL LIABILITIES (II+III)		74 225	96 016
GRAND TOTAL (I + II + III)		194 609	219 509

Notes 1 to 28 form an integral part of the consolidated financial statements.

*The reclassification of funds used to cover retirement benefits is explained in note 2D.

Consolidated income statement 2009
(IFRS accounting basis)

Income statement

(in thousands of euros)		Period 2009	Period 2008
Turnover	*Note 20*	160 620	201 271
Other income from operating activities	*Note 17*	(3 085)	3 768
Income from operating activities	*Note 17*	157 535	205 039
Current operating expenses	*Note 18*	156 489	197 470
CURRENT OPERATING INCOME	*Note 20*	1 046	7 569
Other operating income and expenses		(3 052)	(2 473)
OPERATING INCOME	*Note 20*	(2 006)	5 096
Cost of net financial debt		(710)	(925)
Other financial income and expenses		(96)	(26)
RESULTS OF OPERATIONS	*Note 19*	(806)	(951)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	*Note 20*	(2 812)	4 145
Income Tax (expense)	*Note 16*	920	(1 035)
NET INCOME OF CONSOLIDATED COMPANIES		(1 892)	5 180
Income/loss from equity method	*Note 5*	164	1 240
Income from discontinued operations		-	-
NET CONSOLIDATED INCOME	*Note 20*	(1 728)	6 420
MINORITY INTERESTS		1	3
GROUP SHARE		(1 729)	6 417
EARNINGS PER SHARE (= DILUTED EARNINGS PER SHARE)		(1,81 €)	4,54 €

Earnings per share is calculated by dividing the net income distributable to shareholders by the weighted average number of ordinary shares in circulation during the period, excluding the ordinary shares bought by the Group or held as treasury shares. There are no potential dilutive shares.
957,543 is the number of shares on which earnings per share is calculated (see Note 3 - Share capital) for periods 2008 and 2009.
Notes 1 to 28 form an integral part of the consolidated financial statements.

Comprehensive income and change in net worth

2009 Overall income

IFRS accounting basis

(in thousands of euros)			Period 2 009	Period 2 008
NET CONSOLIDATED INCOME			(1 728)	4 350
Other operating results :	Gross amount	Tax Income/(Expenses)		
Translation adjustments	723	-	723	(1 587)
Fair value change on financial instruments	(283)	97	(186)	115
Other income net of tax			537	(1 472)
OVERALL INCOME			(1 191)	2 878

Statement of changes in net worth and minority interests

(in thousands of euros)	Share Capital (cf Note 3)	Translation adjustments	Consolidated reserves	Equity Group share	Minority interests	TOTAL equity
POSITION AT 31.12.2007	33 514	959	88 218	122 691	31	122 722
Distributions (€ 2,20 per share with par value of € 35)	-	-	(2 107)	(2 107)	-	(2 107)
Comprehensive income for period 2008	-	(94)	2 971	2 877	1	2 878
POSITION AT 31.12.2008	33 514	865	89 082	123 461	32	123 493
Distributions (€ 2,00 per share with par value of € 35)	-	-	(1 918)	(1 918)	-	(1 918)
Comprehensive income for period 2009	-	-	(1 215)	(1 192)	1	(1 191)
POSITION AT 31.12.2009	33 514	888	85 949	120 351	33	120 384

Notes 1 to 28 form an integral part of the consolidated financial statements.

Consolidated cash flow statement 2009

CONSOLIDATED CASH FLOW (in thousands of euros)		2009	2008
OPERATING ACTIVITIES			
Net earnings from consolidated companies		(1 892)	3 110
Elimination of expenses and income not affecting cash flow or related to activities:			
- Amortization and provisions		10 000	12 337
- Capitalisation of financial assets and liabilities		3	(66)
- Change in deferred tax	*Note 16*	(1 026)	209
- Capital loss net of tax		344	233
Cash flow from operations of consolidated companies		7 429	15 823
Dividends received from equity-method companies		-	204
- Changes in inventories		14 029	(32)
- Changes in trade accounts receivable		8 025	7 550
- Changes in other operating receivable		3 113	(3 321)
- Changes in trade accounts payable		(11 173)	(3 766)
- Changes in other operating payable		(1 343)	(442)
Changes in working capital requirement		12 651	(11)
NET CASH FLOWS FROM OPERATING ACTIVITIES		20 080	16 016
INVESTING ACTIVITIES			
- Acquisitions of intangible and tangible capital assets	*Note 4*	(9 164)	(14 303)
- Acquisitions of and increases in long-term investments		(119)	(33)
Total		(9 283)	(14 336)
- Disposals of intangible and tangible capital assets net of tax		357	934
- Disposals of and decreases in long-term investments		147	73
Total		504	1 007
- Changes in working capital requirement and sundry		(1 777)	(191)
Effect of changes in reporting entities		-	-
NET CASH FLOW FROM INVESTING ACTIVITIES		(10 556)	(13 520)
FINANCING ACTIVITIES			
- Dividends allocated to parent company shareholders		(1 918)	(2 107)
- Other changes		(283)	174
Total		(2 201)	(1 933)
- Initiation of borrowings and financial debts		1 507	1 040
- Repayment of borrowings and financial debts		(5 063)	(8 175)
Changes in borrowings and financial debts	*Note 15*	(3 556)	(7 135)
Changes in working capital requirement and sundry		212	(166)
NET CASH FLOW FROM FINANCING ACTIVITIES		(5 545)	(9 234)
NET CASH FLOW		3 979	(6 738)
Cash position at opening		9 369	16 488
Cash position at closing	*Note 11*	13 367	9 369
Foreign exchange profits/(losses) from cash flows		(19)	381
		3 979	(6 738)

Notes 1 to 28 form an integral part of consolidated financial statements.

Notes to the consolidated financial statements at 31 December 2009

Notes 1 to 28 hereafter form an integral part of the consolidated financial statements. Unless otherwise specified, all amounts are stated in thousands of euros.

As of 15 April 2010, the Board of Directors closed the accounts of Gevelot SA and approved the disclosure of its consolidated financial statements at 31 December 2009. These financial statements may be subject to changes until such time as the Annual General Meeting has approved them.

Note 1 : Information on consolidation scope

1.1 Consolidation scope at 31 December 2009

The following companies are fully consolidated:

COMPANIES	HEAD OFFICE	SIREN N° SIRET N°	% controlled at 31.12.2009	% controlled at 31.12.2008	% interests at 31.12.2009
HOLDING					
Gévelot S.A.	6, boulevard Bineau 92532 Levallois-Perret Cedex (France)	562088542 56208854200369			
COLD EXTRUSION & MACHINING					
Gévelot Extrusion S.A.	6, boulevard Bineau 92300 Levallois-Perret (France)	399198951 39919895100010	99,99	99,99	99,99
Dold Kaltfliesspressteile GmbH	Langenbacher Strasse 17/19 78147 Vöhrenbach (Germany)		100,00	100,00	100,00
PUMPS/FLUID TECHNOLOGY					
PCM S.A.	17, rue Ernest Laval B.P. 35 92170 Vanves (France)	572180198 57218019800010	99,99	99,99	99,94
PCM Deutschland GmbH	Wiesbadener Landstrasse 18 65203 Wiesbaden (Germany)		99,99	99,99	99,94
PCM Flow Technology Inc.	11940 Brittmoore Park Drive Houston Texas 77041 (United States)		99,99	99,99	99,94
PCM USA Inc.	11940 Brittmoore Park Drive Houston Texas 77041 (United States)	} wholly owned } by PCM Flow Technology			
PCM Group UK Ltd.	Pilot Road - Phoenix Parkway Corby NN17 5YF (United Kingdom)		99,99	99,99	99,94
PCM Trading (Shanghaï) Co. Ltd.	Unit 10A01, Shanghaimart 2299 Yanan Road (West) 200336 Shanghaï (China)		99,99	99,99	99,94
PCM (Suzhou) Co. Ltd	Zhonglu Ecological park - Usine 12 & 13 Pingwang Town - Wungjiang city 215221 Jiangsu Province (China)		99,99	-	99,94
PCM Group Italia Srl	6, via Bergamo 20135 Milano (Italy)		99,99	-	99,94
MECHANICAL ENGINEERING / ENGINE AND GAS EQUIPMENT					
Gurtner S.A.	40, rue de la Libération B.P. 129 25300 Pontarlier (France)	542103635 54210363500026	100,00	100,00	99,95
The following companies were consolidated by means of the equity method:					
PUMPS / FLUID TECHNOLOGY					
Kudu Industries Inc.	9112 - 40 th street Calgary Alberta T2C 2P3 (Canada)		45,00	45,00	44,98
Moineau Texas Corp.	1112 S. Main Street Seminole Texas 79360 (United States)	} }			
Kudu Australia Pty Ltd.	L3, 349 Coronation Drive Milton, QLD, 4064 (Australia)	} wholly owned } by Kudu Industries Inc.			
Kudu Kazakhstan LLP	50, Yablonevyi Sad Street, Bagahashi Village, Karasai District Almaty Oblast, 040907 (Kazakhstan)	} } }			
Ensival Moret Asia Pte Ltd.	9, Tai Seng Drive #02-02 Hesche Building 535227 Singapore (Singapore)		25,71	25,71	25,69
Ensival Moret Shanghaï Co. Ltd.	n° 1590, Li An Road Minhang District 201100 Shanghaï (China)	} wholly owned } by Ensival Moret Asia } Pte Ltd.			

1.2 : Comments on the scope of consolidation and controlling interests

- PCM (Suzhou) Co, Ltd was formed on 22 january 2009. It is wholly owned by PCM.
- EPS PCM Group Venezuela C.A. was formed on 14 may 2008 and has been winding up during the second half of 2009.
- There were no other changes in the scope of consolidation in 2009.

- All Group companies closed their books on 31 December except for the subsidiary Kudu, which closed its accounts on 25 December 2009.
- To our knowledge there are no significant restrictions on subsidiaries transferring funds to the parent company, Gévelot S.A., in the form of cash dividends or repayments of loans or advances.

1.3 Exchange rates used for financial statements prepared in foreign currencies:

- The companies' balance sheet items were translated at the closing exchange rate on 31 December 2009 and their expense and income account items were translated using the following rates:

Currency	Closing rate	Average rate
- 1 US dollar	€ 0.6942	€ 0.7177
- 1 sterling pound	€ 1.1260	€ 1.1222
- 1 chinese yuan	€ 0.1017	€ 0.1051
- 1 bolivar fuerte	€ 0.3230	€ 0.3334
- 1 canadian dollar	€ 0.6610	€ 0.6308
- 1 singaporean dollar	€ 0.4952	€ 0.4943

Note 2 : Accounting rules and methods-Selected financial data

A. ACCOUNTING RULES AND METHODS

The Gévelot Group's consolidated financial statements were prepared in accordance with international principles and standards governing the measurement and presentation of financial information, namely IFRS [1](International Financial Reporting Standards), as adopted by the European Union.

The consolidated financial statements are stated in thousands of euros, the euro being the Group's functional and reporting currency.

Apart from the changes mentioned in note 2.D, the accounting methods set out below were consistently applied to all periods presented in the consolidated financial statements.

The new standards, amendments and interpretations, observance of which are mandatory in the European Community at 31st December 2009 are the followings:

- IAS 23 revised : borrowing costs
- Revised IAS 1: Presentation of Financial Statements – Statement of Comprehensive Income
- IFRS 8 on the operating segments presentation
- IFRIC 14 / IAS 19 : the Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction
- IFRS 7: Financial Instruments new disclosures:
    - Timing of contractual cash flows linked to financial liabilities.
    - Fair value measurement disclosures

The standards and interpretations published by IASB and adopted by the European Union with a mandatory date of 1st January 2009 had no significant impact for Gevelot Except for revised IAS 1.

New texts not anticipated by the Group but that will become applicable from 1st January 2010

- Revised IFRS 3 Business combinations
- Revised IAS 27 Consolidated and Separate Financial Statements
- 2008 amendments to IAS 39 : exposures qualified for hedge accounting

The Group did not anticipated any amendment or standard or interpretation.

The new Tax regulation in France starting 1st January 2010

The Finance Bill for 2010 repeals as from 1 January 2010 the local business tax (Taxe professionnelle) on tangible assets (i.e., real properties, equipments and movable assets) and replaces it with the Territorial Economic Contribution (Contribution Economique Territoriale), which is composed of two different taxes: - A Real Property Contribution (Cotisation Foncière des Entreprises), which is assessed only on the rental value of real estate assets (equipment and movable assets, which were subject to business tax, are no longer taxed), and – A Contribution on the Added Value (Cotisation sur la Valeur Ajoutée des Entreprises), which is assessed on 1.5 % of the added value for enterprises. The CET is capped to 3% of the added value. As the Added value generated by the business of the Group is far more important than the Net taxable income of this business, The Group consider that the CET should be qualified as an operational charge than an income tax charge. Thus, starting from 2010, the CET will be classified as a component of the Operational Result as the Business Tax was till 2009.

For its opening balance sheet at 1 January 2004, the Group complied with the provisions of IFRS 1 «First-time Adoption of International Financial Reporting Standards » which deals with first-time adoption and exceptions to the principle of retrospective application of all IFRS standards.
To date, the Gévelot Group has adopted the following options regarding the retrospective restatement of assets and liabilities under IFRS:

- business combinations prior to 1 January 2004 have not been retrospectively restated ;
- the cumulative amount of acturial gains or losses on defined benefit plans at 1 January 2004 has been recognised against equity ;
- the cumulative amount of translation adjustments at 1 January 2004 was reset to zero against consolidated reserves, the amount of equity on opening remaining unchanged. Therefore translation adjustments prior to the date of IFRS adoption are not accounted for in the income or loss of future consolidated or associated entities;
- the fair value of assets at 1 January 2004 has been adopted as the « deemed cost ». The resulting revaluation has been recognised as equity.

Presentation of the consolidated financial statements :
The balance sheet is presented in current / non-current format. Are considered as "current" all assets and liabilities directly relating to the operating cycle, the duration of which cannot exceed twelve months. Financial assets and liabilities are by definition classified as non-current items except for their short-term portions, which are classified as current.

The consolidated statement of income is presented as expenses and income.

