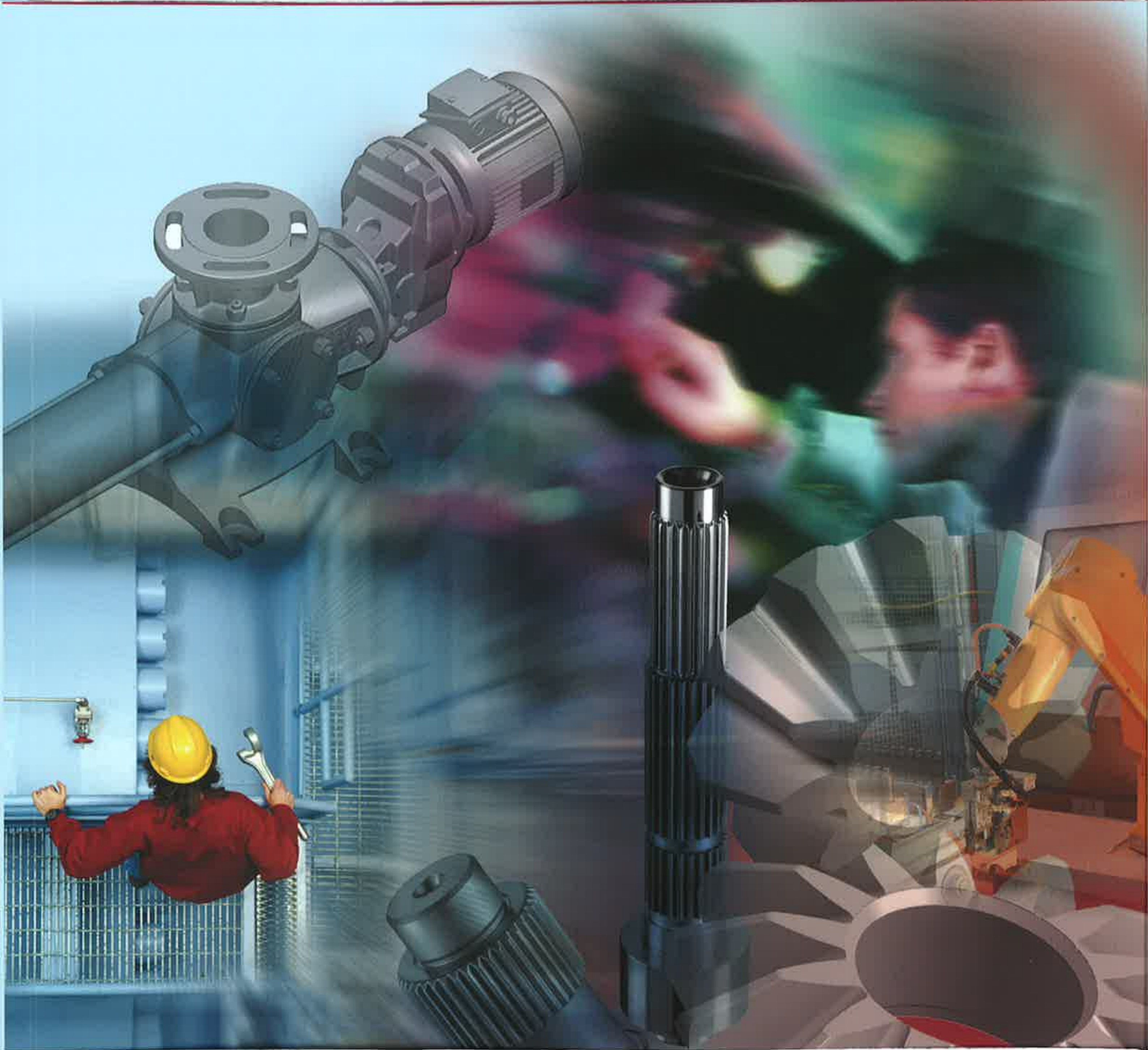
Gévelot

Annual General Meeting of 17 June 2011



Financial Report 2010

Annual General Meeting of 17 june 2011

Contents

Gévelot Group

2010 Accounts

Limited Liability Company (Société Anonyme) with capital of 31 925 810 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 2010

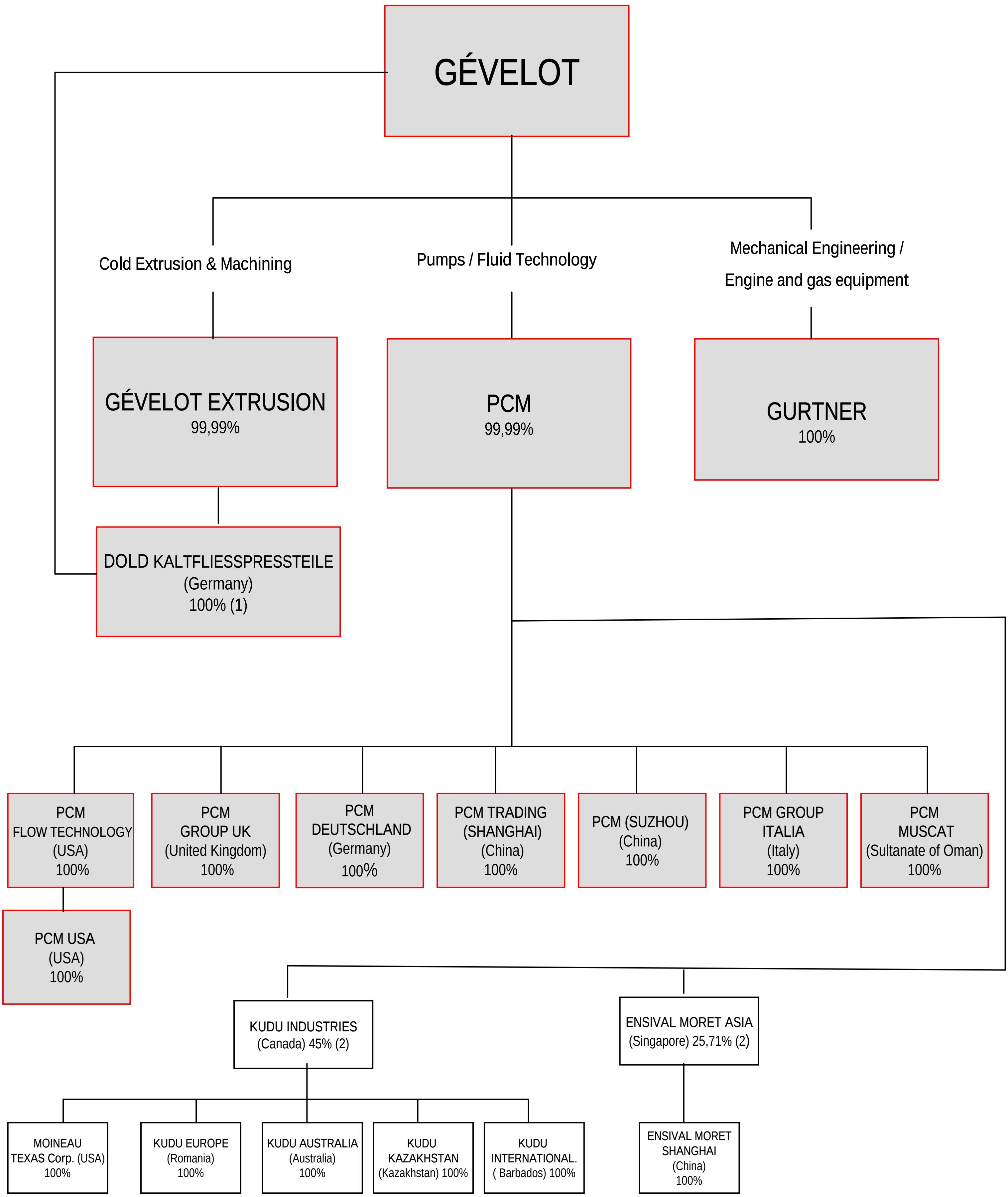
** capital reduced from 33 514 005 euros to 31 925 810 euros by decision of the Board of Directors of 14 april 2011*

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 & 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 Kaltfliesspressteile 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, marketing 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. - PCM USA Inc.	11940 Brittmoore Park Drive Houston, Texas 77041 (United States)	+1 (713) 896 4888 +1 (713) 896 4806 www.pcmusa-inc.com	Management of industrial holdings and related services 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.	Pingwang Ecological park Pingwang - Wujiang 215221 Jiangsu (China)	+86 512 63648713 +86 512 63648625	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
- PCM Muscat LLC	Al Qurm, GBM Building, POBox 167 PC103, Muscat (Sultanate of Oman)	+968 24 561 566	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	Grogan's mill road, suite 125 The woodlands TX 7780 (USA)	+1 281 296 1602 +1 281 296 1061	Sales and services for oil pumps
. Kudu Kazakhstan LLP	Kulan business center, Office 303 188 Dostyk street, Almaty, 050051 (Kazakhstan)	+7 727 259 7630 +7 727 259 7665	Sales and services for oil pumps
. Kudu Australia Pty Ltd.	349 Coronation Drive Milton, QLD, 4064 (Australia)	+61 7 3842 3105 +61 7 3371 7300	Sales and services for oil pumps
. Kudu Europe s.r.l.	7, Str. Piatra Craiuli - Hall 8 Sat Negoiesti 6 Comuna Brazi 107086 Prahova County (Romania)	+40 769 610 310 +40 244 434 344	Sales and services for oil pumps
. Kudu International	Suite B, Port St Charles Heywoods, St Peter Barbados BB 26013		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)2154889599 +86 (0)2154889399	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
(2) Equity method companies

Administration of Gévelot S.A.

at 17 june 2011

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 17 june 2011

- The board's operating and financial review of the company in financial year 2010,
- Auditor's Reports on the period's individual and consolidated financial statements,
- Review and approval of the individual financial statements for period ending 31 décember 2010,
- Review and approval of the consolidated financial statements for period ending 31 décember 2010,
- Approval of the Conventions referred to in Article L.225-38 of the Commercial Code,
- Appropriation of earnings for financial year 2010,
- Directors,
- Auditors,
- Discharge of Directors,
- Powers,
- Any other business.

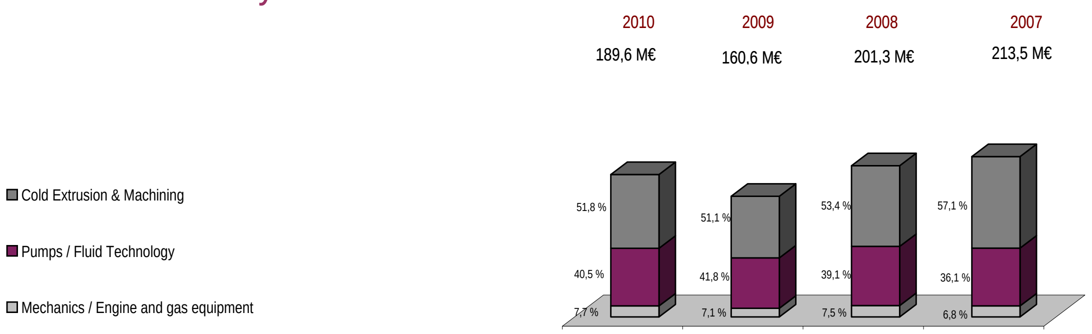
Overview

of financial year 2010

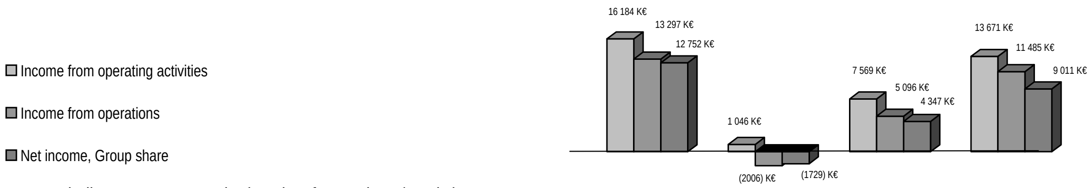
(in thousand of euros)	2010	2009	*2010/2009 Percentage change*	2008	2007
Group					
Consolidated turnover excluding tax	189 628	160 620	*18,1*	201 271	213 519
Turnover originating outside France	*107 496*	*89 926*	*19,5*	*115 720*	*124 253*
EBITDA*	27 709	13 080	111,8	18 603	22 017
Current operating income	16 184	1 046		7 569	13 761
Operating income	13 297	(2 006)		5 096	11 485
Operating result before tax	12 752	(2 812)		4 145	10 172
Net income, Group share	8 911	(1 729)		4 347	9 011
Net earnings per share (in euros)	9,37	(1,81)		4,54	9,41
Cash flow from operations	21 935	7 429	*195,3*	15 823	18 166
Equity	129 076	120 384	*7,2*	123 493	122 722
Net indebtedness / equity (in%)	*14,80*	*21,20*	*(30,2)*	*24,60*	*31,10*
Permanent headcount	*1 203*	*1 221*	*(1,5)*	*1 414*	*1 489*
Total headcount	*1 313*	*1 243*	*6,1*	*1 424*	*1 563*
Gévelot S.A.					
Turnover excluding tax	3 415	3 667	*(6,9)*	3 603	3 667
Operating results before tax	2 610	3 223	*(19,0)*	3 165	3 223
Exceptional result	(664)	(2 316)	-	(2 142)	(2 316)
Exceptional result excluding taxes provision	(560)	(289)	-	(397)	(289)
Net income	1 798	2 477	*(27,4)*	2 290	2 477
Cash flow from operations	2 577	5 064	*(49,1)*	4 604	5 064
Net dividend per share (in euros)	1,80	1,80	-	2,00	1,80
Headcount	*7*	*7*	-	*7*	*7*

* EBITDA : Earnings before Interest, Tax, Depreciation and Amortisation

Consolidated turnover by sector



Consolidated P & L



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

The board's operating and financial review

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 31, 2010 for your approval.

2010 saw a return to profit in the midst of a recovery from the sharp downturn in 2009, which was brought on by the financial and economic crisis.
The return to profitability, more moderate investment, and tight control of working capital allowed the Group to improve its financial structure.

The Extrusion Division continued its adjustments on a market that improved, particularly during the second half of 2010 thanks to one-off measures to support the European auto market.

The Pump Division picked up the pace of its international expansion while focusing on technological innovation and adapting its structures to a context of growth and profitability.

The Engineering Division returned to profit thanks to the combined impact of a favourable mix and the full impact of savings measures taken earlier.

As a result, consolidated revenues rose by 18.1%, to €189.6 million from €160.6 million in 2009 (after falling by 20.2% the previous year).

Revenues rose by 19.9% in the Extrusion Division to €98.3 million in 2010 (after falling by 23.7% the previous year). This growth was driven by government measures to boost the auto industry, the re-exporting of some of our products by our clients to emerging markets, and the marketing of new models.
The Pump Division's revenues rose by 14.4% to €76.8 million in 2010 (after falling by 14.7% the previous year) amidst an environment of high oil prices. Export sales were brisk in the oil & gas and manufacturing sectors.
Revenues in the Engineering Division rose by 27.3% to €14.5 million in 2010 (after falling by 24.7% the previous year), driven by strong sales of dosing pumps for the auto industry and by export sales of replacement carburettors.

The Group's consolidated income from current operations came to €16.2 million (after €1.195 million in impairments on certain industrial assets), compared with €1.0 million in 2009.

Consolidated operating income came to €13.3 million, compared with a €2.0 million loss in 2009.

