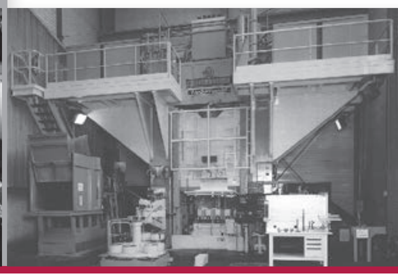
Gévelot

Annual Report






Financial Year 2016

This is a free translation into English of the 2016 Financial Report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. In case of discrepancy the French version prevails.

Combined Annual and Extraordinary General Meeting of 15 June 2017

Contents

Gévelot Group

2016 Accounts

Public Limited Company (Société Anonyme) with a registered capital of 28 717 500 euros
Head Office, Direction and Administration:
6, boulevard Bineau
92300 Levallois-Perret
562 088 542 RCS. Nanterre – SIRET N° 562 088 542 00369

www.gevelot-sa.fr

Financial year 2016

Administration of Gévelot S.A.

Board of Directors

Chairman & Managing Director	Mario MARTIGNONI
Directors	Roselyne MARTIGNONI
	Claudine BIENAIMÉ
	Armelle CAUMONT-CAIMI
	Charles BIENAIMÉ
	Pascal HUBERTY
	Jacques FAY

Management

Managing Director	Mario MARTIGNONI
Deputy Managing Director	Philippe BARBELANE

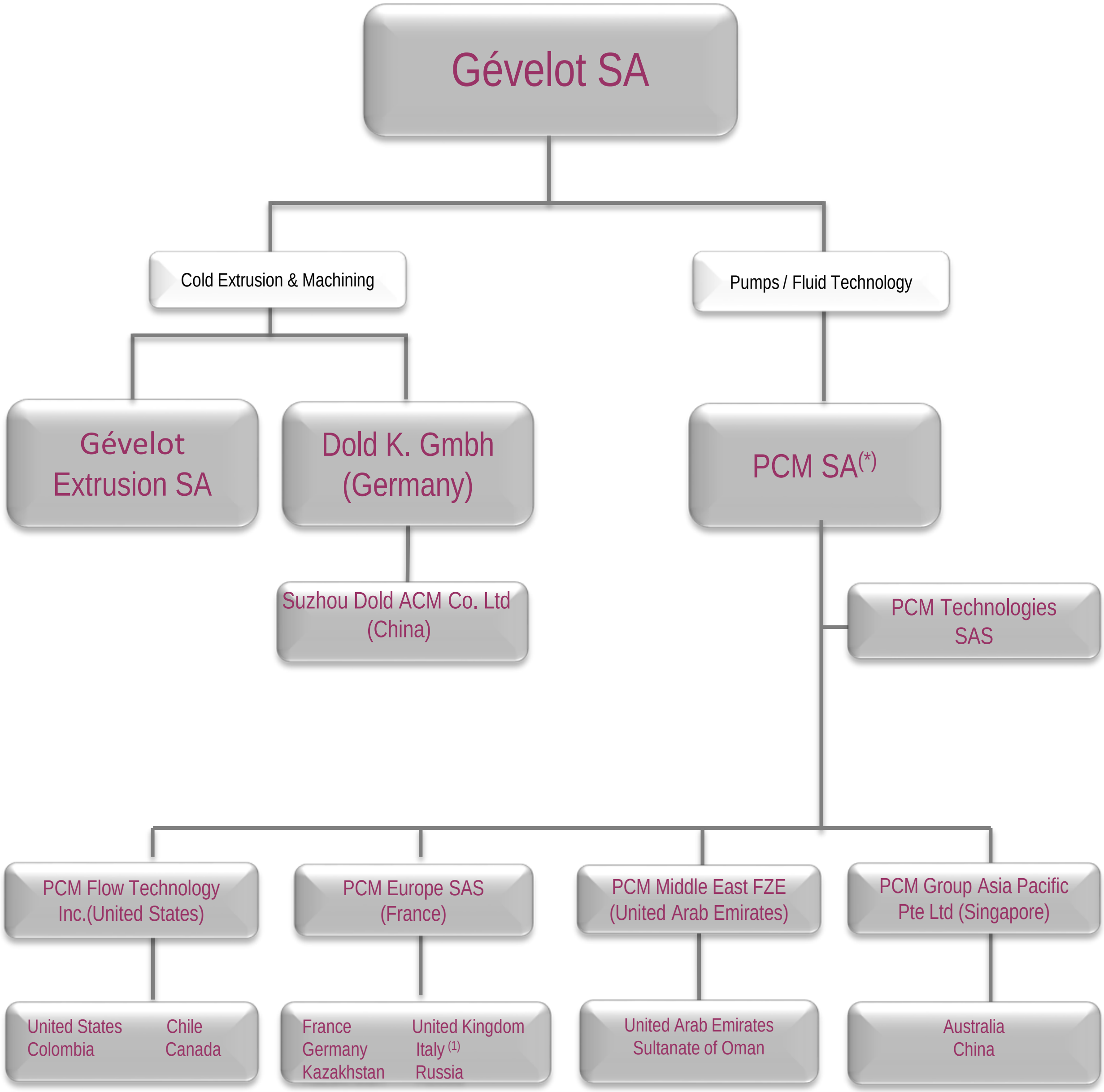
Auditors

Permanent	PricewaterhouseCoopers Audit (PwC) represented by Yan RICAUD
	Cabinet ROUSSEL & ASSOCIES (CREA) represented by Bernard ROUSSEL
Substitute	Cabinet FIDEAC represented by Jean MARIÉ
	Cabinet CAGNAT & ASSOCIÉS represented by Pierre MERCADAL