2.1. Accounting principles specific to consolidation

[1] The IFRS reporting framework as adopted by the European Union is available for consultation at the Internet site of the European Commission (http://ec.europa.eu//internal_market/accounting/ias_fr.htm#adopted-commission)

2.1.1 Scope of consolidation

The consolidated financial statements fully consolidate the accounts of Gévelot SA and the subsidiaries over which it has sole indirect or direct control. The date on which it took or relinquished control determines that on which the company is included or excluded from the scope of full consolidation.

Companies not exclusively controlled by Gévelot SA are recognised by the equity method if it has significant influence in them or are recognised by the proportionate method if they are under joint control.

2.1.2 Conversion of accounts stated in foreign currencies

The financial statements of foreign subsidiaries are converted into euros in the following manner :

- balance sheet items are converted at the exchange rate applying on the date of closing,
- income statement items are converted at the average rate,
- cash flows are converted at the average rate.
- the translation adjustments included in consolidated equity thus result from:
- the difference in opening equity between the prior period's closing rates and those of the current period,
- the difference between the average exchange rate and the closing rate, for the period's income or loss and for other changes in equity.

2.1.3 Transactions in foreign currencies

Transactions in foreign currencies are converted into euros using the rate of exchange applying on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the rate applying at closing, and the resulting differences are recognised as exchange gains or losses.

Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical rate applying on the date of the transaction.

NB : the applicable rates are stated in Note1.

2.2 Accounting principles specific to the balance sheet

2.2.1 Business combinations

Business combinations are recognised using the acquisition method in accordance with IFRS 3 (formerly called the « purchase method » in the 2004 version thereof).

On the date of acquisition, goodwill is measured as being the aggregate of the cost of the business combination and the acquirer's proportionate interest in the net worth of the acquirer's identifiable assets, liabilities and any acquired liabilities.

Goodwill is not amortized. It is subjected to an impairment test annually or more frequently if events or changes in circumstances indicate that their value has decreased.

Any recognised depreciation is irreversible.

The impairment tests used by the Group are described under heading « Impairment of assets » in Note 2.2.4.

2.2.2 Intangible capital assets

Intangible assets acquired separately are recognised in the balance sheet at their historical cost and amortised over their useful life using the straight-line method.

Intangible assets acquired as part of business combinations are recognised in the balance sheet at their fair value on the date of acquisition.

Research expenses are accounted as charges of the period in which they incurred, as are non-capitalised development costs that do not meet IAS 38 capitalisation criteria.

In the Extrusion sector, studies are initiated with a view to producing parts for a special customer order. When they are contractually the subject of customer financing, the non-financed amount of these costs is recognised as an intangible capital asset.

So development costs must be capitalised (IAS 38) if the company can demonstrate that :

- the project is clearly identified and the costs of the asset thus capitalised are clearly separable and can be reliably measured, and its intention and technical and financial capacity for completion of the project,
- it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise.

Intangible capital assets are amortised using the straight-line method over the estimated useful life each category of assets.

Useful life :

Development costs : the life of the underlying projects, generally between 3 and 15 years.

Software : estimated useful life of between 2 and 15 years.

Other (patents etc.) : the estimated useful life, limited to 20 years.

The Impairment testing methods adopted by the Group are described under heading « Impairment of fixed assets » in Note 2.2.4.

2.2.3 Tangible assets

Tangible assets, primarily comprising property, plant and equipment, are carried at cost less accumulated depreciation and impairment, in accordance with IAS 16.

The Gévelot Group has opted for the periodic revaluation method of its Administrative or Commercial properties by reference to observable prices in an active market, buildings being amortised over their useful life and their net value being periodically revalued on arm's length terms by qualified experts. They are revalued every three years unless changes in their fair value require them to be revalued more often.

For its other tangible assets, in particular its industrial properties, the Group has decided to no longer use the periodic revaluation method, given the difficulty of estimating them without factoring in the activity. Their gross value is their acquisition cost (or the latest revaluation as of 31 December 2007) less accumulated depreciation, and is no longer revalued as of 1 January 2008.

In the Extrusion sector, special tools are purchased or made with a view to producing parts for special customer orders. When they are contractually the subject of customer financing, the non-financed amount of these costs is recognised as an intangible capital asset..

Cost price of fixed assets

The gross tax amount of acquisition costs directly attributable to fixed assets is incorporated into their acquisition cost.

According to the standard treatment described in IAS 23 prior to effective application of its revision, borrowing costs are charged to expenses in the period they are incurred.

Finance leasing

Group property acquired through finance leasing is treated in the consolidated balance sheet and income statement as if it was acquired by borrowing if the contract transfers virtually all of the risks and benefits inherent in ownership thereof to the Group. As a result, tangible asset items are measured at the amount originally financed by the lessor and recorded as "loans" in liabilities.

Leasing repayments are eliminated and replaced with :

- an amortisation expense corresponding to the assets concerned,
- a financial expense on the loan.

Properties under direct financing leases are amortised using the straight-line method over their estimated useful life in the same way as other similar assets, or over the duration of the contract if the latter is shorter and if the Company is not certain to become owner thereof on maturity.

Amortisation

Amortisation is calculated using the straight-line method for asset components having distinct useful lives, which are generally as follows :

- Land : non amortised,
- Buildings (structural work, conversion work, façade rendering and cleaning, weatherproofing) : 10 to 40 years,
- Plant and equipment: 3 to 40 years, barring exceptions,
- Computer hardware : 3 to 5 years

The residual values and useful lives of assets recognised at their historical costs are reviewed on each closing. Losses or gains on asset disposals are measured by comparing the revenue from the disposal with the carrying amount of the sold asset. They are recognised in the income statement under "Other operating income and expenses".

2.2.4 Impairment of fixed assets

Under IAS 36, the Group ensures that the net carrying amount of its fixed assets does not exceed their Recoverable value, namely the amount recovered when they are used or sold.

Apart from goodwill, which undergoes annual impairment tests as a matter of routine, the recoverable value of an asset is estimated whenever there is an indication that it may be impaired.

The recoverable value of an asset is the higher of its costs to sell (or net selling price) and its value in use.

The net selling price is the amount obtainable from the sale of an asset in a bargained transaction between knowledgeable, willing parties, less derecognition costs.

Value in use is the discounted present value of estimated future cash flows expected to arise from the continuing use of an asset on the basis of plans or budgets established over a maximum period of 3 years. Beyond which flows are extrapolated indefinitely by applying a constant or diminishing growth rate.

Impairment test are performed at the level of the Cash Generating Units (CGUs).

The Group has defined its cash generating units as follows :

- Extrusion : each Company and production unit is deemed an independent CGU. Support assets common to a Company have been distributed proportionally to the company's production units.
- Pumps: each Company is deemed an independent CGU.
- Mechanical Engineering : the Company is deemed an independent CGU.

A specific discount rate has been determined for each business segment (see Note 4).

These discount rates equal the rate of return on risk-free investments adjusted by a "share " market risk premium and risks specific to the business segment.

Impairment is recognised when the carrying amount of the asset of CGU to which it belongs exceeds its recoverable value.

2.2.5 Financial assets

Financial assets essentially include loans and receivables.

They mainly comprise security deposits and loans granted under access to property plans.

They are measured at amortised cost using the effective interest rate method. Long-term loans and receivables not bearing interest or bearing interest at rates below market value are discounted if the amounts are significant.

Any depreciation is recognised in the income statement.

Financial assets are initially recognised at the cost of their fair value of the price paid plus acquisition costs.

Trade and other accounts receivable

Receivables are initially recognised at their fair value then measured at their write-down cost using the effective interest rate method, after deduction of impairment provisions.

Trade accounts receivable remain as assets in the balance sheet until all the related risks and rewards revert to a third party.

Impairment provisions are funded if specific risks of non-payment arise on receivables held by Group companies.

Furthermore, all or part of outstanding aged receivables may be impaired.

Impairment or reversals thereof are recognised as current operating income and expense items.

2.2.6 Inventories and work in progress

Under IAS 2 « inventories », the cost of inventories must include all purchase costs, conversion costs and other costs incurred in bringing the inventories to their present location and condition ; commercial rebates, discounts and other similar items are deducted to measure the cost of acquisition.

Inventories are measured using the average weighted price or cost method.

Inventories are required to be stated at the lower of cost and net realisable value (NRV).

The net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Inventories do not include the borrowing cost.

Raw materials, goods and other supplies are measured using one of the following methods, depending on the site : last known purchase price, weighted average unit price.

Manufactured products (in-process and finished products) are valued at their production cost including :

- the cost of consumables,
- direct production costs,
- indirect production costs if they can reasonably be linked to the production of the goods.

If the Net realisable value falls below the carrying amount, a provision for the difference is funded.

In the Extrusion sector, studies are conducted and special tools are made or purchased with a view to producing parts for special customer orders.

If they are contractually financed by the customer, the financed amount of the costs incurred for studies and tools is recorded as in progress inventory.

2.2.7 Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments (under three months) without realisable impairment risk.

The investment options used are those offered by the leading financial institutions and comprise either certificates of deposit or investment fund monetary securities without any special identified risks.

2.2.8 Equity

The Group strives to maintain an adequate level of return on its capital while continuing to make safe management decisions.

The consolidating company has not resorted to delegation with regard to equity instruments. The Group is not subject to any particular external restrictions with regard to the capital of its entities.

2.2.9 Provisions

Defined and similar benefit plans

There are various retirement benefit plans for certain employees in the Group based on national legislations and practices.

Retirement benefit plans, the related severance benefits and other fringe benefits are analysed as defined benefit plans (plans whereby the Group undertakes to guarantee a particular amount or level of defined benefit). They are recognised in the balance sheet on the basis of actuarial estimates of the benefits on the date of closing using the Projected Unit Credit Method. [IAS 19.64], less the fair value of the Plan's related assets, adjusted by the actuarial gains or losses and the costs of unrecognised past services. Contributions paid into the Plans, which are analysed as Defined Benefit Plans, that is, when the Group's only obligation is to pay the contributions, are charged to the period's expenses.

In France, the Group has taken out benefit plans for its employees. The provision stated in the consolidated financial statements is measured in accordance with IAS 19 and includes the related welfare expenses.

In pursuance of local rules, german subsidiary Dold meets its social commitments for its employees through contracts entered into with insurance firms.

The actuarial gains or losses are the effects of differences between the previous actuarial assumptions and what has actually occurred or changes in the assumptions used to calculate the benefits and the assets covering them:

- staff turnover
- pay rises
- discount rate
- mortality rate
- rate of return on assets

If the accumulated unrecognised actuarial gains and losses exceed 10% of the greater of the defined benefit obligation or the fair value of plan assets, a portion of that net gain or loss is required to be recognised immediately as income or expense. The portion recognised is the excess divided by the expected average remaining working lives of the participating employees.

Other social benefits

A provision is funded for bonuses awarded on the occasion of national work medal awards or under company agreements. It is measured according to the probability of employees reaching the qualifying seniority for each grade and is discounted to present value.

Other provisions

A provision is recognised when the Group has a current obligation (legal or constructive) as a result of past events and a reliable estimate of the expected cost can be made, and extinguishment of which should consist in an outlay of resources representing economic benefits for the Group without at least an equivalent amount in return.

Provisions correspond to risks and specifically identified expenses. Any liabilities correspond to potential obligations resulting from past events the existence of which will only be confirmed by the occurrence of future uncertain events beyond the entity's control or current obligations for which an outlay of resources is unlikely.

Other long-term provisions are discounted to present value if their effect is significant.

2.2.10 Financial liabilities

Loans are recognised at amortised cost, except within the framework of hedge accounting (hereafter Derivate Instruments and Hedge Accounting).

Share premiums and costs and call premiums are stated as deductions to loans and are taken into account in determining the effective interest rate.

Derivate instruments and hedge accounting

All derivates (swaps) are recognised in the balance sheet at their fair value and any change in fair value is recognised as income or losses.

The Group avails itself of the option permitted under IAS 39 to use hedge accounting:

- to hedge fair value (fixed-rate loan swapped at a variable rate for instance), the debt is recognised at its fair value up to the level of the hedged risk and any change in fair value is recognised in the income statement. Any change in the fair value of the derivative is also recognised in the income statement. If the hedge is totally effective, the two effects neutralize one another perfectly.
- to hedge cash flows (variable-rate loan swapped at fixed rate for instance), the change in the effective portion of the fair value of the derivate is recognised as equity and is symmetrically reversed in the income statement when the hedged cash flows are recognised, and the ineffective portion is recognised in the income statement.

The fair value of financial instruments is measured according to Quoted market prices in an active market if one exists or a market price. Failing which, it is calculated by an independent expert. The fair value of derivates is obtained from the bank counterparties.

The fair value of current financial assets and liabilities is comparable to their fair value in the balance sheet given their short-term maturity.

2.2.11 Deferred tax

In accordance with IAS 12 «Income taxes », deferred taxes are recognised for all taxable temporary differences between the carrying amounts of the assets and liabilities and their taxable values by applying the current rates of tax and tax rules in force on that date or those that will apply when the temporary difference is absorbed.

Future tax relief resulting from the carryover of tax deficits is only recognised when realisation thereof is probable.

At 31 December 2008, deferred tax assets were retained in the accounts, since their recovery is deemed probable.

Deferred tax assets and liabilities, whatever their maturity, were offset if they concern the same taxable entity and if the latter intends either to settle the net amount or realise the asset and settle the liability simultaneously.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted to present value.

2.3 Accounting principles specific to the income statement

2.3.1 Income from Ordinary Activities

In accordance with IAS 18 « Income from Ordinary Activities », sales of goods less any discounts granted are recognised as turnover on the date the seller has transferred the significant risks and rewards of ownership to the buyer. Generally this takes place on delivery of the goods.

In the Extrusion sector, studies are conducted and special tools are made or purchased with a view to produce parts for special customer orders. If they are contractually financed by the customer, the financing falls within the scope of "Income from Ordinary Activities" as defined by IAS 18. The income is recognised under sales revenue at the end of each technical stage approved by the customer.

Research tax credits are recognised under « Other income from operating activities ».

2.3.2. Current Operation Result and Operating Result

Standard IAS 1 requires a minimum number of items to be included in the income statement :

- Operating Result
- Finance costs,
- Share of the profit or loss of associates and joint ventures accounted for using the equity method,
- Profit or loss of discontinued operations gain or loss recognised on the disposal of the assets,
- Tax expense,
- Profit or loss (broken down into Group share and minority interests share).