Consolidated net financial loss came to €0.6 million, compared with a €0.8 million loss in 2009.
All in all, the Group's final, consolidated net income returned to profit in 2010, at €8.9 million, after a €1.7 million consolidated net loss in 2009.

The contribution of the divisions to total consolidated earnings is broken down in the Notes to the Consolidated Financial Statements.
Business activities of companies within the Group perimeter are discussed below (data are extracted from the individual accounts of each company and are therefore taken before IFRS restatements and consolidation eliminations).

Parent company business activities

Gévelot S.A

Revenues at the parent company, Gévelot S.A., which comprises rent and services, fell by 6.9% to €3.415 million. This was due to the 10% reduction granted to Gévelot Extrusion for the use of industrial assets and the impact of 2010 departures of non-Group companies from office property in Levallois-Perret. These offices were then made available to our PCM subsidiary in late 2010 to house some of its departments moving from the Vanves head offices in suburban Paris, after the premises have been renovated.
Operating income came to €1.105 million in 2010, compared with €1.341 million in 2009. There was a noteworthy, 9.3% decrease in external charges.
Net financial income came to €1.505 million, vs. €1.882 million, including the dividend contribution from our subsidiaries, which amounted to €1.417 million compared with €1,602 million in 2009.
Income from current operations came to € 2.610m, compared with €3.223 million in 2009.
Net exceptional loss amounted to K€664, compared with a €2.317 million loss in 2009. This includes a K€289 net charge on accelerated depreciation, K€286 in indemnities and provisions for sundry risks, and a K€104 intra-group provision on future tax liabilities on the tax loss carryovers of our French subsidiaries. K€16 in net income from various sources was booked.
To streamline the Group's structure and reduce its costs, it was decided to eliminate the position of Group Chief Financial Officer, effective the end of 2010.
After a corporate income tax charge of K€246 and K€98 in savings on tax integration, Gévelot S.A.'s net income amounted to €1.798 million, compared with €2.477million in 2009.
Capital expenditure came to K€85 mainly at Extrusion industrial facilities owned by Gévelot.

Business activities at subsidiaries and financial stakes

Extrusion & Machining
Consolidated sales in this division came to €98.3 million.
Tangible and intangible investments amounted to €4.6 million, compared with €5.0 million in 2009.

Gévelot Extrusion S.A. (France)

An upturn was driven by government measures (the auto trade-in bonus) and the first deliveries to new customers. The full impact of 2009 restructuring measures and tight control over fixed costs helped the Company return to breakeven. However, raw material sourcing problems and machine breakdowns penalised the performances of industrial facilities, especially in the last four months.

Revenues rose by 21.4% to €61.931million, compared with €50.997 million in 2009.
Operating income was close to breakeven, with a K€126 loss, compared with the €4.025 million loss of 2009. This includes €3.450 million in amortisation (vs. €3.395 million in 2009) and €1.369 million in lease payments (vs. €1.341 million in 2009).
The net financial loss came to K€210 compared with a K€131 loss in 2009. The sharp cut in financing costs, due to lower interest rates and deleveraging, was not enough to offset the lower dividend

contribution from the German subsidiary (30% of K€200), compared with 80% of K€500 in 2009. This is due to a lower payout rate and a lower dividend, owing to the economic slump.

Net exceptional income came to K€402, including a K€403 provision on quality litigation with a client, offset by K€576 in write-backs of retirement provisions due to a smaller headcount, a +K€364 net change in regulated provisions and K€135 in other exceptional charges.

After taking into account a K€446 research tax credit, net income came to K€512 in 2010, compared with a €3.979 million loss in 2009.

Cash flow from operations was positive at €3.551million, after being €3.138 million in the negative column in 2009.

Total headcount as of December 31, 2010 came to 515 persons, including 77 temporary workers, compared with 479 persons and 13 temporary workers at the end of 2009.

Dold Kaltfliesspressteile GmbH (Germany)

Revenues rose by 16.6% to €36.783 million in 2010, compared with €31.545 million in 2009.

Output rose by 20.4% to €36.226 million.

Operating income was once again positive at €2.243 million, compared with a K€122 deficit in 2009.

The net financial loss amounted to K€162, vs. K€120 in 2009. Net exceptional loss came to K€685, compared with K€620 in 2009, due to K€500 in provisions on current assets and K€185 in restructuring costs.

Net income came to €1.055 million after booking a K€341 tax charge. In 2009, net loss came to K€793 after K€69 in tax proceeds.

Cash flow from operations came to €2,956 million, compared with €1,088 million in 2009. Total headcount global as of December 31, 2010 came to 277 persons, compared with 285 at December 31, 2009.

Pump and Fluid Technology Division

Consolidated division revenues rose by 14.4% to €76.8 million, compared with €67.1 million in 2009. Tangible and intangible investments amounted to €2.5 million, vs. €3.9 million in 2009.

PCM S.A. (France)

With strong growth in global demand pushing oil prices very high, export sales were boosted in particular by increased deliveries of new-generation pumps and related services.

This company's revenues rose 13.5% to €68.920 million in 2010 (of which 67.85% were export sales), compared with €60.714 million in 2009. PCM's sales were driven by the sharp upturn in the oil & gas sector and flat sales in the food and industry, with, however, a slight upturn in the second half, an upturn that was not enough to return to 2008 levels.

Revenues rose by 13.8% in the Oil & Gas Division, by 7.3% in the Food Division, and by 16.1% in the Industry Division. At €5.0 million, Services accounted for 7.3% of the total.
PCM achieved €13,559 million in operating income, up very sharply from 2009 (€6.539 million), due to a favourable product mix and the full impact of adjustment measures taken in 2009.

Net financial income came to K€226, compared with K€295 in 2009. This includes K€731 in financial income from investments in subsidiaries, compared with K€318 in 2009, as well as K€36 in investment income, a net currency charge of K€57 and a K€474 impairment on the investment in the Chinese subsidiary EMS.

As a result, income from current operations came to €13.785 million, compared with €6.834 million in 2009.

Net exceptional income included a net €2.284 million charge, compared with €2.567 million in 2009, including:

-- a €1.529 million provision on removal from Vanves site;
-- a net K€648 provision on accelerated depreciation;,
-- a K€44 tax exemption;
-- a K€31 exceptional depreciation on the scrapping of fixed assets.

Plans call for the closing of the Vanves head office in suburban Paris by the end of 2011. Departments will be transferred from January to September 2011, in part to the Champtocé-sur-Loire site (in the French administrative département 49) and in part to offices made available by Gévelot S.A. in Levallois-Perret, also in suburban Paris.

Employee profit sharing came to €1.035 million, compared with K€264 in 2009.

Corporate income tax came to €3.823 million, including a K€323 research tax credit.

The year ended with after-tax profit of €6.643 million, compared with €2.706 million in 2009.

Cash flow from operations came to €10.082 million at the end of 2010, compared with €5.553 million at December 31, 2009.

A dividend of €1.504 million will be proposed in respect to 2010 (€20 per share, vs. €17 the previous year).

Total headcount as of December 31, 2010 came to 305 persons, including 21 temporary workers, compared with 288 persons, including eight temporary workers, at December 31, 2009.

PCM Group UK Ltd. (United Kingdom)

Revenues fell by 13.7% in 2010 to £2.253 million, compared with £2.611 million in 2009.
Net income fell by 37.1% to K£156, compared with K£248 in 2009, due directly to weaker revenues and, hence, an increase in indirect costs from 25.5% to 29.7% of revenues.
A K£400 dividend has been decided and will be paid to PCM S.A. in June 2011.
Headcount as of December 31, 2010 came to 19 persons, compared with 18 at the end of 2009.

PCM Deutschland GmbH (Germany)

Revenues rose 20.4% to K€2,058 million vs. 2009 (K€1,709 million).
Net income came to K€119, compared with K€33 in 2009, due directly to higher sales and cost-cutting measures
A K€250 dividend has been decided and will be paid to PCM S.A. in April 2011.

Headcount as of December 31, 2010 came to nine persons, the same as at December 31, 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.

PCM USA Inc. (United States)

Revenues rose by 105.2% to $US 8.113 million, compared with $US 3.954 million in 2009, due mainly to the increase in sales to its main customer in the Americas.

Net income came to K$US 726, compared with a K$US 475 loss in 2009. This 52.8% increase is due to higher revenues, combined with a 4.0% gain in the gross margin.

Headcount as of December 31, 2010 came to 18 persons, compared with 15 in 2009.

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. When factoring in shifts in the euro/RMB exchange rate, revenues rose by 8.3%, to RMB 24 million in 2010, compared with RMB 23.487 million in 2009. Commissions paid in 2010 by PCM came to RMB 5.333 million, or 22% of revenues, compared with RMB 5.705 million, or 24%, in 2009.

Net loss came to RMB 480,000, compared with a RMB 1.320 million profit in 2009, down 140.0%, due mainly to the full-year impact of the 2009 expansion in sales and marketing structures, along with an unfavourable shift in the euro/RMB exchange rate.

Headcount as of December 31, 2010 came to 22 persons, compared with 11 in 2009.

PCM (Suzhou) Co Ltd (Chine)

This company, which is a 100%-owned subsidiary of PCM, was founded in December 2009 after a 30-year operating licence was obtained. After a second phase of funding in May 2010, this company's capital social now amounts to RMB 19.427 million.
Revenues came to RMB 2.347 million (K€261) in 2010, compared with RMB 432,000 (K€45) from June to December 2009, the first year of business.
The net loss came to RMB 3.476 million, compared with a RMB 2.975 million loss in 2009.

PCM Group Italia Srl (Italy)

Revenues rose by 24.9% to K€486, compared with K€389 in 2009.

The net loss at the end of 2010 came to K€27, compared with a K€70 loss at the end of 2009.

Headcount as of December 31, 2010 came to three persons, the same as in 2009.

PCM Muscat LLC (Oman)

This company, which is wholly owned by PCM, was set up in October 2010. Its purpose is to expand PCM's sales & marketing activities in the Sultanate of Oman.

K€286 in capital was paid up in October 2010, including K€86 in the form of a consumer loan contracted with PCM by a local partner.

This company had no activity in 2010; its first sales are expected in the second quarter of 2011.

Kudu Industries Inc. (Canada)

Consolidated revenues rose by 22.6% to CAD 92.667 million, compared with CAD 75.587 million in 2009, due to the upturn in investments by oil exploration companies and the return of oil prices to a satisfactory level for those companies.

Consolidated net income came to CAD 2.385 million, thanks to a sharp expansion in revenues, compared with a KCAD 263 loss in 2009.
A KCAD 400 dividend with respect to 2010 will be paid to PCM S.A. in June 2011 by the parent company of this Group.

Ensival Moret Asia (EMA) (Singapore)

This purely financial company, which controls 100% of the industrial company Ensival Moret Shanghai (EMS) (China), has been 25.71% owned by PCM since October 2002.

Ensival Moret Shanghai (EMS) (China)

EMS's parent-company revenues fell by 17.4% to RMB 70.897 million (€7.898 million) in 2010, compared with RMB 85.867 million (€9.025 million) in 2009, due mainly to the company's cyclical activity.
Net income came to RMB 2.909 million (K€323) compared with RMB 3.364 million (K€353) in 2009, a decline that was due directly to long cycle lead times and product mix.

Engineering & Gas Equipment Division

Revenues in this division rose by 27.3% to €14.5 million vs. 2009.
Capital expenditure came to €0.1 million, compared with €0.3 million in 2009.

Gurtner (France)

Net sales rose by 27.3% to €14.510 million in 2010, compared with €11.398 million in 2009.

In the Engine Equipment segment, gross revenues rose by 52% to €8.270 million, due to solid sales to auto parts suppliers (dosing pumps).
Gas Equipment revenues rose by 3.7% to €6.580 million.

Operating income amounted to €1.023 million, vs. a K€193 loss in 2009.
Net financial loss came to K€12, the same as in 2009.
Income on current activities came to €1.011 million, vs. a K€205 loss in 2009.
The net exceptional loss was K€455 and includes K€159 in net regulatory provisions, K€121 in labour-related costs, K€112 in the Net Book Value on investments pre-financed by a client and K€63 in various net charges (including K€30 in net costs of quality litigation).

Various tax credits amounting to K€93 were booked under corporate tax.
All in all, net income came to K€598 compared with a K€414 loss in 2009.

Total headcount as of December 31, 2010 came to 108 persons (including 19 temporary workers), compared with 98 persons in December 2009.
Cash flow from operations was a positive €1.718 million, vs. K€177 in 2009.

The Gévelot Group's business activities

Consolidated financial statements

Consolidated revenues came to €189.6 million for the financial year. Income from current operations amounted to €16.2 million, compared with €1.0 million in 2009.

The contribution was €2.9 million from the Extrusion Division (vs. -€4.0 million in 2009), €12.4 million from the Pump Division (vs. +€5.0 million in 2009), and €0.2 million from the Engineering Division (vs. -€1.2 million in 2009).

Consolidated operating income came to €13.3 million after including other operating income and costs amounting to a net amount of -€2.9 million, due mainly to €1.5 million in Pump Division restructuring costs and €0.8 million in provisions on litigation on other divisions.
After a €4.3 million corporate income tax charge and a €0.5 million contribution to the results of associate undertakings, consolidated net income for 2010 came to €8.9 million, vs. a €1.7 million loss in 2009.

Group investments

Intangible investments came to €1.1 million and tangible ones, €6.3 million, or a total of €7.4 million, compared with €9.2 million in 2009.

Headcount

The Group's headcount as of December 31, 2010 came to 1,203 persons, excluding ongoing changes and temporary staff (including 383 outside of France), compared with 1,221 persons at December 31, 2009.
As of the end of 2010, Gévelot S.A. employed seven persons.

The Group's research and development activities

Research and development expenditure amounted to €1.9 million for the Group as a whole. In terms of development expenditure, €0.9 million was expensed under the provisions of IAS 38.

Gévelot Extrusion

In 2010, €0.4 million was expensed for research and development costs out of a total of €0.8 million.

The 2010 programme dealt mainly with the development of new families of parts for new markets, including:
-- a study of pinion gears for hybrid motors that meet new noise and tolerance standards;
-- a study of a cold-forged damper shaft for manual transmissions;
-- a study of a cold-forged helicoidal pinion;
-- a study on upgrading the airbag deployment process;
-- a consulting study on transmission damper shafts.

Dold

In 2010, €0.4 million was expensed for research and development out of a total of €0.5 million.

PCM

In 2010, €0.1 million was expensed for research and development out of a total of €0.3 million.
R&D that is expensed during the year forms the basis for calculating the research tax credit. This spending on developing new products and industrial research came to €1.0 million for 2010 and generated a research tax credit of K€ 323.

In oil services, sales of high-temperature solutions based on the PCM Vulcain™ technology rose during the year. However, work is being done to enhance performances, so that they meet the standards of these applications even more.

Oil & gas research continued in the form of intensive trials in-house and on oil fields.

In the Industry Division, studies to finalise the EcoMoineau™ line of cast-iron industrial pumps consisted in a series of prototype trials in 2010; these pumps were expected to be included in the 2011 catalogue.

On the Food market, studies continued during the year to make components easier to clean and to make them even more suitable for food contact.

Gurtner

In 2010 none of the €0.3 million in research and development costs were expensed.

Gurtner's research and development efforts in motors components dealt mainly with the partial redesign and industrialisation of the GPLc Midjet pressure-regulator.

Consolidated financial structure

Assets totalled €208.5 million compared with €194.6 million at the end of 2009, or a €13.9 million increase.

Fixed assets declined by €2.8 million and current assets rose by €16.7 million.