Managers of Subsidiaries

EXTRUSION Sector	Patrick LHUILLERY
PUMPS Sector	Mario MARTIGNONI

Group companies



(*) Including Sydex Srl LLC (Italy) 55% of which was acquired in the second half 2016

Agenda

of the Combined Annual and Extraordinary General Meeting of 15 June 2017

For the consideration of the Annual General Meeting

- Management Report of the Board of Directors on the progress of the Company during the financial year 2016,
- Auditors' Reports on the period's Individual and Consolidated Financial Statements,
- Approval of the Individual Financial Statements for the year ended on 31 December 2016,
- Approval of the Consolidated Financial Statements for the year ended on 31 December 2016,
- Approval of the Agreements mentioned in Article L.225-38 of the French Commercial Code,
- Allocation of income for the financial year 2016,
- Discharge of Directors,
- Directors,
- Auditors,
- Authorisation of a share buyback programme in view of cancellation
- Powers,
- Other questions.

For the consideration of the Extraordinary General Meeting

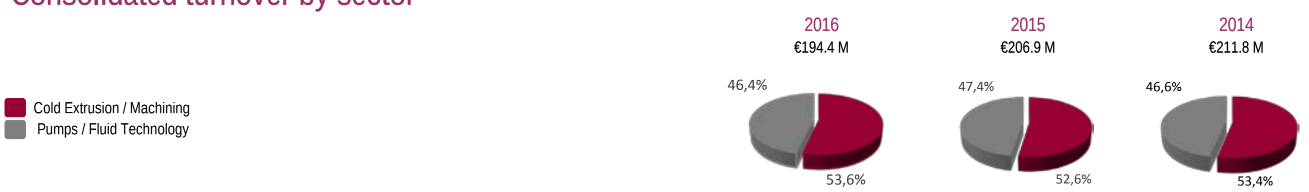
- Authorisation given to the Board of Directors to cancel shares that the Company could have bought under the new share buyback programme,
- Modification of the Articles of Association: Abolition of the double vote.

Overview of Gévelot Group

Key figures

(in thousands of euros)	2016	2015	Percentage change 2016/2015	2014
Group				
Turnover excluding tax	196 378	206 870	(5.1)	211 803
Turnover originating outside France	*134 112*	*142 071*	(5.6)	*145 151*
EBITDA	20 304	13 119	54.8	13 344
Current operating income	12 935	7 824	65.3	8 095
Non currrent operating income and (expenses) (1)	1 269	(4 575)		64 916
Operating income	14 204	3 249		73 011
Operating results before tax	15 000	227		78 415
Net income from continuing activities	14 566	(3 590)		71 828
Net income of discontinued activities (in the process of being transferred)	-	-		(4 897)
Net income of all consolidated companies	14 566	(3 590)		66 931
Share of interest not conferring control	(55)	(1 160)		38
Net income attributable to the parent company	14 621	(2 430)		66 893
Net earnings per share from continuing activities (in euros)	17.82	(2.73)		79.69
Cash flow from operations	28 151	11 026	155.3	17 532
Equity	199 304	186 011	7.1	200 136
Indebtedness / Equity (in %)	*20.4*	*22.0*		*23.5*
Headcount	*1 251*	*1 287*	(2.8)	*1 452*
(1) including :				
- capital gain on stake transfer	-	-		64 621
- impairment of industrial assets - Standard IAS 36 -	(8 142)	(4 136)		-
- revenue on contractual renegotiation	9 487	-		-
Gévelot S.A.				
Turnover excluding tax	2 285	2 493	*ns*	3 337
Turnover excluding tax (restated)	2 285	2 493	*(8,3)*	2 552
Operating income	425	467	*(9,0)*	429
Operating results before tax (4)	7 393	57 202		547
Unusual items	(606)	(1 130)		(1 993)
Unusual items excluding tax provision	(198)	(691)		(184)
Net income	9 070	57 074		375
Cash flow from operations	9 954	58 534	*ns*	5 975
Net dividend per share (in euros)	1.80	1.80		1.80
Headcount	5	5		7
(2) including :				
- Special dividend	4 000	54 700		-
- Depreciation of investment securities	-	(661)		(3 255)

Consolidated turnover by sector



Board of Directors' Management Report

Ladies and Gentlemen,

In accordance with the Law and the company By-Laws, we have convened this Combined General Meeting to report to you on the activity of our company and its subsidiaries during the past financial year and submit for your approval the Company Accounts and the Consolidated Accounts for year ending 31 December 2016.

Group's Activities and Results

The consolidated turnover of financial year 2016 amounted to €196.3 million against €206.9 million in 2015, down 5.1%. On a like-for-like basis and currency rate, turnover was down 6.0%.

The Extrusion Sector's turnover was €105.1 million in 2016, i.e down 3.4% on the previous year. The activity of the French sites remained stable (-0.2%) while that of German Dold and Chine sites, was generally down by 7.6%.

The turnover of the Pumps Sector, at €91.1 million, was down 7.1% on the previous year. On a like-for-like basis and currency rate, turnover was down 9.1% Oil & Gas represented half the activity and the Industry and Food Sectors the other half.