Therefore "Operating Result" can be defined as the difference between all income and expenses not resulting from financial activities, equity-method companies, discontinued activities or disposals and tax.

The Gévelot Group has opted to present a Current Operating Result, which is defined as the difference between Operating Result as defined above and "Other operating income and expenses », which include unusual and infrequent events. The latter are very limited in scope but cannot be presented as exceptional or extraordinary items. They primarily include the profit or loss from asset disposals, restructuring costs and the cost of litigation settlements.

The Current Operating Result is a notional balance provided for a better understanding of the company's performance.

2.3.3 Finance costs

2.3.3.1 Cost of net financial debt

The net cost of financial debt comprises all the results produced by items making up net financial debt during the period (bank borrowings and investments, gains or losses from transactions in short-term investments).

2.3.3.2 Other financial income and expenses

These mainly include the results of currency hedging transactions.

2.4 Segment reporting

In accordance with IAS 14, the first level of sector reporting comprises business segments, the second geographical segments. This presentation is based on internal organizational systems and the Group's management structure.

The Gévelot Group's business segments are defined as follows :

- Holding
- Cold Extrusion & Machining
- Pumps / Fluid Technologies
- Mechanical Engineering / Engine and Gas Equipment

B. HIGHLIGHTS

None

C. DECISIVE ESTIMATES AND JUDGEMENTS

Estimates and judgements, which are constantly revised, are based on historical information and on other factors, in particular anticipated future events deemed reasonable given the circumstances.

Decisive accounting estimates and assumptions

The Group makes estimates and assumptions regarding the future. The ensuing accounting estimates by definition seldom match the actual results. Estimates and assumptions that are highly likely to significantly alter the carrying amount of assets and liabilities in the following period are analysed below.

a) Estimated depreciation of goodwill

The Group performs an annual impairment test on goodwill, in accordance with the accounting method set out in Note 2.2.4. Future budgeted cash flows are used to calculate the recoverable value of cash generating units. These calculations rely on estimates.

The impact of changes in the discount rate and in future flows is however not significant with regard to goodwill estimates.

b) Impairment of fixed production assets

The recoverable value of an asset is estimated whenever there is an indication that it may have lost value as stated in Note 2.2.4. The calculations used to determine the recoverable value or value in use of an asset use 3-year budget forecasts and flows extrapolated by applying the growth rate beyond the 3-year horizon. These flows are then discounted to present value using rates specific to each segment.

c) Administrative or Commercial land and buildings are periodically revalued by independent experts. Between each valuation, the Group checks that there is nothing to indicate that they have lost value.

D. Changes in previously issued financial statements

The analysis of the Retirement plans presentation standards lead the Group to reclassify the Pension Funds of the German Subsidiary Dold as non operational Financial Assets. Thus, the Retirement benefit plans recognized in the balance sheet on the basis of actuarial estimates are not anymore compensated with the Fair value of the Plan's related for Provision calculation, and are included in the liabilities for the rough value (note 14). The 2008 balance sheet has been modified to allow comparison between years. As a consequence, 780K were reclassified from non current provision to non current financial assets.

E. Post-balance sheet events

First 2010 months confirmed a restart in activity, restart that could be lower on the 2010 second half especially for Cold Extrusion and Mechanic sectors. For those sectors, 2010 year is announced as a transition year implying continuous efforts on decreasing the level of the break-even point to recover operational profits.

Note 3: Share capital

(in euros)	Ordinary	Treasury	31.12.2008	Cancelled	Par value modified by incorporating reserves	31.12.2009
Ordinary shares						
Number	957 543	-	957 543	-	-	957 543
Par value	35	-	35	-	-	35
Total	33 514 005	-	33 514 005	-	-	33 514 005

Composition of share capital:

At 31 December 2009, authorized share capital totalled 33,514 thousand euros, comprising 957,543 ordinary shares with a par value of 35 euros, issued and fully paid-up.

The number and par value of the shares remained unchanged during the period.

The Group does not have any stock option plans (purchase and/or subscription) under which options on Company shares are awarded to certain employees and senior managers.

Note 4: Goodwill, intangible and tangible capital assets

4.1 Goodwill, intangible and tangible capital assets

31.12.2009	Goodwill	Development expenses	Software and other	In progress	Intangible Assets
Gross Value					
At opening	834	5 039	6 547	970	12 556
Acquisitions and increases	-	263	145	395	803
Outgoings	-	(8)	(164)	(70)	(242)
Book transfer	-	483	322	(809)	(4)
Exchange rate adjustments	60	-	(1)	-	(1)
At closing	894	5 777	6 849	486	13 112
Amortisation and depreciation					
At opening	-	(1 719)	(4 095)	-	(5 814)
Expenses	-	(899)	(422)	-	(1 321)
Net depreciation	-	(47)	(905)	-	(952)
Outgoings	-	4	157	-	161
Exchange rate adjustments	-	-	-	-	-
At closing		(2 661)	(5 265)	-	(7 926)
Net value at opening	834	3 320	2 452	970	6 742
Net value at closing	894	3 116	1 584	486	5 186

31.12.2008	Goodwill	Development expenses	Software and other	In progress	Intangible Assets
Gross Value					
At opening	1 083	3 740	6 388	746	10 874
Acquisitions and increases	-	497	117	1 198	1 812
Outgoings	-	-	(57)	(69)	(126)
Book transfer	-	802	96	(905)	(7)
Exchange rate adjustments	(249)	-	3	-	3
At closing	834	5 039	6 547	970	12 556
Amortisation and depreciation					
At opening	-	(865)	(3 554)		(4 419)
Expenses	-	(641)	(442)	-	(1 083)
Net depreciation	-	(213)	(118)	-	(331)
Outgoings	-	-	19	-	19
Exchange rate adjustments	-	-	-	-	-
At closing		(1 719)	(4 095)	-	(5 814)
Net value at opening	1 083	2 875	2 834	746	6 455
Net value at closing	834	3 320	2 452	970	6 742

4.1 (continued): Goodwill, intangible and tangible capital assets

31.12.2009	Administrative land and buildings	Industrial land and buildings	Plant and Machinery	Other	In progress	Advances and down payments	Tangible capital assets
Gross Value							
At opening	9 348	26 882	172 984	10 999	5 225	312	225 750
Acquisitions and increases	-	1 093	4 320	542	2 209	197	8 361
Outgoings	-	-	(2 332)	(742)	(44)	(35)	(3 153)
Book transfer	-	3 580	3 259	260	(6 814)	(281)	4
Exchange rate adjustments	78	(45)	(77)	15	-	-	(29)
At closing	9 426	31 510	178 154	11 074	576	193	230 933
Amortisation and depreciation							
At opening	(552)	(2 664)	(121 042)	(7 725)	-	-	(131 983)
Expenses	(139)	(609)	(6 971)	(757)	-	-	(8 476)
Depreciation	-	(1 285)	-	-	-	-	(1 285)
Outgoings	-	-	2 028	506	-	-	2 534
Exchange rate adjustments	(2)	2	4	(13)	-	-	(9)
At closing	(693)	(4 556)	(125 981)	(7 989)	-	-	(139 219)
Net value at opening	8 796	24 218	51 942	3 274	5 225	312	93 767
Net value at closing	8 733	26 954	52 173	3 085	576	193	91 714

31.12.2008	Administrative land and buildings	Industrial land and buildings	Plant and Machinery	Other	In progress	Advances and down payments	Tangible capital assets
Gross Value							
At opening	8 313	25 068	173 884	10 718	2 614	496	221 093
Acquisitions and increases	1 232	441	2 322	668	7 218	610	12 491
Outgoings	-	(48)	(6 411)	(545)	(546)	-	(7 550)
Book transfer	125	1 347	3 156	236	(4 063)	(794)	7
Exchange rate adjustments	(322)	74	33	(78)	2	-	(291)
At closing	9 348	26 882	172 984	10 999	5 225	312	225 750
Amortisation and depreciation							
At opening	(415)	(2 137)	(118 988)	(7 390)	-	-	(128 930)
Expenses	(141)	(536)	(6 955)	(817)	-	-	(8 449)
Depreciation	-	-	(1 093)	(78)	-	-	(1 171)
Outgoings	-	10	5 985	495	-	-	6 490
Exchange rate adjustments	4	(1)	9	65	-	-	77
At closing	(552)	(2 664)	(121 042)	(7 725)	-	-	(131 983)
Net value at opening of the period	7 898	22 931	54 896	3 328	2 614	496	92 163
Net value at closing	8 796	24 218	51 942	3 274	5 225	312	93 767

Total capital expenditure on intangibles and tangibles therefore amounts to € 9,164 million.
The period's acquisitions primarily comprise investment in industrial capacity and production.

4.2 Property on direct financing leases

Property on direct financing leases has been restated in the corresponding asset accounts as if they had been acquired freehold. The corresponding debt is recognised as a balance sheet liability.
In the income statement, contractual lease payments have been eliminated and replaced with depreciation expenses and finance charges.

	31.12.2009			31.12.2008		
	Plant and Machinery	Other	Total	Plant and Machinery	Other	Total
Gross Value						
At opening	12 468	523	12 991	11 935	413	12 348
Acquisitions and increases	506	284	790	533	110	643
Outgoings	(52)	(205)	(257)	-	-	-
At closing	12 922	602	13 524	12 468	523	12 991
Amortisation and depreciation						
At opening	(2 292)	(303)	(2 595)	(1 458)	(146)	(1 604)
Expenses	(864)	(169)	(1 033)	(834)	(157)	(991)
Depreciation	-	-		-	-	-
Outgoings	52	204	256	-	-	-
At closing	(3 104)	(268)	(3 372)	(2 292)	(303)	(2 595)
Net value at opening	10 176	220	10 396	10 477	267	10 744
Net value at closing	9 818	334	10 152	10 176	220	10 396

4.3 Valuation method

Depreciation

In accordance with the principle stated in Note 2.2.4, on 31 December 2009 the Group carried out a comparison of the net carrying amount of the assets and their value in use for CGUs showing one or more indications of impairment and for the CGU incorporating goodwill (British subsidiary in the Pumps sector).

Value in use is defined as the sum of future discounted cash flows estimated on the basis of three-year activity and investment plans. The growth rates used to extrapolate forecasted cash flows beyond three years are 2% for the Extrusion sector, 2% for the Pumps sector and 2% for the Mechanical Engineering sector.

The discount rates applied are 8% for Gévelot Extrusion, 7.5% for Dold in Germany, 11% for the Pumps sector and 11% for the Mechanical Engineering sector (respectively 8%, 7.5%, 12% and 11% for the tests carried out at the end of 2008) and correspond to the average cost of the capital after tax, taking each segment's specific market rates and risk premiums into account.

In 2009, value tests led to recognition of €1.3 million of depreciation on the fixed assets of subsidiary Gurtner (Mechanical Engineering) following the recent decline in turnover. This loss in value was allocated to Land and Buildings.

The sensitivity of the value in use calculations to changes in the various assumptions is set out in the table below:

	Difference in value between the Test and Accounts	Discount rate	Indefinite growth rate	Change in cash flow
Variation		0,5%	-0.5%	-10%
Pumps sector				
PCM UK	+0,2 M€	-0,1 M€	-0,1 M€	-0,3 M€
Mechanical Engineering sector				
Gurtner	0	-0,3 M€	-0,3 M€	-0,7 M€
Extrusion sector				
Extrusion France	+17,4 M€	-5,7 M€	-4,8 M€	-6,8 M€
Dold	+13,6 M€	-3,2 M€	-2,8 M€	-4,0 M€
Total Extrusion sector	+31,0 M€	-8,9 M€	-7,6 M€	-10,8 M€

There being no indication of impairment in the Pumps sector, no value test was performed in this sector except on goodwill for PCM UK.

Lower terminal normative flow (key assumption) of 25 % for Gevelot Extrusion and 40 % for Dold should lead to no margin between values in use and asset values tested.

Concerning Extrusion sector, the increase of values in use compared to those determined last year is mainly due to a review of selected normative flows beyond forecast explicit period to 3 years,
This review was introduced following the restructuring carried out in 2009 on industrial tool.

Note 5 : Interests in associated companies

The following interests were accounted for using the equity method:

(in thousands of euros)			31.12.2008	Period income or loss	Translation adjustment	31.12.2009
Kudu Industries Inc.		KEUR	6 001	73	754	6 828
Ensival Moret Asia Pte Ltd./ Ensival Moret Shanghaï Co. Ltd.	*(1)*	KEUR	961	91	(4)	1 048
Total			6 962	164	750	7 876

(1) including the goodwill of K€ 474 at 31 December 2009.

The main financial data relating to equity-method companies is as follows:

(1,000s foreign currency units)		Balance sheet total		Turnover		Equity		Period's profit or loss	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Kudu Industries Inc.	KCAD	37 958	44 740	75 587	84 214	23 204	22 948	256	4 245
	En K€	*25 090*	*26 321*	*47 680*	*54 008*	*15 338*	*13 500*	*161*	*2 722*
Ensival Moret Asia Pte Ltd./ Ensival Moret Shanghaï Co. Ltd.	KSGD	15 143	17 737	18 252	15 580	5 205	3 975	715	115
	En K€	*7 499*	*8 851*	*9 022*	*7 504*	*2 578*	*1 984*	*353*	*55*

PCM has pump supply distribution contracts with its subsidiary Kudu Industries Inc.

Over one quarter of Kudu Industries Inc's turnover comprises products supplied by PCM.

Ensival Moret Shanghaï (E.M.S.), a subsidiary of Ensival Moret Asia (E.M.A.), has a commercial agreement with PCM on :

- the production of parts by E.M.S. for PCM,
- The import by E.M.S. of PCM products for resale and/or integration into PCM customer orders.