Debt (excluding provisions for risks and charges) rose by €2.9 million, due to the €10.3 million increase in operating debt and €0.4 million in debts on fixed assets, which was partly offset by a €7.3 million decrease in financial debt and €0.5 million in deferred tax liabilities.

Provisions for risks and charges rose by €2.3 million during the year, including €0.7 million for the retirement indemnities described in Note N°14.

The consolidated net financial structure (cash and cash equivalent, less borrowings from lending establishments and various financial debt) is once again far into positive territory, at €17.2 million, a €20.2 million improvement over 2009. This breaks down into a €19.4 million increase in net cash and a €0.8 million decrease in financial debt.

Total current assets came to €104.2 million, easily covering all external debt maturing in less than one year (€52.1 million).

Net attributable equity increased by €8.7 million from end-2009 to end-2010.
The debt/equity ratio came to 14.8%, compared with 21.2% at the end of 2009.

The debt/sales ratio came to 10.1%, compared with 15.9% at the end of 2009

The Extrusion Division has halved its debt since the end of 2007.

Total financing costs came €0.7 million at the end of 2010 (0.3% of revenues), compared with €0.9 million in 2009 (0.6%).

2011 outlook for the Group

After a 2010 marked by an upturn in all our divisions, 2011 is looking like a year of consolidation amidst stubborn political and economic uncertainty on a global scale. As a result, we are focusing on innovation, international development and controlling production costs.

Parent Company

Gévelot S.A.'s revenues consists of rent and services. A portion of our office space in Levallois-Perret has been made available to our PCM subsidiary, which is expected to complete its move by the end of 2011.
As a result, the former head offices of this subsidiary, located in Vanves and owned by Gévelot S.A., will have no occupant at the end of 2011, which will mean K€394 in lost rental income for Gévelot, offset partly by K€136 in new rent at Levallois-Perret on a full-year basis.
The parent company remained profitable.

Extrusion & Machining Division

This division is expected to maintain its overall consolidated revenues despite an uncertain picture in the second half due to the end of government support measures and the general economic environment.

Based on current projections, this division will once again break even on the operating level in 2011, as it did in 2010.

Pump & Fluid Technology Division

Consolidated revenues are expected to improve on 2010 levels, thanks to international expansion.

After factoring in the costs incurred from international expansion, it should be possible to maintain the 2010 level of earnings, barring a downturn in the international economic environment.

Engineering & Gas Equipment Division

Revenues are expected to remain at 2010 levels.

However, this objective could be undermined by the weakness in export replacement carburettors seen early this year in politically exposed countries and the lack of commercial success in GPLc pressure-relieve valves.

Further adjustments will be necessary in an environment that will clearly see weaker activity in the medium term.

Net income is likely to remain in positive territory in 2011, thanks to cost-cutting measures taken over the past several months and the solid level of shipments to auto-sector clients in the first few months of 2011.

Information and new technology systems

Gévelot Extrusion

In 2010, Gévelot Extrusion has taken the following measures in information systems and new technologies:

- streamlining of data servers and applications, which have halved the number of materials used;
- automation of financial reporting to the Group's format;
- automation of tax brochures for France and Germany.

PCM

The Information Systems department focuses mainly on internationalisation of uses, the modernisation of systems, and the securitisation of data of the PCM sub-group.

IT projects are handled by the PCM SA Information Systems department.

As part of the closing of the Vanves site, the historical and main IT room has been transferred to another PCM facility. Continuity of service was provided during this transfer. Central systems and data were held at PCM. The modernisation and securitisation of IT infrastructure has been included in this project.

All installed or transferred systems have been tested and approved prior to implementation.

In 2010, the PCM Group ERP was used to implement a software programme at PCM companies located in China. The next phase, which began late in the year, in 2011 will see the production of this same software at PCM USA Inc..

Gurtner

2010 activities in information systems and new technologies were as follows:

- revision of cost accounting and implementation of tools to analyse management results faster;
- approval of EDI with the GrDF client for all messages and phase-in with other wholesaler clients.

Corporate governance bodies

The Board of Directors, which consists of eight Members, met four times in 2010.

The Audit Committee, which consists of three Members, met twice in 2010 and reported back to the Board of Directors on a regular basis.

Valid delegation of powers

In accordance with the legal and regulatory provisions, the Joint Ordinary and Extraordinary General Meeting of June 24th 2009 adopted the 6th ordinary resolution, which authorised the Board of Directors to have the company to buy up to 5% of its own shares out of a 10% authorised ceiling.

This authorisation was given to make it possible to cancel the shares acquired over a period of 12 months, beginning with the date of this meeting. It cancelled and replaced the authorisation resulting from the 9th Resolution adopted by the Combined General Meeting of 25 June 2009.

As of the end of December 2010, 15,322 shares had been acquired at an average price of €30.90 and a total cost of €473,516.02 and €1,420.56 in trading fees.

As of December 31, 2010, these shares registered in the company's name accounted for 1.6% of Gévelot's share capital.

Buybacks continued during the first quarter of 2011 (details below), and Gévelot S.A. currently owns 5% of its own shares.

The authorisation to cancel the bought back shares under this programme was implemented by the Board of Directors at its April 2011 meeting.

Directors

Shareholders will be asked at the same Annual Meeting to reappoint Mrs. Roselyne Martignoni, Mr. Mario Martignoni, and Mr. Pascal Huberty as Directors, and to appoint Mr. Jacques Fay as a new Director.

Statutory Auditors

Shareholders will be asked at the same Annual Meeting to reappoint PricewaterhouseCoopers and CREA as Acting Statutory Auditors, and FIDEAC and Mr. Baillin as Alternate Statutory Auditors.

Corporate officers: remunerations and positions

Pursuant to Article L. 225-102-1 of the French Commercial Code, we report below on the remunerations and benefits of all types paid in 2010 by Gévelot S.A., the Companies it controls or those that control it, to each of the corporate officers of Gévelot S.A., as well as the positions exercised during the financial year:

Mr. Paolo Martignoni, Chairman-Chief Executive Officer,

was paid the following sums:

	in 2010	in 2009
- Gross remuneration paid by the Company	€160,004	€160,004
- Director's fees paid by the Company and by Controlled Companies	€20,900	€20,900

and serves in the following positions at the Group:
Director of Gévelot
Director of Gévelot Extrusion
Director of PCM
Director of Gurtner

and the following positions outside the Group:
Chairman of the Board of Directors and Chief Executive Officer of Sopofam

Mr. Philippe Barbelane, Deputy Chief Executive Officer,

was paid the following sums

	in 2010	in 2009
- Gross remuneration paid by the Company	€192,420	€183,820
- Benefits in-kind from the Company and assessed at	€16,609	€8,076
- Director's fees paid by the Company and by Controlled Companies	€8,300	€8,300
- Variable remuneration	€15,000	€15,000

and serves in the following positions at the Group:
Permanent Representative of Gévelot, Director of PCM
Permanent Representative of Gévelot, Director of Gurtner

and the following positions outside the Group: None.

Mademoiselle Claudine Bienaimé, Director,

was paid the following sums:

	in 2010	in 2009
- Director's fees paid by the Company and by Controlled Companies	€22,300	€ 22,300

and serves in the following positions at the Group:
Director of Gévelot Extrusion
Director of PCM
Director of Gurtner
Chairman of the Gévelot Audit Committee

and the following 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
Permanent Representative of Publicis Conseil SA at Re: Sources 133 SAS

as well as:

Chairman-Chief Executive Officer of:
- Société Immobilière du Boisdormant SA (France)

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

Manager of:
- SCI Presbourg Etoile (France)

Mrs. Roselyne Martignoni, Director,

was paid the following sums:

	in 2010	in 2009
- Director's fees paid by the Company and by Controlled Companies	€18,600	€18,600

and serves in the following positions at the Group:
Director of Gévelot Extrusion
Director of PCM
and serves in the following positions outside the Group:
Director of Sopofam
Director of Rosclodan
Director of S.A. Société Immobilière du Boisdormant

Mr. Philippe Destours, Director,

was paid the following sums:

	in 2010	in 2009
- Director's fees paid by the Company and by Controlled Companies	€19,900	€19,900

and serves in the following positions at the Group:
Director of PCM
Permanent Representative of Gévelot, Director of Gévelot Extrusion
Member of the Audit Committee
and the following positions outside the Group: None.

Mr. Charles Bienaimé, Director,

was paid the following sums:

	in 2010	in 2009
- Director's fees paid by the Company and by Controlled Companies	€12,600	€12,600

and serves in the following positions at the Group:
Director of Gévelot Extrusion
and the following positions outside the Group:
Chairman of the Board of Directors of Rosclodan
Member of the Management Board of the Meeschaert Family Office
Chief Executive Officer of Meeschaert Family Office (France)
Director of Meeschaert Family Office (Belgium)
Director of Meeschaert Family Office (Switzerland)
Member of the Management Board of Financière Meeschaert

Mr. Roberto Barabino, Director,

was paid the following sums:

	in 2010	in 2009
- Director's fees paid by the Company and by Controlled Companies	€14,000	€14,000

and serves in the following positions at the Group:
Director of PCM

and the following positions outside the Group:
Consigliere di amministrazione e membro del comitato per il controllo sulla gestione de Hofima spa
Consigliere di amministrazione e membro del comitato per il controllo sulla gestione de Omba Impianti & Engineering spa
Consigliere di amministrazione e membro del comitato per il controllo sulla gestione de ASG Superconductors spa
Consigliere di amministrazione e membro del comitato per il controllo sulla gestione de Sima & Tectubi spa
Consigliere di amministrazione de Paramed srl
Consigliere di amministrazione de Betazero srl
Consigliere di amministrazione de Malacalza Investimenti srl
Presidente del consiglio di amministrazione de Egida srl

Mr. Pascal Huberty, Director,

was paid the following sums:

	in 2010	in 2009
Director's fees paid by the Company and by Controlled Companies	€8,000	€8,000

and held no other position within Gévelot Group.

and the following positions outside the Group:
Business Development Manager, VERIPLAST Flexible
Head of Sales Development at ALTERPACK
Company Manager

Mr. Mario Martignoni, Director,

was paid the following sums:

	in 2010	in 2009
- Gross remuneration paid by the Company	€32,611	€32,834
- Director's fees paid by the Company and by Controlled Companies	€ 20,900	€20,900

and serves in the following positions at the Group:
Director of Gévelot Extrusion
Deputy Chief Executive Officer and Director of PCM
Director of Gurtner
Amministratore e Presidente del consiglio di amministrazione de PCM GROUP Italia Srl
Director of Kudu Inc.

and the following positions outside the Group:
Deputy Chief Executive Officer and Director of Sopofam

Sundry information

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

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

Social and environmental impact of business activity

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 R. 225-104 and R. 225-105 of the French Commercial Code.

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 auto 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-assemblies are 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 overcapacity issues. However, our supplies are sometimes re-exported by our clients to their assembly plants in emerging markets (in China, in particular).

The Pump Division market

The specific business of oil pumps is exposed to higher oil prices, which clears the way for more expensive pumps. However, geopolitical context in the Near and Middle East may lessen or postpone planned commercial expansion there.

PCM is all the more sensitive to fluctuations in this market because of its 45% interest in Kudu, a subsidiary which operates exclusively in the oil sector (well installation). In fact, Kudu accounts for around 15% of PCM's sales in the oil services sector.

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

The Engineering Division market

For several years now, this division has been penalised by the shrinking of its OEM carburettor market, as production of two-wheeled vehicles has been offshored to China. Its replacement business is also facing price competition from low-cost countries and the impact of local political contexts.

However, the additive pump, which is a new market for Gurtner in the auto sector, is seeing fast growth in volumes in an unattractive pricing environment. However, this growth should be seen against the backdrop of whether this clean-tech process is relevant in the medium term.

2. Country risk

A small proportion of the Group's business activities are exposed to Country risk, mainly in the oil services sector. Such exposure is nonetheless low, due to the many geographical regions dealt with.

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 intercompany 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. To cope with 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 certification procedures. These products make the Division a core short-term provider.

The Extrusion Division has recently withdrawn from international markets (primarily the US) 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 for a few major export customers in the oil services sector, which are monitored on an individual basis (deliveries are limited on the basis of 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 oil services sector is Kudu Inc, a Canadian company in which PCM has a 45% interest. PCM would become immediately aware of any risk in doing business with this customer.

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 required.

Gévelot Extrusion halved its debt from 2007 to the end of 2010. New funding was obtained in the first quarter of 2010 in an amount close to the repayments of earlier financing.

Other Group Companies have very low or non-existent levels of debt, as PCM in late 2009 obtained new credit lines allowing it to finance its international development in the future; as of the end of 2010, these credit lines had not been drawn on.

- Interest-rate risk

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

To be on the safe side, half financing obtained in the first quarter of 2010 by the Extrusion Division was at fixed rates.

3. Financial risks incurred on investment transactions outside France

- Currency risk

The Group has made investments outside of France, including 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 US and China, are not currently covered by any specific hedge.

Accounts payable

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 K€241 as at the end of 2010 (vs. K€202 at the end of 2009) and broke down as follows:

Period	Accrued	<31 days	31 to 60 days	>60 days	Total
2010	K€19	K€92	K€22	K€108	K€241
2009	K€33	K€46	K€66	K€57	K€202

Allocation of earnings

The following earnings allocation will be proposed:

Profit for the financial year:		€1,798,442.08
Previous balance carried forward		€ 2,917,625.38
Total to be allocated		€4,716,067.46
Legal reserve (5% of 2010 profit)	€89,922.10	
Dividend	€1,641,898.80	
		-€1,731,820.90
Losses carried forward after allocation		€2,984,246.56

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 allowance for beneficiaries of the capped tax credit scheme, will be paid from July 1st 2011 onwards. It will be paid on the 912,166 shares composing the new share capital base since 14 April 2011.
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 year	Net	Tax credit	Number of Shares Remunerated	Number of Shares Overall
2007	2.20	pm	957 543	957 543
2008	2.00	pm	957 543	957 543
2009	1.80	pm	953 710	957 543

Stock market

During 2010, the price of the shares, which are listed on the Eurolist C Compartment of the NYSE Euronext Paris, was as follows:

		Euros
Price at the end of 2009		27.50
Year's low		23.00
Year's high		44.00
Price at the end of 2010		40.00
Number of shares traded		
in 2010	103,661	
in 2009	133,379	

On March 31 2011, the share price was €60.30, while the total volume traded since the beginning of the year was 47,505 shares.

Shareholders

As at December 31, 2010, over two thirds of Gévelot's share capital was owned by long-term shareholders, primarily the following entities:

- SOCIETE DE PORTEFEUILLE FAMILIAL (SOPOFAM), which owns more than 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.
Gévelot S.A. currently owns 47,877 of its own shares (5% of total share capital), as specified below.
The Group's staff does not own any shares in the company, regardless of the form or origin of the investment.

Listing: Transfer to Alternext

The Annual General Meeting approved its Seventh Resolution on 24 June 2010, authorising this move. The Board of Directors approved the implementation of this transfer at its meeting of 14 April 2011, which could happen in late June 2011.

A first release was put out on 30 April 2010, announcing the project.

A second release is due out by the end April 2011 to explain Euronext's delisting and relisting formalities with a view to being admitted to Alternext by the end of the first half of 2011.

Within the legal time limit of three months after the new listing a listing sponsor will be appointed.

At the same 14 April 2011 meeting, the Board of Directors decided to keep its consolidated financial statements based on IFRS, once the transfer has been made to Alternext.