Comments on the scope

The Accounts of Sydex Srl (Italy), a company in which a 55% stake was taken in late June 2016, are now fully consolidated. Six months of activity and results were therefore integrated into the Group scope in 2016.

Detailed comments on the consolidated incomes

The Group's consolidated operating income in 2016 amounted to a profit of €12.9 million against €7.8 million in 2015.

The contribution of the Extrusion Sector, although still positive, was down 10.5% on 2015 (€5.1 million compared to €5.7 million).

The Contribution of the Pumps Sector improved and made €7.4 million in profit (+€1.9 million in 2015).

This improvement was the consequence of operational adjustment measures taken since the summer of 2015.

The operating income reports a profit of €14.2 million against plus €3.2 million in 2015, this increase being due mainly to the positive effect of the renegotiation of a supplies contract in the Oil & Gas field (€9.5 million), attenuated by a depreciation of industrial assets (€8.1 million) by applying Standard IAS 36 in the Extrusion Sector.

In 2015, that income was affected by a loss of value on a non-current asset of €4.1 million.

The consolidated financial result in 2016 made a profit of €0.8 million compared to a loss of €3.0 million the previous year owing to unfavourable currency effects in 2015.

In 2016, net consolidated taxes amounted to €0.5 million against €3.8 million in 2015. They included €5.5 million of payable taxes, offset by €5.0 million of deferred taxes.

Consolidated net income for financial year 2016 of consolidated companies was a profit of €14.5 million against a negative at €3.6 million in 2015.

The share of income attributable to interests not conferring control was established as a loss of €0.1 million.

To conclude, the consolidated net income for financial year 2016 amounts to a profit of €14.6 million against minus €2.4 million in 2015.

The cash flow amounted to €28.1 million against €11.0 million in 2015.

The contribution of the different Sectors to the consolidated income of the whole is explained in the Appendix to the Consolidated Financial Statements (Note 18).

Group Investments

By 2016, the Group's general non-financial gross investments amounted to €10.9 million compared to €12.7 million in 2015.

Intangible investments amounted to €1.8 million (€1.6 million in 2015) and tangible investments to €9.1 million (€11.1 million in 2015).

Per sector, these investments amounted to:
- €6.3 million against €8.0 million in 2015 in the Extrusion Sector,
- €4,6 million against €4,7 million in 2015 in the Pumps Sector.

Jobs

The Group's workforce on 31 December 2016, excluding temporary staff, totalled 1,251 people, including 501 outside France against 1,287 people including 499 outside France at the end of December 2015.

Consolidated balance sheet structure

The consolidated balance sheet total amounted to €351.8 million against €324.7 million at the end of 2015, an increase of €27.1 million.

Non-current assets of €82.9 million were down €3.3 million. This decline was due to negative variations in goodwill and net investments for -€5.4 million and deferred tax assets of +€2.0 million and +€0.1 million of miscellaneous.

Current assets of €268.9 million were up €30.4 million.

The main changes concern gross Cash Flow for + €17.0 million, net Inventories for - €6.0 million, Trade and Other Receivables for +.€23.1 million and Corporate income tax receivables of - €3.7 million.

Equity was at €199.3 million and increased by €13.3 million. This increase was mainly due to net consolidated profits for the year of €14.6 million, reduced by the impact of dividend payments to third parties worth -€1.5 million.

Provisions for liabilities and charges, at €11.4 million, were up €2.0 million mainly as the result of revaluations related to staff retirement indemnities (€1.5 million).

Debts, at €141.1 million were up €11.8 million. The variations concern financial debts (-€0.2 million), trade payables (- €2.6 million), various advances on orders (+€9.1 million), the decrease in deferred tax liabilities (-€3.2 million) and the increase in deferred income (+€8.7 million).

Consolidated financial structure

The Financial Structure integrates current financial assets, cash flow and cash equivalents, net of loans from credit institutions and other financial liabilities; it amounts to a positive €107.7 million.

It was up €17.2 million compared to 2015 due to the increase in net cash flow of €28.4 million and offset by the increase of financial liabilities for €11.2 million.

In total, current assets amounted to €268.9 million extensively covering all third party debts of less than a year, amounting to €119.1 million.

To summarise, the «Debt / Equity» ratio stood at 20.4% against 22.0% at the end of 2015.

The «Debt / Turnover» ratio was 20.7% against 19.8% in 2015.

Activity of the Parent Company

The turnover of Gévelot S.A., the Parent Company, consisting of rents and services, amounted to €2,285 K against €2,493 K in 2015.

Rents, at €1,489 K, were down 3.7% (-€58 K) on the previous year. This fall was due to the index review of Gévelot Extrusion leases and the effect of the release by PCM SA in October 2015 of offices on the 3rd floor of Levallois-Perret which were only re-let to third parties from 1 October 2016.

Invoided services, at €796 K, fell due to a result in invoiceable holding costs.

Operating revenue stood at €2,723 K against €2,928 K, a decrease of €205 K.

Operating costs stood at €2,298 K against €2,461 K in 2015, a decrease of €163 K.

The Operating Income of the financial year amounts to a profit of €425 K against €467 K in 2015.

The positive financial result amounted to €6,968 K compared to €56,735 K in 2015. In 2016, it mainly consisted of an exceptional dividend of €4,500 K, received from Dold Germany and a dividend of €1,502 K received from PCM SA and exchange gains of €581 K (€189 K in 2015).

Current pre-tax income is positive at €7,393 K against €57,202 K in 2015.

The exceptional income, excluding the tax integration effect, is negative €198K against a negative €853K in 2015.