Note 6 : Non-consolidated equity interests

Holding companies		Interests		Value of shares held	Depreciation
Gévelot S.A.	Fastening techniques (pending liquidation)	% interest	22,72%	0	0
		Equity	N/A		
		2009 P/L	N/A		

Note 7 : Financial assets

	2009	2008
Long-term		
Other capitalized securities	3	2
Loans	476	431
Other	896	918
Total long-term financial assets	1 375	1 351
Current		
Loans	114	169
Derivatives	-	212
Total current financial assets	114	381
Total financial assets	1 489	1 732

Note 8 : Inventories

		2009		2008
. Raw materials and other supplies	13 115		17 067	
. Work-in-progress inventory	5 964		8 519	
. Semi-finished and finished goods	8 761		15 287	
. Merchandise	2 006		2 706	
Gross amount		29 846		43 579
. Raw materials and other supplies	(1 985)		(1 638)	
. Work-in-progress inventory	(419)		(448)	
. Semi-finished and finished goods	(947)		(946)	
. Merchandise	(51)		(52)	
Depreciation		(3 402)		(3 084)
Total		26 444		40 495

Note 9 : Trade notes and accounts receivable

	2009	2008
Gross value	31 778	40 165
Depreciation	(1 298)	(1 569)
Total	30 480	38 596

Credit risk cover conditions are discussed in the Chairman's report to Shareholders and the operating and financial review.

Because of the domination by a small number of actors in markets where the group operates (mainly in the automotive sector), the Group achieves a significant part of its consolidated turnover with major customers representing individually more than 10% of consolidated turnover.

The part of sector-based turnover achieved with these importants customers is 51,5% for Extrusion sector.

Note 10 : Other accounts receivable

	2 009	2008
Advances and down payments on orders	376	902
Other tax excluding corporate income tax	3 808	4 785
Personnel	153	358
Debit supplier balances	228	466
Other debtors	205	278
Prepaid expenses	1 072	1 279
Total	5 842	8 068

Note 11 : Cash and cash equivalents

	2009	2008
Cash	11 237	7 627
Deposit certificates and Fixed-term accounts	-	8 003
Open-end and monetary investment funds in euros	12 337	4 681
Cash and cash equivalents	23 574	20 311

Cash and cash equivalents are measured at fair value and mature in the short term.

In the consolidated cash flow statement, cash flows and bank overdrafts include:

	2009	2008
Cash and cash equivalents	23 574	20 311
Bank overdrafts	(10 207)	(10 942)
Cash position at closing	13 367	9 369

For the most part, bank overdrafts consist in factoring short-term commercial receivables.

Note 12 : Other accounts payable

	2009	2008
Advances and down payments received on orders	501	970
Other tax excluding corporate income tax, personnel and welfare agencies	13 800	14 556
Other creditors	1 853	1 256
Deferred income	956	1 673
Total	17 110	18 455

Note 13 : Provisions

	01.01.2009	Increases	Reversals		31.12.2009		
			provision used	provision not used	Total	Under one year	Over one year
Contingency provisions							
. Provisions for litigation settlements	771	115	(538)	(41)	307	12	295
. Other contingency provisions	5	-	-	-	5	5	-
Total	776	115	(538)	(41)	312	17	295
Loss provisions							
. Other loss provisions	1 417	240	(334)	-	1 323 *	1 160	163
. Restructuring provisions	1 900	527	(1 697)	-	730	730	-
. Retirement provisions	3 007	384	(32)	(638)	2 721	-	2 721
. Work medal provisions	268	2	(22)	-	248	-	248
Total	6 592	1 153	(2 085)	(638)	5 022	1 890	3 132
Total provisions	7 368	1 268	(2 623)	(679)	5 334	1 907	3 427

*Other loss provisions include:

- provisions for operating expenses	516
- provisions for personnel expenses	640
- provisions for commercial expenses	167
	1 323

Retirement provisions are reviewed in detail in Note 14 "Employee Benefits".

Restructuring provisions include severance benefits paid to employees as part of a plan that was finalized and formalized at the end of 2009.

The reversal on retirement provision not used during 2009 is primarily due (€ 580 K - Note 14) to staff reductions made during the year and its effect on revenue is presented as a deduction of restructuring loss generated by these decisions.

Note 14 : Employee Benefits

Retirement benefits

	France	Germany	2009	2008
Provision in the balance sheet				
Discounted value of obligations covered	3 574	1 872	5 446	5 658
Fair value of the plan's assets	(3 803)	-	(3 803)	(3 909)
Subtotal	(229)	1 872	1 643	1 749
Unrecognised acturial gains/(losses)	1 078	-	1 078	1 258
Provision recognised in the balance sheet	849	1 872	2 721	3 007
Discounted value of obligations covered				
At opening	3 882	1 776	5 658	5 623
Cost of services rendered	196	117	313	323
Financial cost	210	11	221	229
Benefits paid	(256)	(32)	(288)	(334)
Reduction / liquidation plan (*)	(442)	-	(442)	-
Actuarial gain/loss of period	(16)	-	(16)	(183)
Discounted value of obligations covered	3 574	1 872	5 446	5 658
Fair value of the plan's assets				
At opening	3 909	780	4 689	4 803
Effective return	150	(41)	109	171
Contributions	-	21	21	49
Benefits paid	(256)	(32)	(288)	(334)
Fair value of the plan's assets	3 803	728	4 531	4 689
Change in provisions				
At opening	1 231	1 776	3 007	2 746
Period's expenses	(382)	96	(286)	291
Disbursements	-	-	-	(30)
Change in provisions	849	1 872	2 721	3 007
Total expense recognised in income statement				
Cost of services rendered	196	117	313	323
Financial cost	210	11	221	229
Benefits paid	-	(32)	(32)	(43)
Expected return on assets	(150)	-	(150)	(160)
Reduction / liquidation plan (*)	(580)	-	(580)	-
Recognised actuarial gain/loss (corridor)	(58)	-	(58)	(58)
Total expense recognised in income statement	(382)	96	(286)	291

Main actuarial assumptions		
- Discount rate	4,75%	4,50%
- Rate of pay rises	2%	0%
- Retirement age	61(non-managerial) 64 (managerial)	65
- Expected return on assets	4,00%	4,50%

	Projected PBO (**) 31/12/2009	Actual PBO (**) 31/12/2009	Actuarial gain/loss 2009	Actuarial gain/loss 2008
Actuarial gain/loss in period				
Analysis of changes in unrecognized actuarial gain/loss	3 590	3 574	16	183
Stock of actuarial gains/losses at start of period			1 258K€	1 133K€
Reduction / liquidation plan			-138K€	-
Amortisation in period			-58K€	-58K€
Gain/Loss over period			16K€	183K€
Stock of actuarial gains/losses at end of period			1 078K€	1 258K€

(*) : Reduction / liquidation plan is the result of restructuring

(**) PBO : Projected Benefit Obligation. This is the probable current value of the obligation, including a projection of salaries relating to the acquired benefits on the date of calculation.

Defined benefit plans are evaluated by independent actuaries.

Long-service medals paid out by Group companies to their personnet are covered by a provision calculated by an independent actuary (see note 13).

Under IAS 19,104A, Dold assets are recorded as separate assets.

Note 15 : Financial liabilities

15.1 Financial liabilities

	2009	2008
Long-term		
Bank loans	7 866	10 494
Other borrowing and financial debt	1 027	453
Total long-term financial liabities	8 893	10 947
Short-term		
Bank loans	7 326	8 887
Other borrowing and financial debt	61	61
Derivatives	88	29
Bank overdrafts	10 207	10 942
Total current financial liabilities	17 682	19 919
Total financial liabilities	26 575	30 866

Bank overdrafts consist in factoring short-term commercial receivables for € 7,497 million and in using short-term credit lines for € 2,710 million.

15.2 Changes in financial liabilities

	01.01.2009	Repayments	New loans	31.12.2009
Loans and debt with lending institutions (including finance leases)	19 410	(4 995)	865	15 280
Other borrowing and financial debt	514	(68)	642	1 088
Financial liabilities (excluding overdrafts)	19 924	(5 063)	1 507	16 368
Bank overdrafts	10 942	(10 942)	10 207	10 207
Total	30 866	(16 005)	11 714	26 575

15.3 Financial liabilities by date of maturity

	Total		Under 1 year		1 to 5 years		Over 5 years	
	2009	2008	2009	2008	2009	2008	2009	2008
Loans and debt with lending institutions (incl. finance leases)	15 280	19 410	7 414	8 916	7 585	10 466	281	28
Other borrowing and financial debt	1 088	514	61	61	927	230	100	223
Bank overdrafts	10 207	10 942	10 207	10 942	-	-	-	-
Total	26 575	30 866	17 682	19 919	8 512	10 696	381	251

Loans from lending institutions and other loans are covered by € 1,4 million of collateral (see note 26).

Under contractual terms, € 1,9 million of medium-term debts have been classified as short-term liabilities (<1 year).

Note 15 (continued) : Financial liabilities

15.4 Financial liabilities relating to finance leases

	Total		Under 1 year		1 to 5 years		Over 5 years	
	2009	2008	2009	2008	2009	2008	2009	2008
Lessor debts and credits	8 042	9 063	2 039	2 077	5 722	6 958	281	28
Total	8 042	9 063	2 039	2 077	5 722	6 958	281	28

15.5 Breakdown of financial liabilities by main currencies

	Total		Euros		American dollars		Sterling pounds	
	2009	2008	2009	2008	2009	2008	2009	2008
Loans and debt with lending institutions (incl. Finance leases)	15 280	19 410	15 280	19 410	-	-	-	-
Other borrowing and financial debt	1 088	514	1 088	514	-	-	-	-
Bank overdrafts	10 207	10 942	10 191	10 938	16	4	-	-
Total	26 575	30 866	26 559	30 862	16	4	-	-

15.6 Breakdown of financial liabilities by type of rate

	2009	2008
Covered variable rates	2 050	2 897
Non-covered variable rates (*)	400	678
Fixed rates	5 855	7 286
Interests	21	-
Overdrafts	10 207	10 942
Finance leases	8 042	9 063
Total	26 575	30 866

(*) loans at non-covered variable rates mature between 2010 and 2011.

Weighted average interest rates are Euribor 3M + 0,40 for loans at covered variable rates and Euribor 3M + 0,60 for loans at non-covered variable rates.
For loans at fixed rates, interest rates range between 4% and 5%.

Note 16 : Taxes

16.1 Payable taxes

	01.01.2009	Payments	Down payments	Period expense	31.12.2009
Asset	(2 002)	2 002	(1 110)	-	(1 110)
Liability	58	(41)	(55)	106	68
Total				106	

16.2 Deferred taxes

		Movements			
	01.01.2009	Income statement	Equity	Other (incl. Translation)	31.12.2009
Deferred tax assets	(1 817)	(701)	(97)	-	(2 615)
Deferred tax liabilities	13 374	(325)	-	18	13 067
Total	11 557	(1 026)	(97)	18	10 452

Deferred tax assets primarily comprise carried-over tax deficits, retirement provisions and similar benefit plans and temporary tax timing differences.

Deferred tax liabilities arise mainly from fixed asset valuation differences and restatements of finance lease contracts and regulated provisions.

16.3 Income tax expenses

The breakdown of tax in the income statement is as follows:

	2009	2008
Payable taxes	106	826
Deferred taxes	(1 026)	209
Total	(920)	1 035

Deferred tax expenses/income breaks down as follows:		
- Income on depreciation expenses for intangible and tangible capital assets	(234)	(222)
- Income/expenses from net provisions for/reversals of intangibles and tangible capital asset depreciation	(769)	(518)
- Expenses on reversed regulated provisions and other taxes	445	677
- Other income and expenses	182	150
- Deferred deficits	(707)	23
- Timing differences	57	99
Total deferred tax expense/(income)	(1 026)	209

Reconciliation of the theoretical and the recognised income tax expense:

			2009
Current operating income of consolidated companies			(2 812)
Theoretical income tax expense in France	451		
Theoretical income tax expense in Germany	342		
Theoretical income tax expense in England	(105)		
Theoretical income tax expense in Italy	22		
Theoretical income tax expense in America	149		
Theoretical income tax expense in China	31		
Theoretical income tax expense in Venezuela	9		
Total theoretical income tax expense		899	
Net impact of non-deductible or non-taxable expenses and income		21	
Effective income tax expense on current operations			920
Net income of consolidated companies			(1 892)

The net impact of non-deductible or non-taxable expenses and income essentially includes permanent timing differences.

Rate of corporate income tax (2009 and subsequent financial years)			
France	34,43%	Italy	31,40%
Germany	28,25%	America and Venezuela	34,00%
England	28,00%	China	25,00%

Note 17 : Income from operating activities

	France	Foreign countries	2009	2008
Sales of goods	1 957	5 575	7 532	8 427
Production sold:				
. Of goods	67 735	83 578	151 313	191 250
. Of services	1 002	773	1 775	1 594
Turnover	70 694	89 926	160 620	201 271
Operating grants			62	169
Other income			1 623	2 565
Other income from activities			1 685	2 734
Production stored			(5 251)	(76)
Self-constructed capital assets			481	1 110
Total other income from operating activities			(3 085)	3 768
Total income from operating activities			157 535	205 039

"Other income" include research tax credit and other current operating income.