Non-deductible expenses

(Law of July 12 1965, Article 27)
The re-inclusion of general overheads into taxable income during the 2010 financial year only concerns Gévelot and amounted to €26,302, compared with €30,977 in 2009.

Events after the accounting cut-off date

Holding company

After purchases in the first quarter of 2011, a total of 47,877 shares have been bought back at an average price of €46.40.
By 15 March 2011 the buyback programme had been completed, amounting to 5% of the share capital for a total value of €2,221,647.79 and €6,664.98 in trading fees.
These shares shall be registered directly with the company.

At its 14 April 2011 meeting, the Board of Directors, by virtue of the authorisation previously granted to it by the Annual Meeting, decided to cancel 45,377 shares accounting for 4.7% of Gévelot S.A.'s share capital.

By virtue of this decision, the share capital will be reduced by the nominal amount of the cancelled shares, i.e. €1,588,195, and the surplus of the share acquisition price over their nominal value will subtract €482,721.59 from Other Reserves.

Extrusion Division

Because of the latest production of vehicles ordered as part of the late-2010 government aid programmes, business was good in the first quarter of 2011. For the full year 2011, however, business should be about the same as in 2010.

Pump Division

In an uncertain international political environment, especially in the Near and Middle East, caution is in order for our commercial developments, particularly in the oil services sector, where the supply of innovative pumps is expected to expand.
PCM's redeployment of offices in France is expected to be completed in late 2011.

Hiring is continuing, particularly internationally, in tandem with expansion.

Engineering Division

Healthy shipments of motor equipment (dosing pumps) to the auto industry in the first months of the year offset the sharp drop in replacement carburettor sales triggered by unrest in North and West Africa.

Industrial and commercial adjustments will have to be maintained in order to lay the ground for the medium term, and to follow up on the return to profitability in 2010.

The Board of Directors

Management’s certification of the 2010 Financial Report

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

Philippe Barbelane Deputy Managing Director	Paolo Martignoni Chairman & Managing Director

Consolidated financial statements at 31 December 2010

Consolidated balance sheet at 31 December 2010
(IFRS accounting basis)

ASSETS *(in thousands of euros)*		Net amount at 31.12.2010	Net amount at 31.12.2009
Goodwill	*Note 4*	923	894
Intangible assets	*Note 4*	4 738	5 186
Tangible assets	*Note 4*	87 702	91 714
Long-term financial assets	*Note 7*	1 392	1 375
Interests in associated companies	*Note 5*	9 530	7 876
TOTAL FIXED ASSETS (I)		104 285	107 045
Inventories	*Note 8*	29 020	26 444
Trade notes and accounts receivable	*Note 9*	34 159	30 480
Other receivables	*Note 10*	4 488	5 842
Matured tax claim	*Note 16*	-	1 110
Current financial assets	*Note 7*	97	114
Cash and cash equivalents	*Note 11*	36 496	23 574
TOTAL CURRENT ASSETS (II)		104 260	87 564
GRAND TOTAL (I + II)		208 545	194 609

LIABILITIES *(in thousands of euros)*		Net amount at 31.12.2010	Net amount at 31.12.2009
Equity available to consolidating company		129 039	120 351
Minority interests		37	33
TOTAL EQUITY (I)		129 076	120 384
Long-term provisions	*Note 13*	4 677	3 427
Long-term financial liabilities	*Note 15*	9 808	8 893
Deferred tax liability	*Note 16*	9 922	10 452
TOTAL LONG-TERM LIABILITIES (II)		24 407	22 772
Trade accounts payable		19 956	13 577
Accounts payable to asset suppliers		1 531	1 109
Current provisions	*Note 13*	2 999	1 907
Other account payable	*Note 12*	17 368	17 110
Matured tax liability	*Note 16*	3 760	68
Current financial liabilities	*Note 15*	9 448	17 682
TOTAL CURRENT LIABILITIES (III)		55 062	51 453
TOTAL LIABILITIES (II+III)		79 469	74 225
GRAND TOTAL (I + II + III)		208 545	194 609

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

Consolidated income statement 2010

(IFRS accounting basis)

INCOME STATEMENT (in thousands of euros)		Period 2010	Period 2009
Turnover	Note 20	189 628	160 620
Other income from operating activities	Note 17	2 075	1 685
Income from operating activities	Note 17	191 703	162 305
Current operating expenses	Note 18	(175 519)	(161 259)
CURRENT OPERATING INCOME	Note 20	16 184	1 046
Other operating income		104	281
Other operating expenses		(2 991)	(3 333)
OPERATING INCOME	Note 20	13 297	(2 006)
Cash and cash equivalents income		140	209
Cost of financial debt		(659)	(919)
Cost of net financial debt		(519)	(710)
Other financial income		628	651
Other financial expenses		(654)	(747)
RESULTS OF OPERATIONS	Note 19	(545)	(806)
PRE-TAX IINCOME OF CONSOLIDATED COMPANIES	Note 20	12 752	(2 812)
Income Tax (expense)	Note 16	(4 332)	920
NET INCOME OF CONSOLIDATED COMPANIES		8 420	(1 892)
Share of income from equity-method companies	Note 5	491	164
NET CONSOLIDATED INCOME	Note 20	8 911	(1 728)
SHARE GOING TO MINORITY INTERESTS		4	1
SHARE GOING TO CONSOLIDATING ENTITY		8 907	(1 729)
BASIC EPS (EARNINGS PER SHARE = DILUTED EARNINGS PER SHARE)		9,37 €	(1,81 €)

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.

950,348 is the number of shares on which earnings per share is calculated for period 2010 and 957,543 for period 2009 (see Note 3 - Share capital).

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

2010 Overall income and equity

IFRS accounting basis

(in thousands of euros)			Period 2010	Period 2009
NET CONSOLIDATED INCOME			8 911	(1 728)
Other operating results :	Gross amount	Tax Income/ Expenses		
Translation adjustements	1 957	-	1 957	723
Change in net worth on financial instruments	6	(3)	3	(186)
Revalued land and buildings	(31)	44	13	-
Other income net of tax			1 973	537
OVERALL INCOME			10 884	(1 191)

Translation adjustements concern primarily equity method companies.

Statement of changes in net worth and minority interests

(in thousands of euros)	Capital (cf Note 3)	Treasury shares	Revaluation adjustments	Translation adjustments	Consolidated reserves	Equity Group share	Minority interests	TOTAL equity
POSITION AT 31.12.2008	33 514	-	865	(2 632)	91 714	123 461	32	123 493
Distributions (2,00 € per share of 35 €)	-	-	-		(1 918)	(1 918)	-	(1 918)
Results of period 2009	-	-	-	723	(1 915)	(1 192)	1	(1 191)
POSITION AT 31.12.2009	33 514	-	865	(1 909)	87 881	120 351	33	120 384
Treasury share transactions	-	(474)	-		-	(474)	-	(474)
Distributions (1,80 € per share of 35 €)	-	-	-		(1 718)	(1 718)	-	(1 718)
Results of period 2010	-	-	(31)	1 957	8 954	10 880	4	10 884
POSITION AT 31.12.2010	33 514	(474)	834	48	95 117	129 039	37	129 076

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

Statement of consolidated cash flow 2010

CONSOLIDATED CASH FLOW

(in thousands of euros)		2010	2009
OPERATING ACTIVITIES			
Net earnings from consolidated companies		8 420	(1 892)
Elimination of expenses and income not affecting cash flow or related to activities:			
- Amortization and provisions		13 867	10 000
- Capitalisation of financial assets and liabilities		(193)	3
- Change in deferred tax	*Note 16*	(492)	(1 026)
- Capital loss net of tax		333	344
Cash flow from operations of consolidated companies		21 935	7 429
Dividends received from equity-method companies		-	-
- Changes in inventories		(2 454)	14 029
- Changes in trade accounts receivable		(3 633)	8 025
- Changes in other operating receivables		2 498	3 113
- Changes in trade accounts payable		6 378	(11 173)
- Changes in other operating payable		3 927	(1 343)
Changes in working capital requirement		6 716	12 651
NET CASH FLOWS FROM OPERATING ACTIVITIES		28 651	20 080
INVESTING ACTIVITIES			
- Acquisitions of intangible and tangible capital assets	*Note 4*	(7 352)	(9 164)
- Acquisitions of and increases in long-term investments		(165)	(119)
Total		(7 517)	(9 283)
- Disposals of intangible and tangible capital assets net of tax		259	357
- Disposals of and decreases in long-term investments		171	147
Total		430	504
Changes in working capital requirement and sundry		422	(1 777)
Effect of changes in reporting entities		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(6 665)	(10 556)
FINANCING ACTIVITIES			
- Dividends allocated to parent company shareholders		(1 718)	(1 918)
- Other changes		(468)	(283)
Total		(2 186)	(2 201)
- Initiation of borrowings and financial debts		5 240	1 507
- Repayment of borrowings and financial debts		(5 808)	(5 063)
Changes in borrowings and financial debts		(568)	(3 556)
Changes in working capital requirement and sundry		-	212
NET CASH FLOWS FROM FINANCING ACTIVITIES		(2 754)	(5 545)
NET CASH FLOWS		19 232	3 979
Cash position at opening		13 367	9 369
Cash position at closing	*Note 11*	32 831	13 367
Foreign exchange profits / (losses) from cash flows		(232)	(19)
		19 232	3 979

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

Notes to the consolidated financial statements at 31 December 2010

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 14 april 2011, the Board of Directors closed the accounts of Gévelot SA and approved the disclosure of its consolidated financial statements at 31 décembre 2010. These financial statements may be subject to changes until such time as the Annual General Meeting has approved them.

Note n° 1 : Information on consolidation scope

1.1. Consolidation scope at 31 December 2010

The following companies are fully consolidated:

COMPANIES	HEAD OFFICE		SIREN N°	% controlled at 31.12.2010	at 31.12.2009	% interests at 31.12.2010
HOLDING						
Gévelot S.A.	6, boulevard Bineau 92300 Levallois-Perret (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 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.				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, Northants 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.	Pingwang Ecological park Pingwang - Wujiang - 215221 Jiangsu (Chine)			99,99	99,99	99,94
PCM Muscat LLC	Al Qurm, GBM Building, PO Box 167 PC103, Muscat (Sultanate of Oman)			99,99	-	99,94
PCM Group Italia Srl	6, via Bergamo 20135 Milano (Italy)			99,99	99,99	99,94
MECHANICAL ENGINEERING / ENGINE AND GAS EQUIPMENT						
Gurtner S.A.	40, rue de la Libération 25300 Pontarlier (France)		542103635 54210363500026	100,00	100,00	99,95

The following companies were consolidated by means of the equity method:

COMPANIES	HEAD OFFICE		SIREN N°	% controlled at 31.12.2010	at 31.12.2009	% interests at 31.12.2010
PUMPS / FLUID TECHNOLOGY						
Kudu Industries Inc.	9112 - 40 th street S.E. Calgary Alberta T2C 2P3 (Canada)			45,00	45,00	44,98
Moineau Texas Corporation	Grogan's mill road, suite 125 The Woodlands TX 7780 (United States)	} }				
Kudu Australia Pty Ltd.	349 Coronation Drive Milton, QLD, 4064 (Australia)	} }				
Kudu Kazakhstan LLP	Kulan business center, Office 303188 Dostyk stree Almaty, 050051 (Kazakhstan)	} } wholly owned				
Kudu Europe SRL	Hall 8 Negoiesti-Brazi - 7 Str. Piatra Craiului Prahova County (Roumania)	} by Kudu Industries Inc. }				
Kudu International Inc	Suite B, Port St Charles Heywoods, St Peter Barbados BB 26013 (Barbados)	} }				
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 Muscat LLC was formed on 25 October 2010. It is wholly owned by PCM.
- There were no other changes in the scope of consolidation in 2010.
- All companies of the Group closed their books on 31 December 2010.

- 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 2010 and their expense and income account items were translated using the following rates:

Currency	Closing rate	Average rate
1 US dollar	€ 0.7484	€ 0.7537
1 pound sterling	€ 1.1617	€ 1.1652
1 Chinese yuan	€ 0.1134	€ 0.1114
1 Omani rial	€ 1.9444	€ 1.9689
1 Canadian dollar	€ 0.7506	€ 0.7318
1 Singapore dollar	€ 0.5836	€ 0.5531

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 operating 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 31 December 2010 and that are being applied for the first time are as follows:
- IFRS 3 revised: Business combinations
- IAS 27 revised: Consolidated and separate financial statements
- Amendment to IAS 39: Eligible hedged items
- Amendment to IFRS 2: Share-based payment of intra-group transactions and that are settled in cash
- Amendment to IFRS 5: Non-current assets held for sale and discontinued operations.

The standards and interpretations published by IASB and adopted by the European Union with a mandatory date of 1st January 2010 had no significant impact on Gévelot.

New texts not anticipated by the Group but that will become applicable from 1st January 2011
- Amendment to IAS 32: Classification of rights issues
- IAS 24 revised: Related party disclosures
- IFRS 9: Financial instruments.

The Group has applied no amendment and no standard or interpretation before required to do so and expects no significant impact from the future application of these newt texts.

New tax regulations in France, effective January 1, 2010

The 2010 French Finance Bill, which was passed in December 2009, replaced the local business tax (*Taxe Professionnelle*) with the Territorial Economic Contribution (*Contribution Economique Territoriale*), which is composed of two different taxes: the Real Property Contribution (*Cotisation Foncière des Entreprises*) and the Added Value Contribution (*Cotisation sur la Valeur Ajoutée des Entreprises*), The CFE is assessed on the rental value of property subject to property tax, while the CVAE is equal to 1.5% of the added value for enterprises. The CET is capped at 3% of added value. As the added value generated by the Group's French businesses is far greater than the taxable earnings on these same businesses, the Group considers the CET to be an operating cost rather than an income tax. Thus, starting from 2010, the CET will be charged off operating income, as the local business tax was until 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 actuarial 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 then 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

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

(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)

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 Transactionsin 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 Note 1.

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.

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 acquiree'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 capital 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 expensed in the period in which they are 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 that intends and has the technical and financial capacity to see the project through to completion,
- it is probable that the future economic benefits that are attributable to asset will flow to the enterprise.

Intangible capital assets are amortised using the straight-line method over the estimated useful life for 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 capital assets

Tangible capital 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 for 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 capital 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 cost 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 capital 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 of 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 : not 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 losing. 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 operation 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 tests 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 : each Company is deemed an independent CGU.

A specific discount rate has been determined for each business segment (see Note4).

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 Construction Aids.

They are measured at amortised cost using the effective interest 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 IFRS 8, 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 made to previously released accounts

Stored production and self-constructed assets have been recognised in 2010 under current operating costs. The income statement of the year ended December 31, 2009, has been modified accordingly to make the financial years comparable. As a result, €4.770 million has been reclassified from current income to current operating expenses;

No other change was made in the presenting of the accounts.

E. Events occurring after the balance sheet date

Business has been good in the first months of 2011 but may be weaker in the second quarter, particularly in the Extrusion and Engineering Divisions. The end of the positive impact of support measures on our auto-related businesses, and the uncertain international political, economic and environmental context could mean somewhat flat revenues for the coming months. Further industrial adjustments will be made in order to improve profitability.

Amidst an unstable geopolitical context on its main markets, the Pumps Division’s operating costs will increase, in order to fund its international expansion.