After corporate income tax of €563 K and the determination of €2,846 K in net tax savings related to the tax consolidation system, the net corporate profit of Gévelot SA – amounted to €9,070 K against €57,074 K in 2015.

Activity of the Parent Company's Subsidiaries

Key information on the subsidiaries of Gévelot SA presented below are extracted from the Company Accounts prepared according to local rules.

Financial data (in thousands of euros)

Subsidiaries	Turnover	Operating income	Financial income	Extraor-dinary income
Gévelot Extrusion SA	63 676	(649)	(203)	567
Dold K. (Germany)	40 116	2 118	(118)	(1)
PCM SA	1 868	(394)	4 705	18 704

Subsidiaries	Net income	Cash flow	Industrial investment	Financial investment
Gévelot Extrusion SA	298	4 592	4 123	-
Dold K. (Germany)	1 538	3 775	1 024	-
PCM SA	18 054	18 427	-	5 965

Headcount on 31 December 2016

Subsidiaries	Total
Gévelot Extrusion	400
Dold K. (Germany and China)	265
PCM (France and abroad)	581

Group's research and development activities

For the group as a whole, research and development expenditure in 2016 amounted to €4.1 million including development expenses of €1.6 million posted to the consolidated assets under the provisions of the IAS 38 standard.

Extrusion Sector

In 2016, out of a total of €1.8 million of expenses, a sum of €0.6 million was activated for research and development expenses.

Special efforts were taken with the development of new families of parts, especially a transmission shaft and various hubs.

These expenses generated a Research Tax Credit of €0.6 million.

Pumps Sector

In 2016, PCM Technologies SAS continued to develop products linked to the strategy of Business Units, integrating, as a priority, competitiveness projects, especially certain key serial products.

The main 3-year product development directions were maintained and accompanied by an upgrading of technical skills.

Partnership projects with customers started in a satisfactory way, especially in the petroleum activity.

In 2016, Research and Development expenses amounted to €1.2 million generating a research Tax Credit of €0.4 million.

Group outlook for 2017

The Group's outlook for 2017, in recovering sectoral environments, is expected to continue the improvement in consolidated income.

Parent-Company

Gévelot SA turnover will again consist of cross-group rental products and services.

In terms of financial products, after atypical years in 2015 and 2016, a dividend should be received from one of our subsidiaries for an amount of around €1.5 million.

Net income should remain positive, excluding exceptional operations.

Extrusion Sector

This sector should continue its effort to re-establish its profit margins and financial capabilities, by preparing, both in France and Germany, to supply new markets by 2018/2019, amidst a context of specific risks as described below.

Pumps Sector

This Sector, in a still fragile petroleum environment, should return to growth on the international market through the rationalisation of costs on the various markets on which it operates.

Overall Group outlook

The Group's consolidated net income, excluding exceptional items not identified to date, should remain positive.

Functioning of social organisations

The Board of Directors comprises seven members, including three women and four men.

The Board of Directors met four times in 2016.

Valid delegation

In the context of the adoption on 15 October 2015 of the first resolution of the Combined General Meeting of the same date, the Board was delegated to implement a share repurchase for cancellation (maximum authorised 10% redemption of shares comprising the share capital for a maximum total amount of €12 million) (Validity: 15 April 2017).

On 31 March 2017, a total 72,707 shares were purchased at an average price of €141.79 euros for a total amount of €10,316,755.51 euros (8,1 % of capital).

Similarly, the third Resolution adopted at the Combined General Meeting of 15 October 2015 delegated the Board to cancel any redeemed shares (Validity: 15 October 2017).

Directors and Corporate Officers

At this General Meeting, the renewal of Ms Roselyne MARTIGNONI and MM Mario MARTIGNONI and Jacques FAY's tenure as Directors will be proposed.

Pursuant to the provisions of Article L225-102-1 of the French Commercial Code, we report on the role played by each Corporate Officer of the Gévelot Company over the past year.

Functions

Mr Mario MARTIGNONI, Director,

covers the following functions within the Group:
- Chairman, CEO and Director of PCM SA
- Director of Gévelot Extrusion SA
- Director and Chairman of the Board of PCM Group Italia Srl (Italy)
- Director of PCM Kazakhstan LLP (Kazakhstan)
- Director of PCM Muscat LLC (Oman)
- Director of PCM Middle East FZE (UAE)
- Director of PCM Flow Technology Inc. (United States)
- Director of PCM Group Asia-Pacific (Singapore)
- Director of Amik Oilfield E. & R. Ltd (Canada)
- Director of PCM Trading Shanghai Co. Ltd (China)
- Director of PCM Suzhou Co. Ltd. (China)
- Director of Sydex Srl (Italy)

Functions outside the Group:
- Chairman and CEO of Sopofam SA

Mr Philippe BARBELANE, Managing Director,

covers the following functions within the Group:
- Director of Gévelot Extrusion SA
- Director of PCM SA
- Functions outside the Group: none

Ms Claudine BIENAIMÉ, Director,

covers the following functions within the Group:
- Director of Gévelot Extrusion SA
- Director of PCM SA

Functions outside the Group:
- Member of the Supervisory Board of Publicis Groupe SA
- Member of the Audit Committee of Publicis Groupe SA
- Member of the Remuneration Committee of Publicis Groupe SA

and also:
- Chairman and CEO of Société Immobilière du Boisdormant SA
- Director and Managing Director of:
  - Rosclodan SA
  - Sopofam SA
- Manager of SCI Presbourg Etoile