Note 18 : Current operating expenses

		2009	2008
Purchases of goods		2 878	6 257
Changes in goods inventory		1 316	(640)
Purchases of raw materials and other supplies		42 364	70 392
Changes in inventories of raw materials and other supplies		7 417	321
Other purchases and external charges		26 350	36 961
Payroll expenses		58 100	66 145
Taxes and comparable payments		4 146	4 853
Depreciation and estimated expenses:			
. on capital assets	- depreciation expenses (1)	9 797	9 532
. on long-term assets	- expenses/income on impairment provisions (1)	2 237	1 502
. on current assets	- estimated expenses	1 193	1 765
. contingency	- estimated expenses	291	(58)
Other expenses		400	440
Total current operating expenses		156 489	197 470

(1) See Note 4

Note 19 : Financial income/loss

	2009	2008
Interest generated by cash and cash equivalents	154	356
Net earnings from sales of short-term investments	55	334
Income from cash and cash equivalents	209	690
Interest charges on financing transactions	919	1 615
Gross cost of financial indebtedness	919	1 615
Net cost of financial indebtedness	(710)	(925)
Income from financial instruments	17	-
Discounted financial income	13	78
Positive change in fair value of assets and liabilities measured at fair value	42	147
Income from interest and exchange rate hedges	412	275
Other financial income	167	210
Total other financial income	651	710
Losses on financial instruments	6	38
Discounted financial expenses	226	217
Negative change in fair value of assets and liabilities measured at fair value	4	42
Losses on interest and exchange rate hedges	468	392
Other financial expenses	43	47
Total other financial expenses	747	736
Income (loss) from other financial income and expenses	(96)	(26)
Financial income (loss)	(806)	(951)

Note 20 : Segment information

20.1 Breakdown of fixed assets by business segment

	At 31.12.2009					At 31.12.2008				
	Holding	Extrusion	Pumps	Mechanical Engineering	Total	Holding	Extrusion	Pumps	Mechanical Engineering	Total
Goodwill (1)	-	-	894	-	894	-	-	834	-	834
Intangibles subtotal	40	5 539	6 231	1 302	13 112	45	5 151	6 013	1 347	12 556
Land and buildings	20 013	7 904	8 125	4 894	40 936	20 013	6 705	4 622	4 890	36 230
Industrial plant and other	163	157 115	24 255	7 695	189 228	166	154 992	21 422	7 403	183 983
In progress	-	382	194	-	576	-	1 200	3 980	45	5 225
Advances and down payments	-	193	-	-	193	-	277	-	35	312
Tangibles subtotal	20 176	165 594	32 574	12 589	230 933	20 179	163 174	30 024	12 373	225 750
Gross values	20 216	171 133	39 699	13 891	244 939	20 224	168 325	36 871	13 720	239 140
Accumulated amortization/ depreciation	1 304	119 225	16 514	10 102	147 145	927	114 247	14 073	8 550	137 797
Net values	18 912	51 908	23 185	3 789	97 794	19 297	54 078	22 798	5 170	101 343
Period's expenses	385	6 955	3 094	1 600	12 034	380	6 828	1 791	2 035	11 034
Balance sheet total by business segment	73 246	87 135	68 767	10 001		70 408	98 708	75 548	13 336	

The land and buildings in the above table are broken down according to the notion of legal ownership.
In an operating view, Gévelot SA's land and buildings are put at the disposal of the Extrusion sector for €12.3 million and the Pumps sector for €3.8 million.

Total capital expenditure on intangibles and tangibles in 2009 amounted to:

Holding company:	- K€
Cold Extrusion & Machining:	4 993 K€
Pumps / Fluid Technology:	3 912 K€
Mechanical Engineering/Engine and Gaz Equipment:	259 K€
	9 164 K€

Total capital expenditure on intangiles and tangibles in 2008 amounted to:

Holding company:	1 425 K€
Cold Extrusion & Machining	6 692 K€
Pumps/Fluid technology:	5 602 K€
Mechanical Engineering/Engine and Gas Equipment:	584 K€
	14 303 K€

20.2 Changes in financial liabilities by business segment

	01.01.2009	Repayments	New loans	31.12.2009
Loans and debt with lending institutions (incl. Finance leases)				
Cold Extrusion & Machining	19 327	(4 924)	814	15 217
Pumps/Fluid Technology	83	(71)	51	63
Subtotal	19 410	(4 995)	865	15 280
Loans and sundry financial debts	514	(68)	642	1 088
Bank overdrafts				
Holding	1	(1)	1	1
Cold Extrusion & Machining	8 887	(8 887)	7 331	7 331
Pumps / Fluid Technology	15	(15)	2 045	2 045
Mech. Engineering/Engine & Gas Equipment	2 039	(2 039)	830	830
Subtotal	10 942	(10 942)	10 207	10 207
Total	30 866	(16 005)	11 714	10 207

20.3 Consolidated turnover by business segment

	31.12.2009			31.12.2008		
	Outside Group	Intra Group	Total	Outside Group	Intra Group	Total
Holding	138	3 529	3 667	77	3 526	3 603
Cold Extrusion & Machining	81 974	460	82 434	107 427	607	108 034
Pumps/Fluid Technology	67 109	3 984	71 093	78 633	4 244	82 877
Mech. Engineering/Engine & Gas Equipment	11 399	-	11 399	15 134	-	15 134
Intercompany balancing figures	-	(7 973)	(7 973)	-	(8 377)	(8 377)
Total	160 620	-	160 620	201 271	-	201 271

20.4 Results by business segment

Current operating income

	2009			2008		
	Outside group	Intra-group	Total	Outside group	Intra-group	Total
Holding	(2 328)	3 551	1 223	(2 652)	3 583	931
Cold Extrusion & Machining	(1 241)	(2 743)	(3 984)	4 722	(2 803)	1 919
Pumps/Fluid Technology	5 759	(743)	5 016	7 548	(710)	6 838
Mechanical Engineering/Engine and Gas Equipment	(1 144)	(65)	(1 209)	(2 049)	(70)	(2 119)
Total	1 046	-	1 046	7 569	-	7 569

Transition from current operating income to operating income	Holding	Extrusion	Pumps	Mechanical	Total 2009	Total 2 008
Current operating income	1 223	(3 984)	5 016	(1 209)	1 046	7 569
Litigation settlements	-	(144)	-	(29)	(173)	(73)
Restructuring costs	-	(1 452)	(993)	(178)	(2 623)	(2 131)
Divers	1	(92)	(165)	-	(256)	(269)
Total	1 224	(5 672)	3 858	(1 416)	(2 006)	5 096

Restructuring costs are the result of restructuring measures set up in Extrusion sector (France and Germany) to cope with the sharp downturn of the activity.
For Pumps sector, restructuring costs consist essentially in activity redeployment from Rambouillet to PCM other sites.

Operating income

	2009			2008		
	Outside group	Intra-group	Total	Outside group	Intra-group	Total
Holding	(2 327)	3 551	1 224	(2 660)	3 583	923
Cold Extrusion & Machining	2 929	(2 743)	(5 672)	2 249	(2 803)	(554)
Pumps/Fluids Technology	4 601	(743)	3 858	7 551	(710)	6 841
Mechanical Engineering/Engine and Gas Equipment	(1 351)	(65)	(1 416)	(2 044)	(70)	(2 114)
Total	(2 006)	-	(2 006)	5 096	-	5 096

Earnings before tax of consolidated companies

	2009			2008		
	Outside group	Intra-group	Total	Outside group	Intra-group	Total
Holding	(2 162)	3 665	1 503	(2 116)	3 672	1 556
Cold Extrusion & Machining	(3 819)	(2 857)	(6 676)	804	(2 892)	(2 088)
Pumps/Fluid Technology	4 564	(743)	3 821	7 649	(710)	6 939
Mechanical Engineering/Engine and Gas Equipment	(1 395)	(65)	(1 460)	(2 192)	(70)	(2 262)
Total	(2 812)	-	(2 812)	4 145	-	4 145

Net consolidated income

	2009			2008		
	Outside group	Intra-group	Total	Outside group	Intra-group	Total
Holding company	927	2 403	3 330	344	2 408	2 752
Cold Extrusion & Machining	(4 785)	(1 873)	(6 658)	(685)	(1 896)	(2 581)
Pumps/Fluid Technology	3 190	(487)	2 703	6 422	(466)	5 956
including share of income from equity-method companies	*164*		*164*	*1 240*		*1 240*
Mechanical Engineering/Engine and Gas Equipment	(1 060)	(43)	(1 103)	(1 731)	(46)	(1 777)
Total	(1 728)	-	(1 728)	4 350	-	4 350

20.5 Breakdown of fixed assets by geographical segment

	At 31.12.2009				At 31.12.2008			
	France	Germany	Other countries	Total	France	Germany	Other countries	Total
Goodwill (1)	-	-	894	894	-	-	834	834
Intangibles subtotal	11 042	2 038	32	13 112	10 710	1 817	29	12 556
Land and buildings	30 586	7 904	2 446	40 936	27 112	6 705	2 413	36 230
Industrial plant and other	141 339	44 936	2 953	189 228	138 705	43 627	1 651	183 983
In progress	510	66	-	576	4 638	548	39	5 225
Advances and down payments	52	141	-	193	112	200	-	312
Tangibles subtotal	172 487	53 047	5 399	230 933	170 567	51 080	4 103	225 750
Gross values	183 529	55 085	6 325	244 939	181 277	52 897	4 966	239 140
Accumulated amortization/depreciation	113 649	32 773	723	147 145	106 531	30 743	523	137 797
Net values	69 880	22 312	5 602	97 794	74 746	22 154	4 443	101 343
Period's expenses	9 407	2 367	260	12 034	8 567	2 273	194	11 034

(1) concerns PCM Group UK Ltd

20.6 Consolidated turnover by geographical segment

		31.12.2009			31.12.2008	
France		70 694	*44,0%*		85 551	*42,5%*
. European Union countries	51 277			68 383		
. Other European countries	2 015			5 010		
. America	13 141			21 988		
. Other areas	23 493			20 339		
Foreign countries		89 926	*56,0%*		115 720	*57,5%*
Total		160 620	*100,0%*		201 271	*100,0%*

Note 21 : Research and development

Research and development expenses for the entire group amounted to€1,815 million, K€ 460 of which were capitalized in accordance with IAS 38.

Note 22 : Financial instruments

	Gross Value	< 1 yr	> 1 yr < 5 yr	> 5 yr	Discount rate	Discount diff/ y-1	(Loss)/ reversal period	Discounted gain/loss at 31/12/09	Dep.	Value in balance sheet
Financial assets										
-Aids for construction over one year	616		280	336	3,5%	(143)	3	(140)	-	476
-Aids for construction under one year	151	151							(37)	114
-Derivate instruments	-	-								-
-Securities measured at fair value against income statement	-	-								-
Financial liabilities										
-Derivate instruments	88	88								88

Access to property plans represent loans to employees with repayment periods of 20 years. These interest-free loans are discounted to present value to factor in the loss in value of future repayments.

Derivate instruments are financial instruments used by the Company to hedge against interest or exchange rate fluctuations. They mainly comprise interest rate swaps on variable-rate loans. Their fair value is calculated by an independent expert. Foreign exchange contracts are transactions (purchases/sales) in currency futures.

MANAGING FINANCIAL RISK

Apart from its variable-rate loans, the Group has no significant market risks on its financial debt and receivables or its short-term investments. The Group's short-term investments portfolio primarily includes monetary investments. The Group has some partially share-backed short-term investments but the overall risk of loss in value is negligible given the very short time they are held and the guarantees provided.

The return on them is comparable to market rates.

The Group is exposed to some foreign exchange risk on its exports. When they are significant, they are generally covered by foreign exchange hedges transactions (purchases/sales) in currency futures.

Additional information on how the Group manages risk is provided in the operating and financial review.

Note 23 : Rental and lease agreements

	Total future payments	Discounted value	Gross underlying value	Currency	Average residual duration	< 1 yr	> 1 yr < 5 yr	> 5 yr	Rate of interest	Discount rate
Type of contract										
Rental - for operations	608	579		Euro	2,5 years	261	347	-		n/a
Rental - Non-operating	839	802		Euro	2 years	390	449	-		n/a
Finance leases	8 538	8 069	13 524	Euro	4 years	2 262	5 710	566	3,70%	3,50%

Rental agreements are straighforward agreements for periods of 3 to 10 years.
"For operations" primarily includes the renting of storage space and handling equipment.
"Non-operating" primarily includes computing hardware, office equipment and company vehicles.
Most of the finance leases are on Gévelot Extrusion's production equipment (presses, plant).
An expense of approximately 0.9 million euros was recognised in 2009 for straightforward rental agreements.

Note 24 : Managers' remuneration

	2009	2008
Short-term benefits (excluding social security charges)	551	556
Social security charges	156	162
Total	707	718

Managers include members of the Board of Directors and the Audit Committee.
Remuneration includes gross salary, fringe benefits and director's fees.
Corporate officers have no specific retirement plan.

Note 25 : Average headcount

	2009	2008
Managerial and executive	214	222
Supervisory, clerical and blue-collar	1 037	1 211
Total	1 251	1 433
Temporary workers	16	27

Note 26 : Off-balance sheet commitments

Contractual Obligations

	2009	2008
Pledges, bonds and guarantees	1 396	3 472
Notes receivable discounted	-	-
Debts for which consolidated companies have granted a guarantee	1 877	1 717
including loan from lending instittutions	*1377*	*1 717*
Other contractual obligations	-	37
Total	3 273	5 226

Commitments received

	2009	2008
Pledges, bonds and guarantees	123	212
Other	-	-
Total	123	212

Note 27 : Affiliated companies

(in thousands of euros)	2009 Amount of transactions	2009 Amount of balances	2008 Amount of transactions	2008 Amount of balances
Fixed assets	-		-	
Receivables		1 546		1 453
Payables		52		324
Expenses	2 038		2 611	
Income	8 653		10 262	

Transactions with the above affiliated companies primarily consist of routine operations with companies over which the Group exercises significant influence and which are consolidated by means of the equity method. All such transactions are based on market prices.

Transactions with affiliates who are natural persons (directors, corporate officers and their relatives) are insignificant.

Note 28 : Fees of Auditors and members of their network

(in euros)	PRICEWATERHOUSECOOPERS 2009 Amount	%	PRICEWATERHOUSECOOPERS 2008 Amount	%	C.R.E.A. 2009 Amount	%	C.R.E.A. 2008 Amount	%	JEAN MARIE 2008 Amount	%
Audit										
Auditing, certification, review of individual and consolidated financial statements	98 306	100%	50 000	33%	123 194	100%	125 135	100%	40 000	100%
Issuer	*69 806*	*71%*	*35 000*	*23%*	*73 490*	*60%*	*70 000*	*56%*	*40 000*	*100%*
Fully consolidated subsidiaries	*28 500*	*29%*	*15 000*	*10%*	*49 704*	*40%*	*55 135*	*44%*	-	-
Services directly relating to audit engagements	-	-	-	-	-	-	-	-	-	-
Issuer	-	-	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-
Subtotal	98 306	100%	50 000	33%	123 194	100%	125 135	100%	40 000	100%
Other services rendered										
Legal, fiscal, social			100 865	67%	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	100 865	67%	-	-	-	-	-	-
Total	98 306	100%	150 865	100%	123 194	100%	125 135	100%	40 000	100%

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

CREA
Cabinet ROUSSEL & Associés
41, avenue de Friedland
75008 Paris

RAPPORT DES COMMISSAIRES AUX COMPTES SUR LES COMPTES CONSOLIDES

Exercice clos le 31 décembre 2009

Aux actionnaires
Gévelot SA
6, boulevard Bineau
92300 Levallois-Perret

En exécution de la mission qui nous a été confiée par votre Assemblée Générale, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2009, sur :

- le contrôle des comptes consolidés de la société Gévelot SA tels qu'ils sont joints au présent rapport ;
- la justification de nos appréciations ;
- la vérification spécifique prévue par la loi.