Note 3 : Share capital social

(in euros)	Ordinary	Treasury	31.12.2009	Cancelled	Par value modified by incorporating reserves	31.12.2010
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 2010, 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

During the 2010 financial year, the Group bought back 15.322 shares for a global cost of 474 K€ . The weighted average number of shares acquired is 7,195. The weighted average number of ordinary shares in circulation during the period totalled 950 348.

At 31 December 2010, the Group holds 15 322 of its own shares.

The Group does not have any stock option plans (purchase and/or subscription) under which the Company's shares would be awarded to certain employees and senior managers.

By virtue of the Board of Directors' decision, the share capital has been reduced to €31,925,810 following the cancelation of 45,377 shares. After this operation, the share capital consists of 912,166 ordinary shares with a par value of 35 euros.

Note 4 : Goodwill, intangible and tangible capital assets

4.1. Goodwill, intangible and tangible capital assets

	31.12.2010				
	Goodwill	Development expenses	Software and other	In progress	Intangible Capital assets
Gross Value					
At opening	894	5 777	6 849	486	13 112
Acquisitions and increases	-	421	170	490	1 081
Outgoings	-	(205)	(287)	-	(492)
Book transfert	-	276	67	(343)	-
Exchange adjustments	29	-	4	-	4
At closing	923	6 269	6 803	633	13 705
Amortisation and depreciation					
At opening	-	(2 661)	(5 265)	-	(7 926)
Expenses	-	(1 011)	(307)	-	(1 318)
Net depreciation	-	(22)	-	-	(22)
Outgoings	-	96	204	-	300
Exchange adjustments	-	-	(1)	-	(1)
At closing	-	(3 598)	(5 369)	-	(8 967)
Net value at opening	894	3 116	1 584	486	5 186
Net value at closing	923	2 671	1 434	633	4 738

	31.12.2009				
	Goodwill	Development expenses	Software and other	In progress	Intangible Capital assets
Gross Value					
At opening	834	5 039	6 547	970	12 556
Acquisitions and increase	-	263	145	395	803
Outgoings	-	(8)	(164)	(70)	(242)
Book transfert	-	483	322	(809)	(4)
Exchange 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 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

4.1. (continued): Goodwill, intangible and tangible capital asset

31.12.2010	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	9 426	31 510	178 154	11 074	576	193	230 933
Acquisitions and increases	-	193	1 971	660	2 849	598	6 271
Land and buildings revaluation	(106)	-	-	-	-	-	(106)
Outgoings	(390)	-	(1 079)	(619)	(47)	-	(2 135)
Book transfert	-	-	1 891	208	(1 391)	(708)	-
Exchange adjustments	38	100	212	26	-	-	376
At closing	8 968	31 803	181 149	11 349	1 987	83	235 339
Amortisation and depreciation							
At opening	(693)	(4 556)	(125 981)	(7 989)	-	-	(139 219)
Expenses	(396)	(645)	(7 229)	(742)	-	-	(9 012)
Net depreciation	-	(746)	(427)	-	-	-	(1 173)
Land and buildings revaluation	75	-	-	-	-	-	75
Outgoings	390	-	770	575	-	-	1 735
Exchange adjustments	(2)	(4)	(22)	(15)	-	-	(43)
At closing	(626)	(5 951)	(132 889)	(8 171)	-	-	(147 637)
Net value at opening	8 733	26 954	52 173	3 085	576	193	91 714
Net value at closing	8 342	25 852	48 260	3 178	1 987	83	87 702

Tangible assets include items relating to a site (Vanves) which will be vacated by its current occupant (PCM) during the second quarter of 2011.
Therefore, land and buildings located in Vanves, which net carrying amount totalled K€3 203 at 31 December 2010, will be vacated for another use .

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 transfert	-	3 580	3 259	260	(6 814)	(281)	4
Exchange 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)
Provisions	(139)	(609)	(6 971)	(757)	-	-	(8 476)
Net depreciations	-	(1 285)	-	-	-	-	(1 285)
Outgoings	-	-	2 028	506	-	-	2 534
Exchange 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

Total capital expenditure on intangibles and tangibles therefore amounts to€ 7.352 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.

	31.12.2010			31.12.2009		
	Plant and Machinery	Other	Total	Plant and Machinery	Other	Total
Gross Value						
At opening	12 922	602	13 524	12 468	523	12 991
Acquisitions and increases	707	172	879	506	284	790
Outgoings	(710)	(208)	(918)	(52)	(205)	(257)
At closing	12 919	566	13 485	12 922	602	13 524
Amortisation and depreciation						
At opening	(3 104)	(268)	(3 372)	(2 292)	(303)	(2 595)
Expenses	(827)	(156)	(983)	(864)	(169)	(1 033)
Outgoings	347	208	555	52	204	256
At closing	(3 584)	(216)	(3 800)	(3 104)	(268)	(3 372)
Net value at opening	9 818	334	10 152	10 176	220	10 396
Net value at closing	9 335	350	9 685	9 818	334	10 152

4.3. Valuation method

Depreciation

In accordance with the principle stated in Note 2.2.4, on 31 December 2010 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 8,5% for Gévelot Extrusion, 8% for Dold in Germany, 11% for the Pumps and 11% for the Mechanical Engineering sector (respectively 8%, 7,5%, 11% and 11% for the tests carried out at the end of 2009) and correspond to the average cost of the capital after tax, taking each segment's specific market rates and risk premiums into account.

The 2010 tests revealed a depreciation of € 0.5 million on the goodwill of EMA's interest owned by PCM following a strong downturn of EMS' outlooks in comparison with figures provided at the end of 2009.
A depreciation of € 1.2 million was recognised on the fixed assets of subsidiary Gurtner (Mechanical Engineering) following the outlooks of business decrease.This loss in value was allocated for € 0.7 million to land and buildings and for € 0.5 million to industrial assets.
The sensitivity of the value in use calculations to changes in the various asssumptions 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%
Extrusion sector				
Gévelot Extrusion	+€ 7.0 million	-4,4 M€	-3,7 M€	-5,9 M€
Dold	+7,6 M€	-2,4 M€	-2,1 M€	-3,1 M€
Total Extrusion sector	+14,6 M€	-6,8 M€	-5,8 M€	-9,0 M€
Pumps sector				
PCM Group UK	+0,1 M€	-0,1 M€	-0,1 M€	-0,2 M€

There being no indication of impairment in the Pumps sector, no value test was performed except for EMA and PCM Group UK. The sensitivity of the value in use calculations for EMA securities to changes in the various assumptions (discount rate, growth rate and cash flow) is estimated to be lower than € 0.1 million.
The sensitivity of the value in use calculations is not applicable to subsidiary Gurtner, assets are estimated at fair value.

A decrease of usual terminal flow (key assumption) of 13.5% for Gévelot Extrusion and of 28% for Dold would lead to no margin between value in use and value of tested assets.

Land and building revaluation

Administrative land and buildings were revaluated at their fair value on 31 December 2010 according to the independant expert's assessment (using the fair value and rental income).

These new assessments have resulted in a reduction of valuation adjustment of 31 K€ recognized in equity.

Note 5 : Interests in associated companies

The following interests were accounted for using the equity method:

(in thousands of euros)		31.12.2009	Period income or loss	Goodwill depreciation	Exchange adjustment	31.12.2010
Kudu Industries Inc.	KEUR	6 828	867	-	1 032	8 727
Ensival Moret Asia Pte Ltd./ Ensival Moret Shanghaï Co. Ltd.	KEUR	1 048	98	(474)	131	803
Total		7 876	965	(474)	1 163	9 530

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	
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Kudu Industries Inc.	KCAD	49 852	37 958	92 667	75 587	25 838	23 204	2 634	256
	in K€	*37 419*	*25 090*	*67 814*	*47 680*	*19 394*	*15 338*	*1 928*	*161*
Ensival Moret Asia Pte Ltd./ Ensival Moret Shanghaï Co. Ltd.	KSGD	14 463	15 143	14 273	18 252	5 349	5 205	685	715
	in K€	*8 441*	*7 499*	*7 894*	*9 022*	*3 122*	*2 578*	*379*	*353*

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	% interest	22,72%		
	(pending liquidation)	Equity	N / A	0	0
		2010 P / L	N / A		

Note 7 : Financial assets

	2010	2009
Long-term		
Other capitalized securities	3	3
Loans	491	476
Other	898	896
Total long-term financial assets	1 392	1 375
Current		
Loans	97	114
Total current financial assets	97	114
Total financial assets	1 489	1 489

Note 8 : Inventories

		2010		2009
. Raw materials and other supplies	14 836		13 115	
. Work-in-progress inventory	6 160		5 964	
. Semi-finished and finished goods	9 598		8 761	
. Merchandise	2 017		2 006	
Gross amount		32 611		29 846
. Raw materials and other supplies	(2 039)		(1 985)	
. Work-in-progress inventory	(498)		(419)	
. Semi-finished and finished goods	(1 009)		(947)	
. Merchandise	(45)		(51)	
Depreciation		(3 591)		(3 402)
Total		29 020		26 444

Note 9 : Trade notes and accounts receivable

	2010	2009
Gross amount	35 402	31 778
Depreciation	(1 243)	(1 298)
Total	34 159	30 480

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 performs a significant portion of its consolidated turnover with major customers representing individually more than 10% of the consolidated turnover.

The part of sector-based turnover achieved with these important customers is 51,2% for the Extrusion sector in 2010.

Note 10 : Other accounts receivable

	2010	2009
Advances and down payments on orders	502	376
Central and local government excluding corporate income tax	1 531	3 808
Personnel	75	153
Debit supplier balances	168	228
Other debtors	1 122	205
Prepaid expenses	1 090	1 072
Total	4 488	5 842

Note 11 : Cash and cash equivalents

	2010	2009
Cash	21 968	11 237
Deposit certificates and Fixed-term accounts	1 000	-
Open-end and monetary investment funds in euros	13 528	12 337
Cash and cash equivalents	36 496	23 574

Cash and cash equivalents are measured at fair value and mature in the short term.
Deposit certificate and fixed-term account rates range from 1,10% to 1,20%.

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

		2010	2009
Cash and cash equivalents		36 496	23 574
Bank overdrafts	Note 15	(3 665)	(10 207)
Cash position at closing		32 831	13 367

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

Note 12 : Other accounts payable

	2010	2009
Advances and down payments received on orders	411	501
Tax debts excluding corporate income tax, personnel and welfare agencies	13 425	13 800
Other creditors	1 996	1 853
Deferred income	1 536	956
Total	17 368	17 110

Note 13 : Provisions

	01.01.2010	Provisions	Other changes	Reversals provision used	Reversals provision not used	31.12.2010 Total	31.12.2010 Under one year	31.12.2010 Over one year
Contingency provisions								
. Provisions for litigation settlements	307	269	-	(6)	(105)	465	52	413
. Other contingency provisions	5	403	-	-	-	408	-	408
Total	312	672	-	(6)	(105)	873	52	821
Loss provisions								
. Other loss provisions	1 323	621	-	(627)	-	1 317 (a)	1 138	179
. Restructuring provisions	730	1 624	-	(545)	-	1 809	1 809	-
. Retirement provisions	2 721	388	576 (b)	(44)	(225)	3 416	-	3 416
. Work medal provisions	248	37	-	(24)	-	261	-	261
Total	5 022	2 670	576	(1 240)	(225)	6 803	2 947	3 856
Total provisions	5 334	3 342	576	(1 246)	(330)	7 676	2 999	4 677

(a) Other loss provisions include:

- provisions for operating expenses	349
- provisions for personnel expenses	279
- provisions for commercial expenses	689
	1 317

(b) This amount represents the unusual refund received by Gévelot Extrusion for ist covered assets (see note 14) considered as a result of headcount reduction according to the detailled plan formalized in 2009.

Retirement provisions are detailled in note 14 "Employee benefits". Expenses are recorded :
- as current operating income, for the costs of rendered services, benefits paid and depreciation on ungain rendered services and actuarial gain/loss;
- as operating income, for the plan reduction/liquidation
- as "other financial income/loss", for the discounting of acquired benefits and the return expected on assets.

Restructuring expenses correspond to adaptating plans set up in Extrusion sector (Germany), and to business redeployment in Pumps sector from Vanves to the other PCM's sites within the scope of a detailed and formal plan.

Note 14 : Employee Benefits

Retirement benefits

	France	Germany	2010	2009
Provision in the balance sheeet				
Discounted value of obligations covered	4 485	1 975	6 460	5 446
Fair value of the plan's assets	(3 190)	-	(3 190)	(3 803)
Subtotal	1 295	1 975	3 270	1 643
Unrecognised and ungained past services (change of plan)	(591)	-	(591)	-
Unrecognised acturial gains/(losses)	737	-	737	1 078
Provision recognised in the balance sheet	1 441	1 975	3 416	2 721
Discounted value of obligations covered				
At opening	3 574	1 872	5 446	5 658
Cost of services rendered	181	62	243	313
Financial cost	173	85	258	221
Benefits paid	(175)	(44)	(219)	(288)
Reduction/liquidation of plan	(170)	-	(170)	(442)
Change of plan	616	-	616	-
Acturial gain/loss of period	286	-	286	(16)
Discounted value of obligations covered	4 485	1 975	6 460	5 446
Fair value of the plan's assets				
At opening	3 803	728	4 531	4 689
Effective return	138	24	162	109
Contributions	-	39	39	21
Unusual repayment	(576)	-	(576)	-
Benefits paid	(175)	(44)	(219)	(288)
Fair value of the plan's assets	3 190	747	3 937	4 531
Change in provisions				
At opening	849	1 872	2 721	3 007
Period's expenses/(income)	16	103	119	(286)
Unusual repayment	576	-	576	-
Change in provisions	1 441	1 975	3 416	2 721
Total expense recognised in income statement				
Cost of services rendered	181	62	243	313
Financial cost	173	85	258	221
Benefits paid	-	(44)	(44)	(32)
Effective return	(138)	-	(138)	(150)
Reduction/liquidation of plan	(170)	-	(170)	(580)
Recognised and ungained past services	25	-	25	-
Recognised actuarial gain/loss (corridor)	(55)	-	(55)	(58)
Expenses/(income) recognised in income statement	16	103	119	(286)

Main actuarial assumptions		
- Discount rate	4,50%	4,50%
- Rate of pay rises	2,50%	0%
- Retirement age	62 (non-managerial), 64 (managerial)	65
- Expected return on assets	4,00%	4,50%

Evolution of unrecognised actuarial gain/loss

	Actuarial 2010	2009
Analysis of unrecognised acturial gain/loss changes		
Stock of actuarial gains-losses at start of period	K€ 1,078	K€ 1,258
Reduction / liquidation of plan	-	K€ -138
Amortisation in period	K€ -55	K€ -58
Gain/Loss over period	K€ -286	K€16
Stock of actuarial gains/losses at end of period	K€ 737	K€1,078

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

Defined benefit plans are evaluated by independent actuaries.

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

Under IAS 19.104, Dold assets are recorded as separate assets.

Note 15 : Financial liabilities

15.1. Financial liabilities

	2010	2009
Long-term		
Bank loans	9 628	8 694
Other borrowing and financial debt	180	199
Total long-term financial liabilities	9 808	8 893
Short-term		
Bank loans	5 772	7 366
Other borrowing and financial debt	1	21
Derivatives	10	88
Bank overdrafts	3 665	10 207
Total current financial liabilities	9 448	17 682
Total financial liabilities	19 256	26 575

Bank overdrafts consist in factoring short-term commercial receivables for € 3,5 million and using short-term credit lines for € 0,2 million.