Ms Roselyne MARTIGNONI, Director,

covers the following functions within the Group:
- Director of Gévelot Extrusion SA
- Director of PCM SA

Functions outside the Group:
- Director of Sopofam SA
- Director of Rosclodan SA

Mr Charles BIENAIMÉ, Director,

covers the following functions within the Group:
- Director of Gévelot Extrusion SA

Functions outside the Group :
- Managing Director of S.E.G.F.M (Société d'Etudes et de Gestion Financière Meeschaert)
- CEO of Meeschaert Family Office (France)
- Director of Meeschaert Family Office (Belgium)
- Board Member of la Financière Meeschaert

and also:
- Chairman and CEO of Rosclodan SA

Mr Jacques FAY, Director,

covers the following functions within the Group:
- Director of Gévelot Extrusion SA
- Director of PCM SA

Functions outside the Group:
- Director of Profluid

Mr Pascal HUBERTY, Director,
does not hold any other function within the Group:
Functions outside the Group:
- Business Development Manager Division Groupe Coveris
- Employed company manager

Ms Armelle CAUMONT-CAIMI, Director,
covers the following functions within the Group:
- Director of PCM SA
Functions outside the Group: none

Social and environmental consequences

Gévelot SA, in the appendix of its Management Report, published a consolidated document on Sustainable Development with information on Social and Environmental issues in accordance with the provisions of Articles R. 225-104 and R. 225-105 of the Commercial Code.

As none of the Group's companies exceed the thresholds of 500 employees and €100 M in turnover in 2016 (application thresholds defined by the so-called « Grenelle II » Act of 12 July 2010 and its implementing Decree of 24 April 2012), there is no obligation for the Gévelot Group to publish a CSR Report in financial year 2016 on the Social and Environmental Consequences of the activities of the Group and its social commitments in favour of sustainable development.

Risk Management

As part of the description of the main risks to which the Group is exposed, the following points can be retained.

General Risks

1. Market Risks

The Group is positioned in several distinct Markets, which limits its exposure to changes in one single sector.

The Extrusion Sector Market

The Extrusion Sector activity is rolled out in the automotive market where there are various « market » risks:

- our principals' procurement strategy which may be affected by their overall strategy of alliances or cross-holdings and the specific difficulties of French Constructors leading them to reconsider their ownership structure, production capacity and reduce their costs,

- a forecast increase of sales of new vehicles, the effect of the economic situation on a European market that is in structural over-capacity. It should be noted that our supplies are sometimes re-exported by our customers to their assembly plants in emerging countries (particularly China),

- a market that has been relocating for several years to so-called « Low Cost » countries with two consequences: a loss of volume when cars or subsets are actually manufactured abroad; strong pressure on sales prices (and hence margins). This pressure forces us to stay competitive and avoid these relocations and therefore market losses. This situation is found both in France (Gévelot Extrusion) and Germany (Dold).

The Pumps Sector Market

The specific activity of Oil Pumps is sensitive to changes in oil prices. The relative stability of oil prices over the past few months in a highly uncertain geopolitical context in some countries will risk slowing or deferring expected business developments.

Through the renegotiation of an O&G supply contract, following the unfavourable progress of the market, a payment of flat-rate indemnities was received in January 2017 in exchange of a strong reduction in initially scheduled volumes and prices.

Sales performance in the areas of other pumps (Food and Industrial Sector) are usually linked to economic activity in France and abroad.

2. Country Risks

The Group is exposed to Country risks for a proportion of its activity, mainly in the oil-related sector, due in particular to its presence in areas showing important geopolitical risks (Middle East, Africa, Latin America).

Financial Risks

Through its activities, the Group is exposed to various types of financial risk. These risks are related to the Group's industrial and commercial activities, its financing needs as well as its investment policy, in particular internationally. They are mainly related to the risk of exchange rate and interest rate fluctuations but also to sudden changes in commodity prices.

1. Financial risks associated with industrial and commercial activities

- Operational currency risks

The Gévelot Group is exposed in its industrial and commercial activities to financial risks from fluctuations in the exchange rates of some currencies due to the location of most of its production sites in the euro zone and of its sales areas worldwide and involving foreign currency invoicing, mainly in US Dollars.

The management of currency risk of the Pumps and Fluid Technology activity is based on a principle of the Group's production entities invoicing commercial entities in the local currency of the latter. This cross-company invoicing is subject to currency hedging of their settlement if the amounts are significant.

The same principle is applied to sales outside the Group, mainly in the Pumps sector for foreign currency invoicing of customers. Hedging instruments are set up as soon as a currency sales transactions arises.

The Group does not perform firm exchange hedging on future sales ; the operating margin is therefore subject in the future to variations depending on the evolution of exchange rates.

- Currency risks, Cash or Cash Equivalents

The evolution of North American currency rates was subject to special monitoring and investments (excluding risks) with frontline banks. In mid-February 2017, more than three-quarters of foreign currencies were arbitrated in Euros near to the close parity in USD and CAD.

- Price variation risks

The Group is sensitive to changes in the price of its raw materials, especially steel in the Extrusion sector. In order to cope with future changes that could impact the operating margin significantly, the Group is developing the multiplicity of sources and especially, when possible, in contracts containing price variation clauses with suppliers or customers.

- ### Credit risks

The Group pays special attention to the security of payments for goods and services delivered to its customers.