Les comptes consolidés ont été arrêtés par le Conseil d'administration. Il nous appartient, sur la base de notre audit, d'exprimer une opinion sur ces comptes.

I - Opinion sur les comptes consolidés

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les comptes consolidés ne comportent pas d'anomalies significatives. Un audit consiste à vérifier, par sondages ou au moyen d'autres méthodes de sélection, les éléments justifiant des montants et informations figurant dans les comptes consolidés. Il consiste également à apprécier les principes comptables suivis, les estimations significatives retenues et la présentation d'ensemble des comptes. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Nous certifions que les comptes consolidés de l'exercice sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne**,** réguliers et sincères et donnent une image fidèle du patrimoine, de la situation financière, ainsi que du résultat de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur :

- la note 2A de l'annexe qui mentionne les nouvelles normes d'application obligatoire et notamment IAS 1 révisée ;
- la note 2D qui mentionne la modification apportée au bilan comparatif au 31 décembre 2008 relative au reclassement des fonds de pension de la filiale allemande en actifs financiers non courants.

II - Justification des appréciations

Les estimations comptables concourant à la préparation des états financiers au 31 décembre 2009 ont été réalisées dans un contexte de crise économique et financière pesant encore fortement sur les secteurs d'activité du groupe et créant également une difficulté certaine à appréhender les perspectives économiques. C'est dans ce contexte que, conformément aux dispositions de l'article L.823-9 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les éléments suivants :

Comme indiqué dans la note 2.2.4 de l'annexe, la valeur recouvrable des actifs immobilisés amortissables regroupés par unité génératrice de trésorerie est comparée à la valeur nette comptable lorsqu'apparaissent des indices de perte de valeur. En 2009, les tests ainsi réalisés ont conduit à enregistrer une dépréciation complémentaire des actifs affectés aux activités « Mécanique » (note 4.3 de l'annexe). Dans le cadre de notre appréciation des estimations significatives retenues pour l'arrêté des comptes, nous avons vérifié la conformité de l'approche retenue avec le référentiel IFRS ainsi que la correcte application des modalités de mise en œuvre des tests de perte de valeur décrites dans l'annexe. Nous avons également examiné la documentation disponible comprenant notamment les prévisions de flux de trésorerie et les autres hypothèses retenues.

Les appréciations ainsi portées s'inscrivent dans le cadre de notre démarche d'audit des comptes consolidés, pris dans leur ensemble, et ont donc contribué à la formation de notre opinion exprimée dans la première partie de ce rapport.

III - Vérification spécifique

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, à la vérification spécifique prévue par la loi des informations données dans le rapport sur la gestion du groupe.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Neuilly-sur-Seine et Paris, le 22 avril 2010
Les Commissaires aux Comptes

PricewaterhouseCoopers Audit	**CREA**
Pierre Riou	Christophe Bonte

N.B. : This report is corresponding to the opinion of Statutory Auditors that the annual financial statements present fairly, in all material respects, the financial position of the company at December 31, 2009 and the results of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France.

Individual financial statements at 31 December 2009

Balance sheet at 31 December 2009

ASSETS (in tthousands of euros)	Gross amount at 31.12.2009	Amortization or Depreciation	Net amount at 31.12.2009	Net amount at 31.12.2008
CAPITAL ASSETS (I)				
Intangible assets (A)				
Concessions, patents, licences, trademarks, processes, rights and comparable items	40	25	15	18
Total A	40	25	15	18
Tangible capital assets (B)				
Land	3 047	139	2 908	2 911
Buildings	15 516	9 196	6 320	6 543
Other	163	80	83	96
In progress	-	-	-	-
Advances and down payments	-	-	-	-
Total B	18 726	9 415	9 311	9 550
Long-term investments (C) (1)				
Equity investments	44 021	-	44 021	35 771
Receivables from equity investments	185	-	185	3 574
Loans	52	-	52	61
Other	10	-	10	10
Total C	44 268	-	44 268	39 416
Total (I) Capital assets (A + B + C)	63 034	9 440	53 594	48 984
CIRCULATING ASSETS (II)				
Advances and down payments paid on orders	-	-	-	-
Receivables (2)				
Trade notes and accounts receivable	116	-	116	176
Other	1 643	-	1 643	2 065
Short-term investments	5 414	-	5 414	10 472
Cash	4 506	-	4 506	552
ACCRUALS				
Prepaid expenses (2)	23	-	23	31
Total (II) circulating assets	11 702	-	11 702	13 296
Unrealized foreign exchange losses (III)	-	-	-	-
Grand total (I + II + III)	74 736	9 440	65 296	62 280

(1) Including under 1 year	185	9
(2) Including over 1 year	77	84

LIABILITIES (in thousands of euros)	Before appropriation		After appropriation	
	Net amount at 31.12.2009	Net amount at 31.12.2008	Net amount at 31.12.2009 (a)	Net amount at 31.12.2008 (b)
EQUITY (I)				
Capital	33 514	33 514	33 514	33 514
Paid-in capital	-	-	-	-
Revaluation adjustements	-	-	-	-
Reserves :				
. Legal reserve	2 966	2 851	3 090	2 966
. Other	12 753	12 753	13 000	12 753
Retained earnings	2 528	2 268	2 910	2 528
Net income (loss) of period	2 477	2 290	-	-
Subtotal: net position	54 238	53 676	52 514	51 761
Investment grant	9	10	9	10
Regulated provisions	1 751	1 432	1 751	1 432
Total Equity (I)	55 998	55 118	54 274	53 203
PROVISIONS (II)				
Contingency provisions	-	-	-	-
Loss provisions	7 307	5 280	7 307	5 280
Total Provisions (II)	7 307	5 280	7 307	5 280
LIABILITIES (III) (1)				
Loans and liabilities from lending institutions (2)	1	1	1	1
Other borrowing and financial debt	713	711	713	711
Advances and down payments received on current orders	-	-	-	-
Trade notes and accounts payable	167	95	167	95
Tax and welfarre liabilities	405	388	405	388
Liabilities to fixed-asset suppliers incl. unpaid amts. on investment shares	35	36	35	36
Other liabilities	670	651	2 394	2 566
Prepaid income	-	-	-	-
Total liabilities (III)	1 991	1 882	3 715	3 797
Unrealized foreign exchange gains (IV)	-	-		
Grand total (I + II + III +IV)	65 296	62 280	65 296	62 280

(1) Including over 1 year	712	789	712	789
Including under 1 year	1 279	1 093	1 279	1 093
(2) including cash credits and bank credit balances	1	1	1	1

a) After appropriation submitted to the General Meeting of 24 June 2010.

b) After appropriation decided by the Combined Annual and Extraordinary General Meeeting of 25 June 2009.

2009 income statement

INCOME STATEMENT (in thousands of euros)	Period 2009	Period 2008
OPERATING REVENUE		
Rendering of services	3 667	3 603
Net turnover	3 667	3 603
Other income	143	130
Total operating revenue (I) (1)	3 810	3 733
OPERATING EXPENSES		
Other purchases and external charges	762	859
Taxes	438	436
Wages and salaries	674	718
Social security charges	286	304
Amortization expenses on fixed assets	241	238
Depreciation expenses on fixed assets	-	-
Other charges	68	64
Total operating expenses (II) (2)	2 469	2 619
1 - OPERATING INCOME (LOSS) (I - II)	1 341	1 114
FINANCIAL INCOME		
From minority interests (3)	1 602	1 417
Other interests and comparable income (3)	280	634
Excess provisions charged and expense transfers	-	-
Foreign exchange gains	-	-
Total financial income (III)	1 882	2 051
FINANCIAL EXPENSES		
Amortization and depreciation expenses	-	-
Interest expense (4)	-	-
Foreign exchange losses	-	-
Total finance costs (IV)	-	-
2 - FINANCIAL IINCOME/LOSS (III - IV)	1 882	2 051
3 - PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS (I - II) + (III - IV)	3 223	3 165
EXCEPTIONAL GAINS		
Exceptional gains in operations	75	15
Exceptional gains from sales of assets and other capital transactions	1	23
Excess provisions charged and expense transfers	12	12
Total exceptional gains (V)	88	50
EXCEPTIONAL EXPENSES		
Exceptional expenses in operations	45	78
Exceptional expenses from sales of assets and other capital transactions	-	30
Exceptional amortization and provision expenses	2 359	2 084
Total exceptional expenses (VI)	2 404	2 192
4 - EXCEPTIONAL ITEMS (V - VI)	(2 316)	(2 142)
Income tax (VII)	(1 570)	(1 267)
Total income (I + III + V)	5 780	5 834
Total expenses (II + IV + VI + VII)	3 303	3 544
5 - PROFIT	2 477	2 290

(1) including operating revenue relating to prior periods	(21)	(17)
(2) including operating expenses relating to prior periods	(30)	(21)
(3) including income concerning affiliated companies	1 716	1 506
(4) including interest concerning affiliated companies	-	-

Cash flow statement 2009

CASH FLOW (in thousands of euros)	2009	2008
OPERATING ACTIVITIES		
Net income (loss)	2 477	2 290
Elimination of expenses and income not affecting cash or relating to operations:		
- Amortization and depreciation	241	238
- Provisions	2 347	2 072
- Capital gains, net of taxes	(1)	4
Cash flows from operations	5 064	4 604
- Change in inventories	-	-
- Change in trade accounts receivable	60	(75)
- Change in trade accounts payable	72	(22)
- Other variations	466	(1 206)
Change in working capital requirement	598	(1 303)
NET CASH FLOW FROM OPERATING ACTIVITIES	5 662	3 301
INVESTING ACTIVITIES		
- Acquisitions of intangible and tangible capital assets	-	(1 425)
- Acquisitions of and increases in long-term investments	(4 861)	(2 849)
Subtotal	(4 861)	(4 274)
- Disposals of intangible and tangible capital assets	-	24
- Sales of and reductions in financial assets	9	-
Subtotal	9	24
Net investments of period	(4 852)	(4 250)
Change in working capital requirement	(1)	(24)
NET CASH FLOW FROM INVESTING ACTIVITIES	(4 853)	(4 274)
FINANCING ACTIVITIES		
- Capital increases (reductions)	-	-
- Dividends allocated to the compagny's shareholders	(1 915)	(2 106)
- Other distributions	-	-
Total	(1 915)	(2 106)
- Changes in loans and financial liabilities	2	27
- Change in working capital requirement	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(1 913)	(2 079)
CASH FLOW	(1 104)	(3 052)
Cash position on opening	11 023	14 075
Cash position on closing	9 919	11 023
	(1 104)	(3 052)

Notes to the individual financial statements at 31 December 2009

These notes supplement and comment on the balance sheet prior to appropriation for period ending 31 December 2009, totalling 65,295,908.28 euros, and the period's income statement, presented in report form, which totals 5,780,839.80 euros and shows a profit of 2,476,816.05 euros.

Notes 1 to 19 hereafter form an integral part of the annual financial statements (unless otherwise specified, all amounts are stated in thousands of euros).

The financial year is 12 months long and runs from 1 January 2009 to 31 December 2009.

These annual financial statements were drawn up by the Board of Directors on 15 April 2010.

Note 1 : Accounting principles and rules for establishing the annual financial statements

The annual financial statements of Gévelot S.A. have been prepared in accordance with prescriptions given in the general chart of accounts 1999, approved by Decree of 22 June 1999, and all regulations mentioned in the C.R.C after this date.

a) Main methods used

Intangible assets

Intangible assets comprise software, which is amortised using the straight-line method over 3 to 15 years.

Tangible capital assets

Tangible assets are measured at their acquisition cost (purchase price plus costs excluding borrowing costs), except for assets acquired prior to 31 December 1976, which have been revalued in accordance with the law.

Since 1 January 2005, a change in method has been used for assets further to the initial compulsory adoption of the regulations on assets with regard to the amortisation, depreciation (CRC regulation 2002-10) definition, measurement and recognition thereof (CRC regulation 2004-06).

Gévelot S.A., by way of exception to the general retrospective principle, has thus adopted the approach known as « reallocation of net carrying amounts », in accordance with the first-time adoption provisions of the new rules.

Impairment amortisation is calculated by the straight-line method according to the expected estimated useful life ; it is based on the acquisition amount less the estimated residual value at the end of estimated useful life.

Estimated useful lives:

- office space : straight-line, 40 years
- industrial buildings : straight-line, 50 years
- other tangible capital assets : straight-line, 5 to 20 years.

Any components of the above and the methods applied are specified below :

- Buildings
    - Structural work : straight-line, method, 40 and 50 years
    - Fit-outs and conversions: straight-line, 20 to 30 years
    - Façade rendering : straight-line, 10 years
    - Weatherproofing : straight-line, 20 years

Impairment of assets

If there is any indication that an asset or group of assets has lost value, an impairment test is performed. An asset or group of assets is impaired if its net carrying amount exceeds is current value.

The current value of asset or group of assets is the higher of the value of its net selling price and that of the future economic benefits expected to be derived from use thereof.

Investments in subsidiaries and affiliates

Minority investments are recognised at acquisition cost or their contribution value, barring statutory revaluation.

The carrying amount is compared with the share of equity held in the company concerned. If this share is lower than the carrying amount, an additional analysis is carried out to estimate the value in use of the equity interest according to its rate of return and future prospects. If the value in use thus measured is lower than the carrying amount of the equity interest in question, the difference between these two values is written down.

Other asset components

On closing, the net carrying amount of asset components other than intangible and tangible assets is compared with their current value on the same date.
If this value is lower than the carrying amount, the difference is written down.

Short-term investments

These are measured at acquisition cost. If their liquidation or probable selling value on closing is lower, the difference is written down.
The market value of short-term investments at 31 December 2009, comprising open-end and monetary investments funds, totals €5.4 million.

Investment grants

Investment grants are recorded in the income statement as soon as they are granted and constitute items of unusual income
Partial grants are reversed by an amount equal to the taxable amortisation expense allocated to the asset grant portion of the grant.

Regulated provisions

The regulated provisions stated in the balance sheet are capital cost allowances on intangible and tangible assets. They are offset in the income statement as exceptional expenses and gains.