The Group has received aids for innovation from OSEO Innovation. At 31 December 2009, the amounts were recognised as "other borrowing and financial debt" for K€ 868, including K€ 40 under one year. As from 2010, these aids are recognised as "bank loans" and in order to enable comparison of periods, the amounts for 2009 have been reclassified as "bank loans".
At the end of 2010, these aids for innovation include a refundable part for € 0,4 million and a required part for € 0,6 million.

These aids are subject to discount (see Note 22).

15.2. Changes in financial liabilities

	01.01.2010	Repayments	New loans	31.12.2010
Loans and debt with lending institutions (including finance leases	16 148	(5 978)	5 240	15 410
Other borrowing and financial debt	220	(39)	-	181
Financial liabilities (excluding overdrafts)	16 368	(6 017)	5 240	15 591
Bank overdrafts	10 207	(10 207)	3 665	3 665
Total	26 575	(16 224)	8 905	19 256

15.3. Financial liabilities by date of maturity

	Total		Maximum 1 year		1 to 5 years		Over 5 years	
	2010	2009	2010	2009	2010	2009	2010	2009
Loans and debt with lending institutions (incl. finance lease)	15 410	16 148	5 782	7 454	9 205	8 313	423	381
Other borrowing and financial debts	181	220	1	21	180	199	-	-
Bank overdrafts	3 665	10 207	3 665	10 207	-	-	-	-
Total	19 256	26 575	9 448	17 682	9 385	8 512	423	381

Loans and debt with lending institutions are covered by € 1,9 million of collateral.

15.4. Financial liabilities relating to finance leases

	Total		Maximum 1 year		1 to 5 years		Over 5 years	
	2010	2009	2010	2009	2010	2009	2010	2009
Lessor debts and credits	6 830	8 042	2 041	2 039	4 683	5 722	106	281
Total	6 830	8 042	2 041	2 039	4 683	5 722	106	281

15.5. Breakdown of financial liabilities by main currencies

	Total		Euros		American dollars		sterling pounds	
	2010	2009	2010	2009	2010	2009	2010	2009
Loans and debt with lending institutions (incl. Finance leases)	15 410	16 148	15 410	16 148	-	-	-	-
Other borrowing and financial debt	181	220	181	220	-	-	-	-
Bank overdrafts	3 665	10 207	3 655	10 191	10	16	-	-
Total	19 256	26 575	19 246	26 559	10	16	-	-

15.6. Breakdown of financial liabilities by type of rate

	2010	2009
Covered variable rates	950	2 050
Non-covered variable rates (*)	2 225	400
Fixed rates	5 575	5 855
Interests	11	21
Overdrafts	3 665	10 207
Finance leases	6 830	8 042
Total	19 256	26 575

(*) Loans at non-covered variable rates mature between 2011 and 2015.

Weighted average interest rates are Euribor 3M + 0,40 for loans at covered variable rates and Euribor 3M + 2,30 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

	01.01.2010	Payments	Down payments	Research tax credit	Period expense	31.12.2010
Asset	(1 110)	1 109	1	-	-	-
Liability	68	(64)	(207)	(861)	4 824	3 760
Total					4 824	

16.2. Deferred taxes

	01.01.2010	Movements Income statement	Equity	Other (incl. Translation)	31.12.2010
Deferred tax assets	(2 615)	(264)	3	(37)	(2 913)
Deferred tax liabilities	13 067	(228)	(44)	40	12 835
Total	10 452	(492)	(41)	3	9 922

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:

	2010	2009
Payable taxes	4 824	106
Deferred taxes	(492)	(1 026)
Total	4 332	(920)

* Deferred tax expenses/income breaks down as follows:		
- Income on depreciation expenses for intangible and tangible capital assets	(281)	(234)
- Income / expenses from net provisions for / reversals of intangible and tangible capital asset depreciation	(411)	(769)
- Expenses on reversed regulated provisions and other taxes	269	445
-Other income and expenses	(167)	182
- Carried-over tax deficits	583	(707)
- Other timing differences	(485)	57
Total deferred tax expense / (income)	(492)	(1 026)

Reconciliation of the theoretical and the recognised income tax expense:

			2010
Current operating income of consolidated companies			12 752
Theoretical income tax expense in France	(3 540)		
Theoretical income tax expense in Germany	(547)		
Theoretical income tax expense in England	(67)		
Theoretical income tax expense in Italy	7		
Theoretical income tax expense in America	(252)		
Theoretical income tax expense in China	105		
Total theoretical income tax expense		(4 294)	
Net impact of non-deductible or non-taxable expenses and income		(38)	
Effective income tax expense on current operations			(4 332)
Net income of consolidated companies			8 420

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

Rate of corporate income tax (2010 and subsequent financial years)			
France	34,43%	China	25,00%
Germany	28,25%	Italy	31,40%
America	34,00%	Oman	12,00%
England	28,00%		

Note 17 : Income from operating activities

	France	Foreign countries	2010	2009
Sales of goods	2 292	7 249	9 541	7 532
Production sold:				
. of goods	78 868	98 986	177 854	151 313
. of services	972	1 261	2 233	1 775
Turnover	82 132	107 496	189 628	160 620
Operating grants			888	967
Other income			1 187	718
Other income from activities			2 075	1 685
Total income from operating activities			191 703	162 305

"Operating grants" include primarily research tax credit.

At 31 December 2009, research tax credit was recognised under "other income". In order to enable the comparison of periods, K€ 905 haS been reclassified from "other income" to "operating grants".

Note 18 : Current operating expenses

			2010	2009
Production stored			28	5 251
Self-constructed assets			(917)	(481)
Purchase of goods			4 908	2 878
Changes in goods inventory			104	1 316
Purchase of raw materials and other supplies			59 185	42 364
Changes in inventories of raw materials and other supplies			(2 327)	7 417
Other purchases and external charges			36 189	26 350
Payroll expenses			60 683	58 100
Taxes and comparable payments			3 900	4 146
Depreciation and estimated expenses:				
. On capital assets	- depreciation expenses	Note 4	10 330	9 797
. On long-term assets	- expenses/income on impairment provisions	Note 4	1 195	2 237
. On current assets	- estimated expenses		1 253	1 193
. Contingency	- estimated expenses		439	291
Other expenses			549	400
Total current operating expenses			175 519	161 259

Note 19 : Financial income / loss

	2010	2009
Interest generated by cash and cash equivalents	84	154
Net earnings from sales of short-term investments	56	55
Income from cash and cash equivalents	140	209
Interest charges on financing transactions	659	919
Gross cost of financial indebtedness	659	919
Net cost of financial indebtedness	(519)	(710)
Income from financial instruments	31	17
Discounted financial income	221	13
Positive change in fair value of assets and liabilities measured at fair value	4	42
Income from interest and exchange rate hedges	216	412
Other financial income	156	167
Total other financial income	628	651
Losses on financial instruments	-	6
Discounted financial expenses	201	226
Negative change in fair value of assets and liabilities measured at fair value	110	4
Losses on interest and exchange rate hedges	324	468
Other financial expenses	19	43
Total other financial expenses	654	747
Income (loss) from other financial income and expenses	(26)	(96)
Financial income (loss)	(545)	(806)

Note 20 : Segment information

20.1. Breakdown of fixed assets by business segment

	At 31.12.2010					At 31.12.2009				
	Holding	Extrusion	Pumps	Mechanical Engineering	Total	Holding	Extrusion	Pumps	Mechanical Engineering	Total
Goodwill (1)	-	-	923	-	923	-	-	894	-	894
Intangibles subtotal	40	6 250	6 087	1 328	13 705	40	5 539	6 231	1 302	13 112
Land and buildings	19 832	8 075	7 968	4 896	40 771	20 013	7 904	8 125	4 894	40 936
Industrial plant and other	148	159 279	25 712	7 359	192 498	163	157 115	24 255	7 695	189 228
In progress	72	1 110	800	5	1 987	-	382	194	-	576
Advances and down payments	-	83	-	-	83	-	193	-	-	193
Tangible subtotal	20 052	168 547	34 480	12 260	235 339	20 176	165 594	32 574	12 589	230 933
Gross values	20 092	174 797	41 490	13 588	249 967	20 216	171 133	39 699	13 891	244 939
Accumulated amortization/depreciation	1 527	125 960	17 852	11 265	156 604	1 304	119 225	16 514	10 102	147 145
Net values	18 565	48 837	23 638	2 323	93 363	18 912	51 908	23 185	3 789	97 794
Period's expenses	639	7 390	1 979	1 517	11 525	385	6 955	3 094	1 600	12 034
Balance sheet total by business segment	76 716	87 047	81 081	9 526		73 246	87 135	68 767	10 001	

(1) concerns PCM Group UK Ltd

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 €12.4 million and the Pumps sector for €3.8 million.

Total capital expenditure on intangibles and tangibles in 2010 amounted to:

Holding company:	K€ 118
Cold Extrusion & Machining :	K€ 4,625
Pumps / Fluid Technology	K€ 2,545
Mechanical Engineering/Engine and Gaz Equipment	K€ 64
	K€ 7,352

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

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

20.2. Changes in financial liabilities by business segment

	01.01.2010	Repayments	New loans	31.12.2010
Loans and debt with lending institutions (incl. Finance leases)				
Holding company	-	(10)	33	23
Cold extrusion & Machining	15 717	(5 829)	5 207	15 095
Pumps/Fluid Technology	63	(53)	-	10
Mech. Engineering/Engine & Gas Equipment	368	(86)	-	282
Subtotal	16 148	(5 978)	5 240	15 410
Other loans and financial debts	220	(39)	-	181
Bank overdrafts				
Holding company	1	(1)	-	-
Cold extrusion & Machining	7 331	(7 331)	3 646	3 646
Pumps/Fluid Technology	2 045	(2 045)	19	19
Mech. Engineering/Engine & Gas Equipment	830	(830)	-	-
Subtotal	10 207	(10 207)	3 665	3 665
Total	26 575	(16 224)	8 905	19 256

20.3. Consolidated turnover by business segment

	31.12.2010			31.12.2009		
	Outside Group	Intra Group	Total	Outside Group	Intra Group	Total
Holding company	73	3 342	3 415	138	3 529	3 667
Cold extrusion & Machining	98 284	430	98 714	81 974	460	82 434
Pumps/Fluid Technology	76 761	6 376	83 137	67 109	3 984	71 093
Mech. Engineering/Engine & Gas Equipment	14 510	-	14 510	11 399	-	11 399
Eliminations et reconciliations	-	(10 148)	(10 148)	-	(7 973)	(7 973)
Total	189 628	-	189 628	160 620	-	160 620

20.4. Results by business segment

Current operating income

	2010 Outside Group	2010 Intra Group	2010 Total	2009 Outside Group	2009 Intra Group	2009 Total
Holding company	(2 730)	3 385	655	(2 328)	3 551	1 223
Cold Extrusion & Machining	5 443	(2 520)	2 923	(1 241)	(2 743)	(3 984)
Pumps/Fluid Technology	13 226	(797)	12 429	5 759	(743)	5 016
Mechanical Engineering/Engine and Gas Equipment	245	(68)	177	(1 144)	(65)	(1 209)
Total	16 184	-	16 184	1 046	-	1 046

Transition from current operating income to operating income	Holding	Extrusion	Pumps	Mechanical	Total 2010	Total 2009
Current operating income	655	2 923	12 429	177	16 184	1 046
Other operating income	19	34	47	4	104	281
Litigation settlements	(216)	(3)	-	(88)	(307)	(173)
Commercial litigation	-	(500)	-	-	(500)	-
Restructuring costs	-	(240)	(1 459)	-	(1 699)	(2 623)
Other operating expenses	(23)	(132)	(302)	(28)	(485)	(537)
Operating income/loss	435	2 082	10 715	65	13 297	(2 006)

Restructuring expenses comprise adjustment plan set up in Extrusion sector (Germany) and reorganization of activities, in PCM sector, from Vanves to other PCM sites according to a detailed and formal plan.

Revenue

	2010 Outside Group	2010 Intra Group	2010 Total	2009 Outside Group	2009 Intra Group	2009 Total
Holding company	(2 950)	3 385	435	(2 327)	3 551	1 224
Cold Extrusion & Machining	4 602	(2 520)	2 082	(2 929)	(2 743)	(5 672)
Pumps/Fluid Technology	11 512	(797)	10 715	4 601	(743)	3 858
Mechanical Engineering/Engine & Gas Equipment	133	(68)	65	(1 351)	(65)	(1 416)
Total	13 297	-	13 297	(2 006)	-	(2 006)

Earning before tax of consolidated compagnies

	2010 Outside Group	2010 Intra Group	2010 Total	2009 Outside Group	2009 Intra Group	2009 Total
Holding company	(2 882)	3 385	503	(2 162)	3 665	1 503
Cold Extrusion & Machining	4 076	(2 520)	1 556	(3 819)	(2 857)	(6 676)
Pumps/Fluid Technology	11 412	(797)	10 615	4 564	(743)	3 821
Mechanical Engineering/Engine & Gas Equipment	146	(68)	78	(1 395)	(65)	(1 460)
Total	12 752	-	12 752	(2 812)	-	(2 812)

Net consolidated income

	2010 Outside Group	2010 Intra Group	2010 Total	2009 Outside Group	2009 Intra Group	2009 Total
Holding company	(2 137)	2 220	83	927	2 403	3 330
Cold Extrusion & Machining	2 830	(1 652)	1 178	(4 785)	(1 873)	(6 658)
Pumps/Fluid Technology	7 843	(523)	7 320	3 190	(487)	2 703
including share of incomr from equity method companies	*491*		*491*	*164*		*164*
Mechanical Engineering/Engine & Gas Equipment	375	(45)	330	(1 060)	(43)	(1 103)
Total	8 911	-	8 911	(1 728)	-	(1 728)

20.5. Breakdown of fixed assets by geographical segment

	At 31.12.2010				AT 31.12.2009			
	France	Germany	Other countries	Total	France	Germany	Other countries	Total
Goodwill (1)	-	-	923	923	-	-	894	894
Intangibles subtotal	11 312	2 345	48	13 705	11 042	2 038	32	13 112
Land and buildings	30 407	8 075	2 289	40 771	30 586	7 904	2 446	40 936
Industrial plant and other	143 651	45 322	3 525	192 498	141 339	44 936	2 953	189 228
In progress	1 938	49	-	1 987	510	66	-	576
Advances and down payments	83	-	-	83	52	141	-	193
Tangibles subtotal	176 079	53 446	5 814	235 339	172 487	53 047	5 399	230 933
Gross values	187 391	55 791	6 785	249 967	183 529	55 085	6 325	244 939
Accumulated amortisation/depreciation	120 672	34 934	998	156 604	113 649	32 773	723	147 145
Net values	66 719	20 857	5 787	93 363	69 880	22 312	5 602	97 794
Period's expenses	8 336	2 821	368	11 525	9 407	2 367	260	12 034

(1) concerns PCM Group UK Ltd.

20.6. Consolidated turnover by geographical segment

		31.12.2010			31.12.2009	
France		82 132	*43,3%*		70 694	*44,0%*
. European Union countries	57 506			51 277		
. Other European countries	2 325			2 015		
. America	21 034			13 141		
. Other areas	26 631			23 493		
Foreign countries		107 496	*56,7%*		89 926	*56,0%*
Total		189 628	*100,0%*		160 620	*100,0%*

Note 21 : Research and development

Research and development expenses for the entire group amounted to K€ 1 925, K€ 876 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 31/12/2010	Dep.	Value in balance sheet
Financial assets										
-Aids for construction over one year	627		292	335	5,0%	(140)	4	(136)	-	491
-Aids for construction under one year	134	134							(37)	97
-Receivables	68			68	5,0%	-	(20)	(20)	-	48
-Derivate instruments	-	-								-
Financial liabilities										
-Aids for innovation over one year	1 137		893	244	5,0%	-	(209)	(209)		928
-Aids for innovation under one year	41	41								41
-Derivate instruments	10	10								10

Aids for construction 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. Foreign exchange contracts are transactions (purchases/sales) in currency futures.