For the Extrusion sector, activity is concentrated on a limited number of customers which traditionally have excellent financial guarantees.

The Extrusion Division has refocused on European domestic markets (France and Germany) which have low exposure to the risk of default payments. Where possible, this Sector resorts to Credit Insurance.

The activity of the Pumps sector incurs relatively higher risk. European Customers of PCM Europe SAS show no significant individual risks and are generally subject to collection systems by specialized companies.

The major export customers positioned in areas of major geopolitical risks are subject to specific monitoring.

2. Cash flow risks linked to financing activities

The Group calls on the banking sector to finance operations when required by its industrial and commercial activities.

The Gévelot Extrusion Company has controlled its debt for several years. For future industrial investments, financing through Leasing will be preferred.

- ### Rate variation risks

When necessary (a significantly high loan) the Group sets up interest rate hedging tools for borrowing large amounts at long-term variable rates. For this, the Group's Cash Department analyses the portfolio and suggests the appropriate tools to Subsidiaries (interest rate swaps) to limit future risks within the limits of appropriate and controlled costs.

3. Financial risks related to investment transactions made abroad

- Country risks

The Group holds assets in countries where the political and economic stability is not assured; these assets, however, represent an insignificant percentage of the Group's assets.

- Currency risks

The Group holds investments abroad and outside the euro area, whose net assets are exposed to the risk of currency rate adjustment. These net assets located in the USA, China and the Middle East, today are not specifically hedged.

Trade Payables

(Article 24-11 of the Economic Modernisation Act (LME) of 4 August 2008 and Decree 2008-1492 of 30 December 2008)

The Trade payables and related accounts (operating and fixed assets) of Gévelot SA amounting to €105 K at the end of 2016 (€142 K in late 2015) can be broken down as follows:

Year	Due	<31 days	31 to 60 days	>60 days	Total
2016	€25 K	€39 K	€38 K	€3 K	€105 K
2015	€53 K	€79 K	€2 K	€8 K	€142 K

Allocation of income

The following allocation of income will be proposed:

. Profit for the financial year: €9 070 458.66
. Previous retained earnings: €9 734 608.28
- Total to distribute: €18 805 066.94

Allocation

. Dividend: €1 476 900.00

- €1 476 900.00

. Retained earnings balance
after allocation: €17 328 166.94

If the aforementioned distribution is approved, the dividend of €1.80 per share, eligible for the 40% rebate provided for private beneficiaries mentioned in Article 158.3.2° of the General Tax Code will be distributed from 22 June 2017. It will be served on the basis of 820,500 shares comprising the share capital.

Pursuant to Article 243 bis of the French Tax Code, it is recalled that the following dividends were distributed over the last three years. These dividends are fully eligible for the 40% rebate mentioned in Article 158.3.2° of the General Tax Code.

Financial Year	Net	Tax credit	Number of shares served	overall
2013	1.80	pm	899,456	909,666
2014	1.80	pm	893,207	909,666
2015	1.80	pm	820,500	893,207

Financial Markets

During the year 2016, the share price on NYSE Alternext Paris was as follows:

	Euros
Price at the end of 2015	132.00
Lowest price	110.00
Highest price	145.00
Price at the end of 2016	145.00
Number of shares traded in 2016[(1)]	29,105
Number of shares traded in 2015[(2)]	110,368

[(1)] including repurchase of 10 Shares for cancellation
[(2)] including repurchase of 77,697 Shares for cancellation

On 31 March 2017, the share price was €161.00 with a trading volume of 14,121 shares observed since the beginning of the year.

Shareholding

On 31 December 2016, the Gévelot Company was controlled at more than two thirds of capital primarily by:

- the SOPOFAM Company, more than a third,
- the ROSCLODAN Company, more than a twentieth,
- the CAPRIONA Company, more than a twentieth of share capital.

Since November 2015, share capital consists of 893,207 shares with a par value of €35, i.e. €31,262,245.

Information on treasury shares at the end of 2016

Number of treasury shares at beginning of the financial year	72,697
Number of shares purchased in 2016	10
Number of shares sold in 2016	0
Number of shares cancelled in 2016	0
Number of treasury shares at year-end 2016	72,707
Trading fees 2016	-
Average purchase price in 2016	€125.01
Par value of the share	€35.00

The Extraordinary General Meeting of 15 October 2015 (1st Resolution) had delegated the Board of Directors to implement a share repurchase programme for cancellation (up to 10% of the share capital for a maximum amount of €12 million).

On 31 March 2017, detention is 8.1%.

None of the Companies controlled by Gévelot hold shares in this Company.

The Capital of the Company is not subject to any detention by the Group's Staff, whatever the context and origin.

Modification plans for the Share Capital and Voting Rights

Share buyback project in view of cancellation

To renew the share buyback programme in view to their cancellation, two Resolutions, one ordinary and one extraordinary, will be proposed at the next Combined General Meeting:

Renewal of the share buyback programme in view of cancellation
An ordinary Resolution shall be proposed to authorise the Board of Directors, for a new maximum period of 18 months, to have the Company buy a number of shares representing a maximum 10% of its Capital decided on the date of this Meeting, which corresponds to 82,050 shares, for a maximum €13.0 M.

Capital reduction through the cancellation of shares to be purchased
An extraordinary Resolution will be proposed to authorise the Board of Directors to cancel the Shares bought by the Company to renew the Share Buyback Programme, within the limit of 10% of the Capital per period of 24 months, in one or several purchases.