Provisions

Provisions cover specifically identified contingencies and losses identified in accordance with the general chart of accounts.

b) Tax Integration

Since 1 January 1995, Gévelot S.A has opted for a group taxation system whereby it is liable for tax on the group's income. Under tax integration agreements entered into with consolidated companies, each Company recognises the income tax expense as if there were no tax integration in place.
The Group comprises the Parent Company, Gévelot S.A. "head of group" and French subsidiaries Gévelot Extrusion, PCM and Gurtner.

Its income net of tax of €1.570 million includes :

- Gévelot SA's own income tax K€ - 483
- tax income relating to entities included in the Group's tax integration system €2.053 million

Furthermore, an additional intercompany provision of €2.027 million was recognised at 31 December 2009 for the probable return of the tax saving to the subsidiaries as part of this system.

c) Pensions

When employees retire, they are paid conventional or contractual retirement benefits. Most of the corresponding obligations are covered by insurance. The residual portion that is not covered is not recognised and is therefore stated as on off-balance sheet commitment.

d) Individual training entitlements

Further to Notice 2004-F of 13 October 2004 of the CNC Emergency Committee on the recognition of individual training entitlements, Gévelot has not recognised any such liabilities at 31 December 2009. There are 352 hours of accumulated training hours in this respect. Since no requests for these hours have been made, no provision in that respect had been funded at the end of 2009.

e) Further information

With regard to the cost of rehabilitating the Meudon industrial site, a provision was funded to cover Gévelot SA's obligations under the law 2003-699 dated 31 July 2003.

Early in 2007, the Prefecture of the Hauts-de-Seine notified Gévelot SA that no further rehabilitation would be required as last operator of the site.

That being the case, the provision of K€262 in the company's liabilities at 31 December 2005 remains unchanged.

Note 2 :Capital assets and amortization

Headings and items	Capital assets					Amortisation and depreciation			
	Gross value at the start of 2009	Increases	Transfers	Reductions	Gross value at the end of 2009	Accumulated at the start of 2009	Increases	Reductions	Accummulated at the end of 2009
Intangible assets									
Concessions, patents, licences, trademarks, processes, rights and similar items	45	-	-	(5)	40	27	3	(5)	25
Total	45	-	-	(5)	40	27	3	(5)	25
Tangible assets									
Land	3 047	-	-	-	3 047	136	3	-	139
Constructions	15 516	-	-	-	15 516	8 973	223	-	9 196
Other tangible assets	166	-	-	(3)	163	70	13	(3)	80
In progress	-	-	-	-	-	-	-	-	-
Advances and down payments	-	-		-	-	-	-	-	-
Total	18 729	0	-	(3)	18 726	9 179	239	(3)	9 415
Long-term investments									
Equity investments	35 771	8 250	-	-	44 021	-	-	-	-
Receivables from Equity investments	3 574	4 861	-	(8 250)	185	-	-	-	-
Loans	61	-	-	(9)	52	-	-	-	-
Other long-term investments	10	-	-	-	10	-	-	-	-
Total	39 416	13 111	-	(8 259)	44 268	-	-	-	-

Receivables from equity investments are the current account with Gévelot Extrusion. The amount primarily includes the rents of the various sites and corresponding interest.

At 31 December 2009, Gévelot S.A. repurchased 50% of DOLD for €8,250 million from Gévelot Extrusion through a partial compensation with the current account. Gévelot S.A helds thus 70% of Dold's capital.

Note 3 : Provisions

Headings and items	Amount at the start of 2009	Increases	Reversals		Amount at the end of 2009
			Amounts used during 2 009	Amounts not used during 2 009	
Regulated provisions					
Capital cost allowances	1 432	331	12	-	1 751
Total	1 432	331	12	-	1 751
Contingency provisions					
Provisions for litigation	-	-	-	-	-
Provision for foreign exchange losses	-	-	-	-	-
Total	-	-	-	-	-
Loss provisions					
Provision for taxes	-	-	-	-	-
Provision for rehabilitating Meudon industrial site	262	-	-	-	262
Intercompany provision for tax refund deemed likely under the tax integration system	5 018	2 027	-	-	7 045
Total	5 280	2 027	-	-	7 307
Depreciation					
Depreciation on fixed assets	-	-	-	-	-
Depreciation on short-term investments	-	-	-	-	-
Other depreciation	-	-	-	-	-
Total	-	-	-	-	-

Note 4 : Maturity of receivables and liabilities

Headings and items	Gross amount at 31.12.2009	Maturing in 1 year max	Maturing in over 1 year
Receivables			
Receivables from capital assets			
Receivables from equity investments	185	185	-
Loans [1]	52	-	52
Other	10	-	10
Receivables from circulating assets			
Trade notes and accounts receivable[2]	116	116	-
Other	1 643	1 568	75
Subscribed capital not paid up	-	-	-
Prepaid expenses	23	21	2
Total	2 029	1 890	139
Liabilities			
Loans and debt with lending institutions [3] [4]	1	1	-
Other borrowing and financial debt [3] [5]	713	73	640
Trade notes and accounts payable [6]	167	165	2
Tax and welfare liabilities	405	335	70
Liabilities to fixed-asset suppliers[6]	35	35	-
Other liabilities [7]	670	670	-
Prepaid income	-	-	-
Total	1 991	1 279	712

(1) Loans granted in period	-
Loans recovered in period	9
(2) including commercial paper	-
(3) Loans and financial liabilities taken out in period	3
Loans repaid and transferred in period	1
(4) including :	
- no more than two years initially	1
- over two years initially	-
(5) Liabilities maturing in over 5 years	622
(6) including commercial paper	-
(7) including to partners	666

Note 5 : Items concerning affiliated companies and equity investments

Items	Amount at 31.12.2009 concerning (1)	
	Affiliates (2)	Companies in which the company has an interest
Advances and down payments on fixed assets	-	-
Investments on subsidiaries and affiliates	44 021	-
Receivables from equity investments	185	-
Loans	-	-
Advances and down payments paid on orders (circulating assets)	-	-
Trade notes and accounts receivable	115	-
Other receivables	478	-
Subscribed capital not paid up	-	-
Loans and debt with lending institutions	-	-
Other borrowing and financial debt	678	-
Advances and down payments received on current orders	-	-
Trade notes and accounts payable	18	-
Liabilities to fixed-asset suppliers	-	-
Other liabilities	666	-
Income from equity investments	1 602	-
Other financial income	114	-
Finance costs	-	-

(1) In net amounts
(2) Affiliated companies are fully consolidated

Note 6 : Revaluation

Items	Changes in revaluation reserve at 31.12.2009				
	Amount at the start of 2009	Reductions due to disposals	Other changes	Amount at the end of 2009	or the record, adjustments incorporated into capital
Land	-	-	-	-	-
Equity investments	-	-	-	-	2 222
Revaluation reserve (1976)	-	-	-	-	(2 222)
Special revaluation reserve (1959)	-	-	-	-	(431)
Free revaluation adjustment	-	-	-	-	-
Other adjustments : revaluation adjustments on capped assets	-	-	-	-	-
Total	.	-	-	-	

Note 7 : Accrued income

Amount of accrued income included in the following balance sheet items	Amount at 31.12.2009
Receivables from equity investments	33
Trade notes and accounts receivable	34
Other receivables	4
Short-term investments	1
Total	72

Note 8 : Accrued liabilities

Amount of accrued liabilities included in the following balance sheet items	Amount at 31.12.2009
Loans and debt with lending institutions	1
Trade notes and accounts payable	59
Tax and welfare liabilities	121
Liabilities to fixed-asset suppliers	35
Other liabilities	4
Total	220

Note n 9 : Prepaid expenses and income

	Amount at 31.12.2009	
	Expenses	Income
Operating expenses/income	23	-
Financial expenses/income	-	-
Unusual expenses/income	-	-
Total	23	-

Note 10 : Composition of the share capital

	Number	Par value
Shares making up the share capital at the start of financial year 2009	957 543	35,00
Shares issued during the period	-	-
Shares repaid during the period	-	-
Shares cancelled during the period	-	-
Change in par value through incorporation of reserves	-	-
Shares making up the share capital at the end of financial year 2009	957 543	35,00

Making a share capital of 33 514 005 euros.

Note 11 : Statement of changes in net worth

Equity in the closing balance sheet of 2008 prior to income		52 828
Appropriation of 2008 income at net worth by the Combined Annual and Extraordinary General Meeting of 25 June 2009		375
. 2008 income	2 290	
. Distributed dividends	(1 915)	
Equity on opening of period 2009		53 203
Changes in period:		318
. Changes in premiums, reserves, retained earnings	-	
. Changes in regulated provisions and investment grants	318	
Equity in the closing balance sheet of 2009 prior to income		53 521

Note 12 : Breakdown of net turnover

a) Breakdown by business segment

	Amount 2009	Amount 2008
Rendering of services	3 667	3 603
Total	3 667	3 603

b) Breakdown by geographical segment

	Amount 2009	Amount 2008
France	3 659	3 594
Germany	8	9
Total	3 667	3 603

Note 13 : Unusual items

The main items included under this heading are:

Headings	Amount 2009	Amount 2008
Intercompany provision for probable tax refund under the tax integration system	(2 027)	(1 745)
Capital cost allowances	(319)	(327)
Other items, net	30	(70)
Total	(2 316)	(2 142)

Note 14 : Income tax

The itemization of tax on profits between those profits obtained before tax and the extraordinary items is the following:

Headings	Pre-tax income (loss) at 31.12.2009	Amount of income tax for 2009	Net income (loss) at 31.12.2009
Operating income	3 223	579	2 644
Exceptional result	(2 316)	(96)	(2 220)
Tax integration	-	(2 053)	2 053
Total	907	(1 570)	2 477

The tax rate is 33 1/3%.

The effect on the period's taxes of dispensatory tax assessments due to capital cost allowances is K €106.

Increase and decrease in the future tax debt

The future tax debt is K€2 lower due to provisions for K€ 6 that are non-deductible in the year of recognition and K€ 584 higher due to the reversal of capital cost allowances for €1,751 million.

Note 15 : Off-balance sheet commitments

Off- balance sheet liabilities	Amount at 31.12.2009
Pledges and guarantees given for the benefit of subsidiaries	-
Other commitments given:	
Liabilities for which the company has granted a guarantee	
- on its own loans	-
- on loans taken out by subsidiaries	500
Leasing commitments including tax	-
Retirement commitments	17
Total	517

Off-balance sheet assets	Amount at 31.12.2009
Pledges and guarantees received	-
Other	-
Total	.

Retirement commitments (I.F.C.)

Retirement commitments are calculated for each category of staff (executive, management) according to length of service and average salary, social security charges included, using the method called "projected benefit obligation", in accordance with CNC Recommendation 03-R.1 dated 1 April 2003.

The figure used (K€17) equals the IFC social liability (K€99) less the value of the fund at 31 December 2009 (K€82) held by Generali Patrimoine (Groupe Generali) under a contract that permits some of these commitments to be outsourced.

Note 16 : Manager's remuneration

Remuneration of the company's managers and directors totalled 467,738 euros for financial year 2009.

Note 17 : Average headcount 2009

	Salaried staff	Staff put at the disposal of the company
Managerial/executive staff	6	-
Supervisory, technical and clerical staff	1	-
Total	7	-

Note 18 : Consolidating company

Gévelot S.A. is the consolidating company of the Gévelot Group.

Note 19 : Subsidiaries and equity investments at 31 December 2009

Companies	Capital	Equity other than capital prior to appropriation of income	Percentage of capital held (1)	Carrying amount of equity investments Gross	Carrying amount of equity investments Net	Loans and advances granted by the company and not yet repaid	Guarantees and pledges given by the company	Turnover excluding tax of the last complete period	Profit or loss of the last complete period	Dividends received by the company during the period
A - SUBSIDIARIES (at least 50 % of the capital held by the Company)										
French subsidiaries										
Gévelot Extrusion S.A. 6, boulevard Bineau 92300 Levallois-Perret	18 120	7 946	99,99	25 397	25 397	185	-	50 997	(3 979)	-
PCM S.A. 17, rue Ernest Laval 92170 Vanves	10 155	30 370	99,94	6 509	6 509	-	-	60 714	2 706	1 502
Gurtner S.A. 40, rue de la Libération 25300 Pontarlier	3 090	2 719	99,95	1 225	1 225	-	-	11 399	(414)	-
Foreign subsidiaries (in thousand of euros)										
Dold Kaltfliesspressteile GmbH Langenbacherstrasse 17/19 D-78147 Vöhrenbach (Germany)	13 000	1 623	70,00	10 890	10 890	-	-	31 347	(792)	100
B - OTHER EQUITY INVESTMENTS (10 to 50 % of the capital held by the Company)										
Foreign equity investments (in thousands of euros)										
Techniques de fixation Belgium (in liquidation)	110	N/A	22,72	-	-	-	-	N/A	N/A	-

(1) Including consumption loans

Income and net worth

Net income (loss) of period and statement of changes in net worth

Net income (loss) of period

Total in thousands of euros and in euros per share		2008	2009
Number of shares at 31 December		957 543	957 543
Accrual-based income	K€	2 290	2 477
	€	2,39	2,59
Changes in net worth excluding restructuring transactions	K€	325	318
	€	0,34	0,33
Proposed dividend	K€	1 915	1 724
	€	2,00	1,80

Statement of changes in net worth

(in thousand of euros)		2009
Equity in the closing balance sheet of 2008 prior to income		52 828
Appropriation of 2008 income at net worth by the Combined Annual and Extraordinary General Meeting of 25 June 2009		375
. Income 2008	2 290	
Distributed dividends	(1 915)	
Equity on opening of period 2009		53 203
Changes in period:		318
. Changes in premiums, reserves, retained earnings	-	
. Changes in regulated provisions and investment grants	318	
Equity in the closing balance sheet of 2009 prior to income		53 521
Appropriation of 2009 income at net worth submitted to the Ordinary General Meeting of 24 June 2010		753
. Income 2009	2 477	
. Proposed dividends	(1 724)	
Equity after proposed appropriation		54 274