Aids for innovation represent payments received from Oséo Innovation which maturities staggered between 2011 and 2016. These interest-free aids are discounted to present value to factor in the loss in value of futures repayments.

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	524	500		Euro	2,5 yr	311	213	-		n/a
Rental - Non-operating	1 049	995		Euro	1,5 yr	579	470	-		n/a
Finance leases	7 384	6 892	13 485	Euro	3,5 yr	2 309	4 783	292	3,70%	5,00%

Rental agreements are straightforward 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 1.0 million euros was recognised in 2010 for straightforward rental agreements.

Note 24 : Managers' remuneration

	2010	2009
Short-term benefits (excluding social security charges)	568	551
Social security charges	162	156
Total	730	707

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

Note 25 : Average headcount

	2010	2009
Managerial and executive	202	214
Supervisory, clerical and blue-collar	973	1 037
Total	1 175	1 251
Temporary workers	112	16

Note 26 : Off-balance sheet commitments

Contractual obligations

	2010	2009
Pledges, bonds and guarantees	2 063	1 396
Total	2 063	1 396

Commitments received

	2010	2009
Pledges, bonds and guarantees	3 458	123
Total	3 458	123

Individual training entitlements
In accordance with article 2004-391 of 4 May 2004 relating to professional training, the French companies of the Group grant to their employees individual training entitlements of a minimum twenty hours per year calendar for a maximum six years. At the end of this period and if not use, all rights will remain capped at one hundred and twenty hours.

The number of accumulated hours not used at the end of 2010 totaled 83 251 hours against 74 675 hours at the end of 2009. 740 hours have been used during 2010.

No provision have been recognised, the training is fully supported by our authorized collector institution.

Note 27 : Affiliated companies

(in thousand of euros)	2010 Amount of transactions	2010 Amount of balances	2009 Amount of transactions	2009 Amount of balances
Fixed assets	-		-	
Receivables		1 577		1 546
Payables		117		52
Expenses	1 828		2 038	
Income	13 401		8 653	

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

	PRICEWATERHOUSECOOPERS				C.R.E.A.			
(in euros)	2010 Amount	%	2009 Amount	%	2010 Amount	%	2009 Amount	%
Audit								
Auditing, certification, review of individual and consolidated financial statements	96 000	100%	94 500	100%	116 000	100%	115 000	100%
Issuer	*67 000*	*70%*	*66 000*	*70%*	*67 000*	*58%*	*66 000*	*57%*
Fully consolidated subsidiaries	*29 000*	*30%*	*28 500*	*30%*	*49 000*	*42%*	*49 000*	*43%*
Services directly relating to audit engagements	-	-	-	-	-	-	-	-
Issuer	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	-	-	-	-	-	-	-	-
Subtotal	96 000	100%	94 500	100%	116 000	100%	115 000	100%
Other services rendered								
Legal, fiscal, social	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total	96 000	100%	94 500	100%	116 000	100%	115 000	100%

Fees correspond to the amounts stated in the agreement letters.

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

CREA
41, avenue de Friedland
75008 Paris

RAPPORT DES COMMISSAIRES AUX COMPTES SUR LES COMPTES CONSOLIDES

Exercice clos le 31 décembre 2010

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 2010, 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 indique les nouveaux textes comptables d'application obligatoire à compter du 1er janvier 2010;
- la note 2D qui détaille une modification apportée au compte de résultat comparatif de l'exercice 2009 antérieurement publié.

II - Justification des 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 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 2010, 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 26 avril 2011

Les Commissaires aux Comptes

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

Individual financial statements at 31 December 2010

Balance sheet at 31 December 2010

ASSETS (in thousand of euros)	Gross amount at 31.12.2010	Amortization or Depreciations	Net amount at 31.12.2010	Net amount at 31.12.2009
CAPITAL ASSETS (I)				
Intangible assets (A)				
Concessions, patents, licences, trademarks, processes, rights and comparable items	40	27	13	15
Total A	40	27	13	15
Tangible capital assets (B)				
Land	3 058	142	2 916	2 908
Buildings	15 416	9 313	6 103	6 320
Other	115	65	50	83
In progress	72	-	72	-
Advances and down payments	-	-	-	-
Total B	18 661	9 520	9 141	9 311
Long-term investments (C) (1)				
Equity investments	44 021	-	44 021	44 021
Receivables from equity investments	-	-	-	185
Loans	52	-	52	52
Other (3)	484	-	484	10
Total C	44 557	-	44 557	44 268
Total Capital assets (I) (A + B + C)	63 258	9 547	53 711	53 594
CIRCULATING ASSETS				
Advances and down payments paid on orders	-	-	-	-
Receivables (2)				
Trade notes and accounts receivable	114	-	114	116
Other	2 399	-	2 399	1 643
Short-term investments	6 927	-	6 927	5 414
Cash	6 054	-	6 054	4 506
ACCRUALS				
Prepaid expenses (2)	59	-	59	23
Total circulating assets (II)	15 553	-	15 553	11 702
Unrealized foreign exchange losses (III)	-	-	-	-
Grand total (I + II + III)	78 811	9 547	69 264	65 296

(1) including under 1 year	491	185
(2) including over 1 year	106	77
(3) including treasury shares	474	-

LIABILITIES (in thousand of euros)	Before appropriation		After appropriation	
	Net amount at 31.12.2010	Net amount at 31.12.2009	Net amount at 31.12.2010 (a)	Net amount at 31.12.2009 (b)
EQUITY (I)				
Capital	33 514	33 514	33 514	33 514
Paid-in capital	-	-	-	-
Revaluation adjustements	-	-	-	-
Reserves:				
. Legal reserve	3 090	2 966	3 180	3 090
. Other	13 000	12 753	13 000	13 000
Retained earnings	2 918	2 528	2 984	2 910
Net income (loss) of period	1 798	2 477	-	-
Subtotal : net position	54 320	54 238	52 678	52 514
Investment grant	7	9	7	9
Regulated provisions	2 040	1 751	2 040	1 751
Total Equity (I)	56 367	55 998	54 725	54 274
PROVISIONS (II)				
Contingency provisions	150	-	150	-
Loss provisions	7 411	7 307	7 411	7 307
Total Provisions (II)	7 561	7 307	7 561	7 307
LIABILITIES (III) (1)				
Loans and liabilities from lending institutions (2)	-	1	-	1
Other borrowing and financial debt	622	713	622	713
Advances and down payments received on current orders	-	-	-	-
Trade notes and accounts payable	159	167	159	167
Tax and welfare liabilities	3 896	405	3 896	405
Liabilities to fixed-asset suppliers incl. unpaid armts. on invt. Shares	82	35	82	35
Other liabilities	577	670	2 219	2 394
Prepaid income	-	-	-	-
Total liabilities (III)	5 336	1 991	6 978	3 715
Unrealized foreign exchange gains (IV)	-	-	-	-
Grand total (I + II + III +IV)	69 264	65 296	69 264	65 296

(1) including over 1 year	605	712	605	712
including under 1 year	4 731	1 279	6 373	3 003
(2) including cash credits and bank credit balances	-	1	-	1

a) After appropriation submitted to the Annual General Meeting of 17 June 2011.

b) After appropriation decides by the Annual General Meeting of 24 june 2010.

2010 income statement

INCOME STATEMENT (in thousands of euros)	2010	2009
OPERATING REVENUE		
Rendering of services	3 415	3 667
Net turnover	3 415	3 667
Other income	119	143
Total operating revenue (I) (1)	3 534	3 810
OPERATING EXPENSES		
Other purchases and external charges	691	762
Taxes	449	438
Wages and salaries	690	674
Social security charges	298	286
Amortisation expenses on fixed assets	233	241
Depreciation expenses on fixed assets	-	-
Other charges	68	68
Total operating expenses (II) (2)	2 429	2 469
1 - OPERATING INCOME (LOSS) (I - II)	1 105	1 341
FINANCIAL INCOME		
From minority interests (3)	1 417	1 602
Other interests and comparable income (3)	88	280
Excess provisions charged and expense transfers	-	-
Foreign exchange gains	-	-
Total financial income (III)	1 505	1 882
FINANCIAL EXPENSES		
Amortization and depreciation expenses	-	-
Interest expense (4)	-	-
Foreign exchange losses	-	-
Total financial costs (IV)	-	-
2 - FINANCIAL INCOME/LOSS (III - IV)	1 505	1 882
3 - PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS (I - II) + (III - IV)	2 610	3 223
EXCEPTIONAL GAINS		
Exceptional gains in operations	36	75
Exceptional gains from sales of assets and other capital transactions	19	1
Excess provisions charged and expense transfers	19	12
Total exceptional gains (V)	74	88
EXCEPTIONAL EXPENSES		
Exceptional expenses in operations	152	45
Exceptional expenses from sales of assets and other capital transactions	23	-
Exceptional amortisation and provision expenses	563	2 359
Total exceptional expenses (VI)	738	2 404
4 - EXCEPTIONAL ITEMS (V - VI)	(664)	(2 316)
Income tax (VII)	148	(1 570)
Total income (I + III + V)	5 113	5 780
Total expenses (II + IV + VI + VII)	3 315	3 303
5 - PROFIT	1 798	2 477

(1) including operating revenue relating to prior periods	(5)	(21)
(2) including operating expenses relating to prior periods	(22)	(30)
(3) including income concerning affiliated companies	1 417	1 716
(4) including interest concerning affiliated companies	-	-

Cash flow statement 2010

CASH FLOW (in thousands of euros)	2010	2009
OPERATING ACTIVITIES		
Net income (loss)	1 798	2 477
Elimination of expenses and income not affecting cash or relating to operations:		
- Amortisation and depreciation	234	241
- Provisions	543	2 347
- Capital gains, net of taxes	2	(1)
Cash flows from operations	2 577	5 064
- Change in inventories	-	-
- Change in trade accounts receivable	2	60
- Change in trade accounts payable	(8)	72
- Other variations	2 606	466
Change in working capital requirement	2 600	598
NET CASH FLOWS FROM OPERATING ACTIVITIES	5 177	5 662
INVESTING ACTIVITIES		
- Acquisitions of intangible and tangible capital assets	(85)	-
- Acquisitions of and increases in long-term investments	(474)	(4 861)
Subtotal	(559)	(4 861)
- Disposals of intangible and tangible capital assets	19	-
- Sales of and reduction in financial assets	185	9
Subtotal	204	9
Net investments of period	(355)	(4 852)
Change in working capital requirement	47	(1)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(308)	(4 853)
FINANCING ACTIVITIES		
- Capital increases (reductions)	-	-
- Dividends allocated to the company's shareholders	(1 716)	(1 915)
- Other distributions	-	-
Total	(1 716)	(1 915)
- Changes in loans and financial liabilities	(91)	2
- Change in working capital requirement	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(1 807)	(1 913)
NET CHANGE IN CASH POSITION	3 062	(1 104)
Cash position on opening	9 919	11 023
Cash position on closing	12 981	9 919
	3 062	(1 104)

Notes to the individual financial statements at 31 December 2010

These notes supplement and comment on the balance sheet prior to appropriation for period ending 31 December 2010, totalling 69,264,315.37 euros, and the period's income statement, presented in report form, which totals 5,113,572.91 euros and shows a profit of 1, 798, 442.08 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 2010 to 31 December 2010.

These annual financial statements were drawn up by the Board of Directors on 14 april 2011.

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 the prescriptions given in the 1999 general chart of account, approved by Decree of 22 June 1999, and all C.R.C. regulations after this date.

a) Main methods used

Intangible capital assets

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

Tangible capital assets

Tangible capital 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 its 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.

Minority interests

Minority interests 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 long-term financial fixed assets

The treasury shares held by Gévelot S.A. as of December 31, 2010, i.e. 15,322 shares representing 1.60% of its share capital, have been acquired under the authorisation granted by the Annual General Meeting of June 24, 2010. They will be cancelled in accordance with the motions passed by the Annual General and Extraordinary Meeting of June 25, 2009.

Information on treasury shares at the close of the last two financial years:

	2010	2009
Number of shares (percentage of share capital)	15 322 (1,60%)	- -
Weighted average cost basis	30,90 €	-
Average share price (December)	40,07 €	-
Gross book value	0,5 M€	-
Net book value	0,5 M€	-

Other asset components

On closing, the net carrying amount of asset components other than intangible and tangible capital 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 2010, comprising deposit certificates, fixed-term accounts and monetary open-end funds, totals € 6,9 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 capital assets. They are offset in the income statement as unusual 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 K€148 includes :
- Gévelot S.A.'s own income tax - 246 K€
- tax income relating to entities included in the Group's tax integration system 98 K€

Furthermore, an additional intercompany provision of K€ 104 was recognised at 31 December 2010 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 an 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 2010.
There are 392 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 2010.

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 demanded of it in its capacity as 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 amortisation

Headings and items	Capital assets					Amortisation and depreciation			
	Gross value at the start of FY 2010	Increases	Transfers	Reductions	Gross value at the end of FY 2010	Accumulated at the start of 2010	Increases	Reductions	Accumulated at the end of 2010
Intangible capital assets									
Concessions, patents, licences, trademarks, processes, rights and similar items	40	-	-	-	40	25	2	-	27
Total	40	-	-	-	40	25	2	-	27
Tangible capital assets									
Land	3 047	11	-	-	3 058	139	3	-	142
Buildings	15 516	1	-	(101)	15 416	9 196	218	(101)	9 313
Other tangible capital assets	163	1	-	(49)	115	80	11	(26)	65
CWP (construction work in progress)	-	72	-	-	72	-	-	-	-
Advances and down payments	-	-	-	-	-	-	-	-	-
Total	18 726	85	-	(150)	18 661	9 415	232	(127)	9 520
Long-term investments									
Minority interests	44 021	-	-	-	44 021	-	-	-	-
Receivables attached to minority interests	185	-	-	(185)	-	-	-	-	-
Loans	52	-	-	-	52	-	-	-	-
Other long-term investments	10	474 (*)	-	-	484	-	-	-	-
Total	44 268	474	-	(185)	44 557	-	-	-	-

(*) During 2010 period, Gévelot S.A. has bought back 15 322 of its own shares for a global cost of K€ 474. These shares will be subject to cancelation.

Tangible capital assets include items concerning a site (Vanves) which will be vacated by its current occupant (PCM) during the second quarter of 2011. Therefore, land and buildings located in Vanves, which net carrying amount totalled K€ 348 at 31 December 2010, will be available for another use.