This autorisation is conditioned by the approval of the new Share buyback programme.

The Board of Directors shall inform Shareholders at the Annual General Meeting of all operations conducted in the event of the approval of these Resolutions.

Abolition of the double voting right

Finally, an extraordinary Resolution shall be proposed as part of a modification of the Articles of Association relating to the cancellation of the double voting right of nominative shares held more than four years.

MiddleNext

In terms of governance, Gévelot SA follows the recommendations of the Corporate Governance Code "Middlenext" since April 2014 (Code revised in September 2016).

Non-deductible expenses

(Act of 12 July 1965 Article 27)

For Gévelot S.A., reinstatements of overheads in taxable income in FY 2016 amounted to €44,133 against €15,998 in 2015.

Events after the Reporting Period

Holding

The rental offer will continue on our tertiary property in Levallois-Perret for the office space soon to be released.

The Board of Directors, on 13 April 2017, decided to reduce the share capital through the cancellation of treasury shares (8.1%). Thereby, the resulting share capital of Gevelot stands at €28,717,500, comprising 820,500 shares, each with a par value of €35.

Extrusion Sector

For France, the first results in 2017 confirm a return to operating break-even.

In Germany, most renewal contracts aimed at the main customer were obtained and thanks to the contribution of new contracts with other customers, the activity should regain its previous level as from 2019.

Pumps Sector

International sectoral challenges in the field of Oil & Gas continue to affect the activity and profitability of this Sector. The continuation of adaptation measures and expected business developments in other markets should help to mitigate the effect.

International development will nevertheless continue on the basis of strategic opportunities.

This Report will be filed with the clerk's office at the Commercial Court in accordance with the Law.

The Board of Directors

Consolidated Financial Statements at 31 December 2016

Consolidated balance sheet at 31 December 2016

I.F.R.S. accounting basis ASSETS *(in thousands of euros)*		Net amount at 31.12.2016	Net amount at 31.12.2015
Goodwill	*Note 4*	1 827	1 082
Intangible assets	*Note 4*	4 510	4 353
Tangible capital assets	*Note 4*	72 927	79 209
Long-term financial assets	*Note 5*	1 492	1 534
Deferred tax assets	*Note 14*	2 004	-
Interests in associated companies		118	-
TOTAL NON-CURRENT ASSETS (I)		82 878	86 178
Inventories	*Note 6*	40 145	46 171
Trade accounts receivables	*Note 7*	74 317	48 406
Other receivables	*Note 8*	6 001	8 819
Matured tax claim	*Note 14*	46	3 751
Current financial assets	*Note 5*	41 387	26 778
Cash and cash equivalents	*Note 9*	106 992	104 604
Activities held for sale or in the process of sale		-	-
TOTAL CURRENT ASSETS (II)		268 888	238 529
GRAND TOTAL (I + II)		351 766	324 707

I.F.R.S. accounting basis LIABILITIES *(in thousands of euros)*		Net amount at 31.12.2016	Net amount at 31.12.2015
Equity attributable to consolidating company		197 433	185 368
Equity attributable to interests not conferring control		1 871	643
TOTAL EQUITY (I)		199 304	186 011
Long-term provisions	*Note 11*	10 028	8 669
Long-term financial liabilities	*Note 13*	21 946	16 473
Deferred tax liability	*Note 14*	-	3 176
TOTAL LONG-TERM LIABILITIES (II)		31 974	28 318
Trade accounts payable		21 437	23 485
Accounts payable to asset suppliers		1 108	1 136
Current provisions	*Note 11*	1 407	787
Other accounts payable	*Note 10*	76 824	60 510
Matured tax liability	*Note 14*	976	19
Current financial liabilities	*Note 13*	18 736	24 441
Liabilities linked to activities held for sale or in the process of sale		-	-
TOTAL CURRENT LIABILITIES (III)		120 488	110 378
TOTAL LIABILITIES (II+III)		152 462	138 696
GRAND TOTAL (I + II + III)		351 766	324 707

Notes 1 to 26 form an integral part of the consolidated financial statements.

Consolidated income statement at 31 December 2016

I.F.R.S. accounting basis INCOME STATEMENT (in thousands of euros)		Period 2016	Period 2015
Turnover	*Note 18*	196 333	206 870
Other income from operating activities	*Note 15*	7 224	8 609
Income from operating activities	*Note 15*	203 557	215 479
Current operating expenses	*Note 16*	(190 622)	(207 655)
CURRENT OPERATING INCOME	*Note 18*	12 935	7 824
Other operating income	*Note 18*	9 508	188
Other operating expenses	*Note 18*	(8 239)	(4 763)
OPERATING INCOME	*Note 18*	14 204	3 249
Income from cash and cash equivalents		556	894
Cost of financial debt		(615)	(398)
Cost of net financial debt		(59)	496
Other financial income		3 571	2 394
Other financial expenses		(2 716)	(5 912)
FINANCIAL INCOME	*Note 17*	796	(3 022)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	*Note 18*	15 000	227
Income tax expense	*Note 14*	(483)	(3 817)
NET INCOME (LOSS) OF CONSOLIDATED COMPANIES		14 517	(3 590)
Share of income from equity-method companies		49	-
NET INCOME (LOSS) FROM CONTINUED OPERATIONS	*Note 18*	14 566	(3 590)
Net income of activities held for sale or in the process of sale		-	-
NET CONSOLIDATED INCOME (LOSS)		14 566	(3 590)
PROPORTION OF INTERESTS NOT CONFERRING CONTROL		(55)	(1 160)
SHARE GOING TO CONSOLIDATING ENTITY		14 621	(2 430)
EARNINGS PER SHARE FROM CONTINUED OPERATIONS		17,82 €	(2,73 €)
EARNINGS PER SHARE FROM OPERATIONS HELD FOR SALE		-	-

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 trerasury shares. There are no potential dilutive shares.