Securities

Equity investments at 31 December 2009

Amount		Companies	Nominal	Capital divided into	percentage stake	Current value in euros
French companies						
1 509 991	shares	Gévelot Extrusion	12	1 510 000	99,99	25 397 216,78
75 108	shares	PCM	135	75 222	99,85	6 509 266,75
25 707	shares	Gurtner	120	25 750	99,83	1 225 347,52
Abroad						
8	units	Dold Kaltfliesspressteile GmbH	capital	13 000 000 €	70,00	10 889 599,76
1 000	shares	Techniques de Fixation (Company in liquidation)	25	4 400	22,72	-
Total						44 021 430,81

Short-term investments and similar receivables at 31 December 2009

169	shares	SICAV SGAM Invest Moneplus (S.G.)	3 901 275,43
6	units	FCP B.N.P. Paribas Euribor 3 Mois (B.N.P. Paribas)	1 334 508,84
80	units	FCP Groupama Entreprises (S.G.)	177 270,40
Total			5 413 054,67

Financial income

The Company's financial income over the last five periods

(Articles 133, 135 and 148 of the Decree on companies)

(in euros)

Item	2009	2008	2007	2006	2005
I - CAPITAL AT END OF PERIOD				(*)	
a) Share capital	33 514 005,00	33 514 005,00	33 514 005,00	33 514 005,00	30 487 880,00
b) Number of existing ordinary shares	957 543	957 543	957 543	957 543	983 480
c) Number of existing preferential dividend shares (without voting rights)	-	-	-	-	-
d) Maximum number of future shares to be created					
d.1 by bond conversion	-	-	-	-	-
d.2 by exercising subscription rights	-	-	-	-	-
II - PERIOD TRANSACTIONS AND INCOME (LOSS)					
a) Turnover excluding tax	3 666 903,58	3 603 156,29	3 533 102,88	3 451 132,93	3 641 600,73
b) Earnings before tax, employee profit-sharing, amortisation and provisions	3 494 500,23	3 331 548,62	3 720 750,51	3 084 009,93	4 121 180,54
c) Income tax	(1 570 229,00)	(1 267 156,00)	(732 010,00)	(706 918,00)	(1 052 315,00)
d) Employee profit-sharing in period	-	-	-	-	-
e) Earnings after tax, employee profit-sharing, amortization and provisions	2 476 816,05	2 290 422,02	2 793 407,88	2 171 310,10	3 378 393,57
f) Distributed earnings	1 723 577,40	1 915 086,00	2 106 594,60	2 106 594,60	2 106 594,60
III - EARNINGS PER SHARE					
a) Earnings after tax, employee profit-sharing, but before amortization and provisions	5,29	4,80	4,65	3,96	5,26
b) Earnings after tax, employee profit-sharing, amortisation and provisions	2,59	2,39	2,92	2,27	3,44
c) Dividend allocated to each share	1,80	2,00	2,20	2,20	2,20
IV - PERSONNEL					
a) Average headcount of personnel employed during the period	7	8	8	9	7
b) Total payroll	674 327,85	717 906,42	706 241,36	724 402,39	688 365,60
c) Amount paid out for the period's employee benefits (social security, community services, etc.)	285 793,98	303 565,05	298 857,61	306 285,94	288 091,48

(*) Further to the decisions of the Combined Annual and Extraordinary General Meeting of 22 June 2006, a capital reduction of €804,047 through cancellation of the 25,937 treasury shares held by Gévelot S.A. and a capital increase of €3,830,172 through incorporation of reserves for the purpose of raising the par value of the 957,543 remaining shares from €31 to €35.
The share capital thus stands at €33,514,005, comprising 957,543 shares each with a par value of €35.

PricewaterhouseCoopers Audit

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92208 Neuilly-sur-Seine Cedex

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Cabinet ROUSSEL & Associés
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RAPPORT DES COMMISSAIRES AUX COMPTES SUR LES COMPTES ANNUELS

Exercice clos le 31 décembre 2009

Aux Actionnaires
Gévelot SA
6, boulevard Bineau
92300 Levallois-Perret

En exécution de la mission qui nous a été confiée par votre Assemblée Générale, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2009, sur :

- le contrôle des comptes annuels de la société Gévelot SA, tels qu'ils sont joints au présent rapport,
- la justification de nos appréciations,
- les vérifications et informations spécifiques prévues par la loi.

Les comptes annuels ont été arrêtés par le Conseil d'administration. Il nous appartient, sur la base de notre audit, d'exprimer une opinion sur ces comptes.

I - Opinion sur les comptes annuels

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les comptes annuels ne comportent pas d'anomalies significatives. Un audit consiste à vérifier, par sondages ou au moyen d'autres méthodes de sélection, les éléments justifiant des montants et informations figurant dans les comptes annuels. Il consiste également à apprécier les principes comptables suivis, les estimations significatives retenues et la présentation d'ensemble des comptes. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

II - Justification de nos appréciations

En application des dispositions de l'article L.823-9 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance l'élément suivant :

La Société détermine à chaque clôture la valeur d'inventaire de ses immobilisations financières selon les méthodes décrites en note 1a de l'annexe et constate, le cas échéant, des provisions pour dépréciation lorsque cette valeur d'inventaire est inférieure à la valeur comptable. Dans le cadre de notre appréciation des principes comptables suivis et des estimations significatives retenues pour l'arrêté des comptes, nous avons vérifié le caractère approprié des méthodes décrites dans l'annexe et nous sommes assurés de leur correcte application ainsi que du caractère raisonnable des estimations retenues pour leur mise en œuvre.

Les appréciations ainsi portées s'inscrivent dans le cadre de notre démarche d'audit des comptes annuels, pris dans leur ensemble, et ont donc contribué à la formation de notre opinion, exprimée dans la première partie de ce rapport.

III - Vérifications et informations spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par la loi.

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du Conseil d'administration et dans les documents adressés aux actionnaires sur la situation financière et les comptes annuels.

Concernant les informations fournies en application de l'article L.225-102-1 du code de commerce sur les rémunérations et avantages versés aux mandataires sociaux ainsi que sur les engagements consentis en leur faveur, nous avons vérifié leur concordance avec les comptes ou avec les données servant à l'établissement de ces comptes et, le cas échéant, avec les éléments recueillis par votre société auprès des sociétés contrôlant votre société ou contrôlées par elle. Sur la base de ces travaux, nous attestons l'exactitude et la sincérité de ces informations.

En application de la loi, nous nous sommes assurés que les diverses informations relatives aux prises de participation et de contrôle et à l'identité des détenteurs du capital et des droits de vote vous ont été communiquées dans le rapport de gestion.

Neuilly-sur-Seine et Paris, le 22 avril 2010

Les Commissaires aux Comptes

PricewaterhouseCoopers Audit	**CREA**
Pierre RIOU	Christophe BONTE

N.B. : This report is corresponding to the opinion of Statutory Auditors that the annual financial statements present fairly, in all material respects, the financial position of the company at December 31, 2009 and the results of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France.

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 NEUILLY-SUR-SEINE Cedex

C R E A
Cabinet ROUSSEL & Associés

41, avenue de Friedland
75008 PARIS

RAPPORT SPECIAL DES COMMISSAIRES AUX COMPTES SUR LES CONVENTIONS ET ENGAGEMENTS REGLEMENTES

EXERCICE CLOS LE 31 DECEMBRE 2009

GEVELOT SA
6, boulevard Bineau
92300 LEVALLOIS-PERRET

Aux actionnaires,

En notre qualité de commissaires aux comptes de votre société, nous vous présentons notre rapport sur les conventions et engagements réglementés.

En application de l'article L.225-40 du Code de commerce, nous avons été avisés des conventions et engagements qui ont fait l'objet de l'autorisation préalable de votre Conseil d'administration.

Il ne nous appartient pas de rechercher l'existence éventuelle d'autres conventions et engagements mais de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques et les modalités essentielles de celles dont nous avons été avisés, sans avoir à nous prononcer sur leur utilité et leur bien-fondé. Il vous appartient, selon les termes de l'article R.225-31 du Code de commerce, d'apprécier l'intérêt qui s'attachait à la conclusion de ces conventions et engagements en vue de leur approbation.

Nous avons mis en œuvre les diligences que nous avons estimées nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission. Ces diligences ont consisté à vérifier la concordance des informations qui nous ont été données avec les documents de base dont elles sont issues.

Rachat d'une quote-part de participation représentant 50% des titres Dold Kaltfliesspressteile GmbH détenue antérieurement par la société filiale Gévelot Extrusion

Administrateurs concernés : Paolo MARTIGNONI, Mario MARTIGNONI, Claudine BIENAIME, Roselyne MARTIGNONI, Charles BIENAIME, Philippe DESTOURS

Date d'autorisation du Conseil d'administration : le 9 avril 2009

Date de conclusion de la convention : le 29 mai 2009

Nature, objet et modalités de l'opération :

Rachat auprès de la société Gévelot Extrusion de 50 % des parts de la société allemande DOLD Kaltfliesspressteile GmbH, sur la base d'une étude réalisée par un évaluateur externe valorisant l'intégralité des parts de cette société à K€ 16 500.

Cette acquisition de titres portant sur la moitié des parts de la société DOLD Kaltfliesspressteile GmbH a pris effet le 31 décembre 2009. Le prix d'acquisition de K€ 8 250 a été réglé pour partie en espèces (K€ 2 000) et pour partie par compensation avec le compte-courant débiteur de Gévelot Extrusion inscrit dans les livres de Gévelot SA (K€ 6 250).

Neuilly-sur-Seine et Paris, le 22 avril 2010

Les commissaires aux comptes

PricewaterhouseCoopers Audit	**C R E A**
Pierre RIOU	Christophe BONTE

N.B. : This report is corresponding to the opinion of Statutory Auditors that the annual financial statements present fairly, in all material respects, the financial position of the company at December 31, 2009 and the results of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France.

First Resolution

After reviewing the Board of Directors' Management Report and the Statutory Auditors' Report, the Annual General Meeting approved those reports in full, together with the 2009 Parent Company Financial Statements, which showed a net profit of €2,476,816.05.

Second Resolution

After reviewing the Board of Directors' and Statutory Auditors' Reports, the Annual General Meeting approved the Consolidated Financial Statements for the year as presented. Those statements show a net consolidated loss, group share, of €1.7m for the 2009 financial year.

Third Resolution

The Annual General Meeting took note of the Statutory Auditors' Special Report on the Regulated Agreements and Commitments listed in Article L. 225-38 of the French Commercial Code.

Fourth Resolution

The Annual General Meeting decided to allocate
the profit for the year of..€2,476,816.05
increased by previous retained earnings of €2,528,633.84
representing a distributable profit of €5,005,449.89
as follows:

- Allocation to the legal reserve
  (5% of 2009 net income) €123,840.80
- Allocation to other reserves €247,305.71

  Payment of a dividend of...................... €1,723,577.40
  (€1.80 x 957,543 shares)

€2,094,723.91

Allocation to retained earnings €2,910,725.98

The dividend of €1.80 per share (down 10%), which is eligible for the 40% tax credit intended for beneficiaries of a capped Tax Credit will be paid from July 1st 2010 onwards.

The Annual General Meeting would remind you that the following dividends were paid over the past three financial years, in accordance with the legal provisions in force:

Financial year	Net	Tax credit	Number of shares on which a dividend was paid	
2006	2.20	ns	957,543	957,543
2007	2.20	ns	957,543	957,543
2008	2.00	ns	957,543	957,543

Fifth Resolution

As Mr Roberto Barabino's Director's mandate had expired, the Annual General Meeting renewed that Mandate for a period of three years, up until the Annual General Meeting that will review the financial statements for the 2012 financial year.

Sixth Resolution

The Annual General Meeting, acting under the quorum and majority conditions required for Ordinary General Meetings, and having reviewed the Report of the Board of Directors, authorises the Board to allow the Company to purchase its own shares, in accordance with the provisions of Articles L. 225-209 and following of the French Commercial Code and European Regulation No 2273/2003 of December 22nd 2003.

This authorisation is granted in order to enable the potential cancellation of any shares acquired, in accordance with the terms of the Eleventh Extraordinary Resolution adopted by the Joint Ordinary and Extraordinary General Shareholders' Meeting of June 25th 2009.

The purchase, sale or transfer transactions mentioned above may be performed by any means recognised in Law and by the regulations in force, including the use of derivative financial instruments and the purchase or sale of blocks of shares.

These transactions may occur at any time, including during a public tender offer for the Company's shares, as long as that tender offer is fully settled in cash and subject to the abstention periods scheduled by the legal and regulatory provisions in force.

The Annual General Meeting has set the maximum number of shares that may be acquired under the terms of the present resolution at 5% of the Company's share capital as at the date of the present Meeting. That amount corresponds to 47,877 shares with a par value of €35, it being specified that the number of treasury shares must be taken into account in the context of the present authorisation, so that the Company complies at all times with the limits on treasury shares, which may not exceed 10% of the Share Capital.

The Annual General Meeting has decided that the total amount dedicated to these acquisitions shall not exceed 2,300,000 euros.

The Annual General Meeting grants the Board of Directors all powers necessary to perform the following tasks, with the option of delegation under the conditions scheduled in law:

- to decide on the implementation of the present authorisation,
- to place all stock market orders and enter into all agreements, primarily in order to keep a register of share purchases and sales, in accordance with the stock market regulations in force.
- to make all declarations and to fill in all forms and, generally speaking, to do all that is necessary.

The Board of Directors shall inform the shareholders gathered together at the Annual General Meeting of all the transactions performed pursuant to the present resolution.

The first authorisation is granted for a period of 12 months from the date of the present general meeting. It cancels and replaces the authorisation resulting from the Ninth Resolution adopted by the Joint Ordinary and Extraordinary General Meeting of June 25th 2009.

Seventh Resolution

After hearing the Board of Directors' Report on the project to transfer Gévelot S.A.'s share listing from Euronext to Alternext, the Annual General Meeting approved the transfer project and authorised the Board of Directors to request said shares to be admitted for trading on Alternext and delisted from Euronext-NYSE, and to take all measures necessary to carry out and advertise the transfer.

Eighth Resolution

The Annual General Meeting shall discharge the Directors of the execution of their mandate for the 2009 financial year.

Ninth Resolution

In order to issue all publications and make all submissions prescribed in Law, and generally to perform all the legal formalities, all powers are granted to the holders of original documents, copies, or excerpts from the present documents.