Note 3 : Provisions

Headings and items	Amount at the start of 2010	Increases	Reductions		Amount at the end of 2010
			Amounts used during FY 2010	Amount not used during FY 2010	
Regulated provisions					
Capital cost allowances	1 751	308	(19)	-	2 040
Total	1 751	308	(19)	-	2 040
Contingency provisions					
Provisions for litigation	-	150	-	-	150
Total	-	150	-	-	150
Loss provisions					
Provision for refurbishment of Meudon industrial site	262	-	-	-	262
Intercompany provision for tax refund deemed likely under the fiscal integration system	7 045	104	-	-	7 149
Total	7 307	104	-	-	7 411
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 31.12.2010	Maturing in 1 year max	Maturing in over 1 year
Receivables			
Receivables on capital assets			
Receivables from equity investments	-	-	-
Loans (1)	52	15	37
Other	484	476	8
Receivables from circulating assets			
Trade notes and accounts receivable (2)	114	114	-
Other	2 399	2 309	90
Subscribed capital not paid up	-	-	-
Prepaid expenses	59	43	16
Total	3 108	2 957	151
Liabilities			
Loans and debt with lending institutions (3) (4)	-	-	-
Other borrowing and financial debt (3) (5)	622	104	518
Trade notes and accounts payable (6)	159	141	18
Tax and welfare liabilities	3 896	3 827	69
Liabilities to fixed-asset suppliers incl. unpaid amts. on investment shares	82	82	-
Other liabilities (7)	577	577	-
Prepaid income	-	-	-
Total	5 336	4 731	605

(1) Loans granted in period	-
Loans recovered in period	-
(2) Including commercial paper	-
(3) Loans and financial liabilities taken out in period	-
Loans repaid and transferred in period	92
(4) including :	
- no more than two years initially	-
- over two years initially	-
(5) Liabilities maturing in over 5 years	518
(6) Including commercial paper	-
(7) Including to partners	577

Note 5 : Items concerning affiliated companies and minority interests

Items	Amount
Advances and down payments on fixed assets	-
Minority interests	44 021
Receivables from equity investments	-
Loans	-
Advances and down payments paid on orders (circulating assets)	-
Trade notes and accounts receivable	101
Other receivables	2 269
Subscribed called-up capital not paid up	-
Loans and debt with lending institutions	-
Other borrowing and financial debt	622
Advances and down payments received on current orders	-
Trade notes and accounts payable	-
Liabilities to fixed-assets suppliers incl. unpaid amts. on investment shares	-
Other liabilities	573
Rendering of services	3 342
Other operating income	87
Other external purchases and expenses	45
Income from equity interests	1 417
Other financial income	-
Finance costs	-

Affiliates means consolidated companies by means of the equity method, entities under joint control and significant influence, and managers of the Company and companies which they control, and their relatives.

Note 6 : Revaluation

Items	Changes in revaluation reserve at 31.12.2010				
	Amount at the start of 2 010	Reductions due to disposals	Other changes	Amount of the end of 2 010	For the record, differences incorporated into capital
Lands	-	-	-	-	-
Minority interests	-	-	-	-	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 31.12.2010
Trade notes and accounts receivable	7
Other receivables	10
Total	17

Note 8 : Accrued liabilities

Amount of accrued liabilities included in the following balance sheet items	Amount at 31.12.2010
Trade notes and accounts payable	21
Tax and welfare liabilities	191
Liabilities to fixed-asset supplier incl. unpaid amts. on investment shares	4
Other liabilities	4
Total	220

Note 9 : Prepaid expenses and income

Amount at 31.12.2010

	Expenses	Income
Expenses/Operating revenue	59	-
Expenses/Financial income	-	-
Expenses/Unsual gains	-	-
Total	59	-

Note 10 : Composition of the share capital

	Number	Par value
Shares making up the share capital at the start of financial year 2010	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 2010	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 for period 2009 prior to income		53 521
Appropriation of 2009 income at net worth by the Annual General Meeting of 24 June 2010		753
. 2009 income	2 477	
. Dividends paid	(1 724)	
Equity on opening of period 2010		54 274
Changes in period :		295
. Changes in premiums, reserves, retained earnings	8	
. Changes in regulated provisions and investment grants	287	
Equity in the closing balance sheet for period 2010 prior to income		54 569

Note 12 : Breakdown of net turnover

a) Breakdown by business segment

	Amount 2010	Amount 2009
Rent	2 561	2 853
Services	854	814
Total	3 415	3 667

b) Breakdown by geographical segment

	Amount 2010	Amount 2009
France	3 405	3 659
Germany	10	8
Total	3 415	3 667

Note 13 : Unusual items

The main items included under this heading are:

Headings	Amount 2010	Amount 2009
Intercompany provision for probable refund of tax savings to fully consolidated companies	(104)	(2 027)
Capital cost allowances	(289)	(319)
Litigation costs and contingency	(231)	-
Redundancy payment	(70)	-
Net others	30	30
Total	(664)	(2 316)

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 31.12.2010	Amount of income tax for 2010	Net income (loss) at 31.12.2010
Operating income	2 610	432	2 178
Unusual gains/losses	(664)	(186)	(478)
Effect on consolidation for tax purposes	-	(98)	98
Total	1 946	148	1 798

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 €97.

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€ 680 higher due to the reversal of capital cost allowances for € 2,040 million.

Note 15 : Off-balance sheet commitments

	Amount at 31.12.2010
Off-balance sheet liabilities	
Liabilities for which the company has granted a guarantee	
- on its own loans	-
- on loans taken out by subsidiaries	850
Leasing commitments including tax	26
Retirement commitments	71
Total	947
Off-balance sheet assets	
Other	26
Total	26

Leasing commitments

Headings	Transport equipment	TOTAL at 31.12.2010
Original value excluding tax	33	33
Amortisation		
Accrued prior periods	-	-
Period expenses	4	4
Total	4	4
Lease payments excluding tax		
Accrued prior periods	-	-
Period	11	11
Total	11	11
Lease to be paid excluding tax		
In one year	18	18
Between one and five years	6	6
Over five years	-	-
Total	24	24
Residual value excluding tax		
In one year	-	-
Between one and five years	2	2
Total	2	2
Amount stated as net expenses in the period	11	11

Retirement commitments (I.F.C.)

Retirement commitments are calculated for each category of staff (clerical, executive) 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€ 71 equals the IFC social liability (K€ 157) less the value of the fund at 31 December 2010 (K€ 86) held by Generali Patrimoine (Groupe Générali) 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 484,648 euros for financial year 2010

Note 17 : Average headcount 2010

	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 minority interests at 31 December 2010

Companies	Capital	Equity other than capital prior to appropriation of income	Percentage of capital held % (1)	Carrying amount of equity interests		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 allocated by the company during the period
				Gross	Net					
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	3 603	99,99	25 397	25 397	-	-	61 931	512	-
PCM S.A. 17, rue Ernest Laval 92170 Vanves	10 155	32 440	99,94	6 509	6 509	-	-	68 920	6 643	1 277
Gurtner S.A. 40, rue de la Libération 25300 Pontarlier	3 090	2 463	99,95	1 225	1 225	-	-	14 510	598	-
Foreign subsidiaries (in thousand of euros)										
Dold Kaltfliesspressteile GmbH Langenbacherstrasse 17/19 D-78147 Vöhrenbach (Germany)	13 000	644	70,00	10 890	10 890	-	-	36 783	1 055	140
B - MINORITY INTERESTS (10 to 50 % of the capital held by the company)										
Foreign equity interests *(in thousand of euros)*										
Techniques de Fixation Belgique (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		2 009	2010
Number of shares at 31 December		957 543	957 543
Accrual-based income	K€	2 477	1 798
	€	2,59	1,88
Changes in net worth excluding restructuring transactions	K€	318	295
	€	0,33	0,31
Proposed dividend	K€	1 724	1 642
	€	1,80	1,80

Statement of changes in net worth

(in thousand of euros)		2010
Equity in the closing balance sheet of 2009 prior to income		53 521
Appropriation of 2009 income at net worth by the Annual General Meeting of 24 June 2010		753
. 2009 income	2 477	
. Dividends paid	(1 724)	
Equity at the start of 2010		54 274
Period change:		295
. Changes in premiums, reserves, retained earnings	8	
. Changes in regulated provisions and investment grants	287	
Equity in the closing balance sheet of 2010 prior to income		54 569
Appropriation of 2010 income at net worth submitted to the Annual General Meeting of 17 June 2011		156
. 2010 income	1 798	
. Dividends paid	(1 642)	
Equity after proposed appropriation		54 725

Securities

Equity investments at 31 December 2010

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	25 397 216,15
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
Minority interests abroad						
8	units	Dold Kaltfliesspressteile GmbH	capital	13 000 000 €	70,00	10 889 599,76
1 000	shares	Techniques de Fixation	25	4 400	22,72	-
		(Société en liquidation)				
Total						44 021 430,18

Short-term investments and similar receivables at 31 December 2010

209	shares	SICAV SG Monetaire plus (S.G.)	4 853 964,39
1	BMTN	(Crédit du Nord)	1 000 000,00
4	units	FCP B.N.P. Paribas Euribor 3 Mois (B.N.P. Paribas)	894 368,00
80	units	FCP Groupama Entreprises (S.G.)	178 424,00
Total			6 926 756,39

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	2010	2009	2008	2007	2006
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	33 514 005,00
b) Number of existing ordinary shares	957 543	957 543	957 543	957 543	957 543
c) Number of existing preferential dividend shares (without voting rights)	-	-	-	-	-
d) Maximum number of future shares to be created					
d.1 through bond conversion	-	-	-	-	-
d.2 by exercising subscription rights	-	-	-	-	-
II - PERIOS TRANSACTIONS AND INCOME (LOSS)					
a) Turnover excluding tax	3 414 515,15	3 666 903,58	3 603 156,29	3 533 102,88	3 451 132,93
b) Earnings before tax, employee profit-sharing, amortisation and provisions	2 723 935,61	3 494 500,23	3 331 548,62	3 720 750,51	3 084 009,93
c) Income tax	147 908,00	(1 570 229,00)	(1 267 156,00)	(732 010,00)	(706 918,00)
d) Employee profit-sharing in period	-	-	-	-	-
e) Earnings after tax, employee profit-sharing, amortisation and provisions	1 798 442,08	2 476 816,05	2 290 422,02	2 793 407,88	2 171 310,10
f) Distributed earnings	1 641 898,80	1 723 577,40	1 915 086,00	2 106 594,60	2 106 594,60
III - EARNINGS PER SHARE					
a) Earnings after tax, employee profit-sharing, but before amortisation and provisions	2,69	5,29	4,80	4,65	3,96
b) Earnings after tax, employee profit-sharing, amortisation and provisions	1,88	2,59	2,39	2,92	2,27
c) Dividend allocated to each share	1,80	1,80	2,00	2,20	2,20
IV - PERSONNEL					
a) Average headcount of personnel employed during the period	7	7	8	8	9
b) Total payroll	690 344,64	674 327,85	717 906,42	706 241,36	724 402,39
c) Amounts paid out for the period's employee benefits (social security, community services, etc.)	297 876,39	285 793,98	303 565,05	298 857,61	306 285,94

(*) 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 threasury 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 stands at €33,514,005 comprising 957,543 shares each with a par value of €35.

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RAPPORT DES COMMISSAIRES AUX COMPTES SUR LES COMPTES ANNUELS

Exercice clos le 31 décembre 2010

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 2010, 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 26 avril 2011

Les Commissaires aux Comptes

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

PricewaterhouseCoopers Audit

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

C R E A
Cabinet ROUSSEL & Associés
Membre de Polaris International

41, avenue de Friedland
75008 PARIS

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

EXERCICE CLOS LE 31 DECEMBRE 2010

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.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques et les modalités essentielles des conventions et engagements dont nous avons été avisés ou que nous aurions découverts à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions et engagements. 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.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations prévues à l'article R. 225-31 du code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions et engagements déjà approuvés par l'assemblée générale.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission.

CONVENTIONS ET ENGAGEMENTS SOUMIS A L'APPROBATION DE L'ASSEMBLEE GENERALE

Nous vous informons qu'il ne nous a été donné avis d'aucune convention ni d'aucun engagement autorisés au cours de l'exercice écoulé à soumettre à l'approbation de l'assemblée générale en application des dispositions de l'article L. 225-38 du code de commerce.

CONVENTIONS ET ENGAGEMENTS DEJA APPROUVES PAR L'ASSEMBLEE GENERALE

Nous vous informons qu'il ne nous a été donné avis d'aucune convention ni d'aucun engagement déjà approuvés par l'assemblée générale dont l'exécution se serait poursuivie au cours de l'exercice écoulé.

Neuilly-sur-Seine et Paris, le 26 avril 2011

Les commissaires aux comptes

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

Resolutions

submitted to the Annual General Meeting of 17 June 2011

First Resolution

After reviewing the Board of Directors' Management Report and the Statutory Auditors' Report, the Annual General Meeting approves those reports in full, together with the 2010 Parent Company Financial Statements, which show a net profit of €1.798.442.08.

Second Resolution

After reviewing the Board of Directors' and Statutory Auditors' Reports, the Annual General Meeting approves the Consolidated Financial Statements for the Year as presented. Those statements show a net consolidated profit, group share, of €8.9 million for the 2010 financial year.

Third Resolution

The Annual General Meeting reviews the Statutory Auditors' Special Report on the Regulated Agreements and Commitments, pursuant to Article L. 225-38 of the French Commercial Code.

Fourth Resolution

The Annual General Meeting allocates the year's profit of:
....€1,798,442.08

plus the previous retained earnings of.:.................€2,917,625.38

representing a distributable profit of.. ....€4,716,067.46

as follows :

- Legal reserve €89,922.10
  (5 % of 2010 net income)
- Dividend................................. €1,641,898.80

- €1,731,820.90

Allocation to retained earnings €2,984,246.56

The dividend of €1.8 per share, which is eligible for 40% tax allowance for individuals who are beneficiaries of a capped tax credit, will be paid out after July 1, 2011. It will be paid out on the 912,166 shares making up the new share capital base since April 14, 2011.

In accordance with current legal provisions, the Annual General Meeting is reminded that the following dividends have been paid out over the past three financial years:

Financial year	Net	Tax credit	Number of shares served	total
2007	2,20	ns	957 543	957 543
2008	2,00	ns	957 543	957 543
2009	1,80	ns	953 710	957 543

Fifth Resolution

As Mr Mario Martignoni's Director's term has expired, the Annual General Meeting renews it for a period of three years, up until the June 2014 Annual General Meeting that will review the financial statements of the 2013 financial year.

Sixth Resolution

As Mrs. Roselyne Martignoni's Director's term has expired, the Annual General Meeting renews it for a period of three years, up until the June 2014 Annual General Meeting that will review the financial statements of the 2013 financial year.

Seventh Resolution

As Mr Philippe Destours' Director's term has expired, the Annual General Meeting appoints Mr. Jacques Fay as Director for a period of three years, up until the June 2014 Annual General Meeting that will review the financial statements of the 2013 financial year.

Eighth Resolution

As the appointment of PricewaterhouseCoopers as Acting Statutory Auditor has expired, the Annual General Meeting reappoints it for a terms of six financial years, up until the June 2017 Annual General Meeting that will review the financial statements of the 2016 financial year.

Ninth Resolution

As the appointment of CREA as Acting Statutory Auditor has expired, the Annual General Meeting reappoints it for a terms of six financial years, up until the June 2017 Annual General Meeting that will review the financial statements of the 2016 financial year.

Tenth Resolution

As the appointment of FIDEAC as Alternate Statutory Auditor has expired, the Annual General Meeting reappoints it for a terms of six financial years, up until the June 2017 Annual General Meeting that will review the financial statements of the 2016 financial year.

Eleventh Resolution

As the appointment of Mr. Philippe Baillin as Alternate Statutory Auditor has expired, the Annual General Meeting reappoints him for a terms of six financial years, up until the June 2017 Annual General Meeting that will review the financial statements of the 2016 financial year.

Twelfth Resolution

The Annual General Meeting discharges the Directors of the execution of their mandate for the 2010 financial year.

Thirteenth 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.