820,501 is the number of shares on which earnings per share is calculated for period 2016 and 889,051 for period 2015 (see Note 3 - Share capital)

Notes 1 to 26 form an integral part of the consolidated financial statements.

Comprehensive income and net worth

Comprehensive income 2016

(in thousands of euros)			Period 2016	Period 2015
CONSOLIDATED NET INCOME			14 566	(3 590)
A) Other comprehensive income from continued operations:	Gross amount	Tax income/(expenses)		
A.1) Recyclable items				
. Translation adjustments	(670)	-	(670)	1 544
A.2) Non recyclable items				
. Actuarial gains / (losses)	(997)	303	(694)	539
. Revaluation of land and buildings	474	(129)	345	-
B) Other comprehensive income from activities held for sale or in the process of sale:				
. Non recyclable items of activities held for sale or in the process of sale	-	-	-	-
Other comprehensive income (loss) net of tax			(1 019)	2 083
COMPREHENSIVE INCOME			13 547	(1 507)

Statement of changes in net worth and minority interests

(in thousands of euros)	Capital (see Note 3)	Treasury shares (see Note 3)	Revaluation adjustments	Translation adjustments	Consolidated reserves	Equity Group share	Share of interests not conferring control	Total equity
POSITION AT 31.12.2014	31 838	(907)	300	2 192	164 824	198 247	1 889	200 136
Treasury share transactions	(576)	(9 401)	-	-	(956)	(10 933)	-	(10 933)
Distributions (€1.80 per share of €35)	-	-	-	-	(1 685)	(1 685)	-	(1 685)
Comprehensive income 2015	-	-	-	1 630	(1 891)	(261)	(1 246)	(1 507)
POSITION AT 31.12.2015	31 262	(10 308)	300	3 822	160 292	185 368	643	186 011
Treasury share transactions	-	(1)	-	-	-	(1)	-	(1)
Distributions (€1.80 per share of €35)	-	-	-	-	(1 480)	(1 480)	-	(1 480)
Change in consolidation scope	-	-	-	-	-	-	1 227	1 227
Comprehensive income 2016	-	-	345	(671)	13 872	13 546	1	13 547
POSITION AT 31.12.2016	31 262	(10 309)	645	3 151	172 684	197 433	1 871	199 304

Consolidated cash flow statement 2016

CONSOLIDATED CASH FLOW (in thousands of euros)		31.12.2016	31.12.2015
OPERATING ACTIVITIES			
Net earnings from consolidated companies		14 517	(3 590)
Elimination of expenses and income not affecting cash flow or related to activities:			
- Amortization and provisions		18 507	12 457
- Discounting of financial assets and liabilities		(480)	48
- Change in deferred tax	*Note 14*	(5 012)	1 684
- Capital gains (losses) on disposals, net of tax		619	427
Cash flow from operations of consolidated companies (1)		28 151	11 026
Dividends received from equity-method companies		-	-
Dividends received from activities held for sale or in the process of sale		-	-
- Change in inventories		7 069	296
- Change in trade accounts receivables		(24 565)	(3 162)
- Change in other operating receivables		6 614	(4 860)
- Change in trade accounts payables		(3 058)	(3 647)
- Change in other operating payables		17 425	11 138
Change in working capital requirement		3 485	(235)
NET CASH FLOW FROM ACTIVITIES UNDERTAKEN		31 636	10 791
INVESTING ACTIVITIES			
- Acquisitions of intangible and tangible capital assets	*Note 4*	(10 932)	(12 679)
- Increases in financial assets		(14 677)	(20 137)
Total		(25 609)	(32 816)
- Disposals of intangible and tangible capital assets net of tax		329	307
- Decreases in financial assets		119	145
Total		448	452
Changes in working capital requirement and sundry		(27)	(386)
Effect of changes in reporting entities		(853)	1 200
NET CASH FLOW ON INVESTMENTS OF ACTIVITIES UNDERTAKEN		(26 041)	(31 550)
FINANCING ACTIVITIES			
- Dividends allocated to parent company shareholders		(1 480)	(1 685)
- Repurchase of treasury shares		(1)	(10 933)
Total		(1 481)	(12 618)
- Initiation of borrowings and financial debts	*Note 13*	19 069	4 296
- Repayment of borrowings and financial debts	*Note 13*	(8 471)	(5 641)
Changes in borrowings and financial debts		10 598	(1 345)
Sundry		-	-
NET CASH FLOW ON FINANCING OPERATIONS OF ACTIVITIES UNDERTAKEN		9 117	(13 963)
Reclassification impact of activities held for sale or in the process of sale		-	-
NET CASH FLOW		14 712	(34 722)
Cash position at opening		85 789	120 533
Cash position at closing	*Note 9*	99 570	85 789
Foreign exchange profits / (losses) from cash flow		931	22
		14 712	(34 722)

(1) Taxes disbursed (net of refunds) during the financial year are mentioned under Note 14.

Notes to the Consolidated Financial Statements at 31 December 2016

Note 1 : Accounting rules and methods – selected financial data

As of 13 April 2017, the Board of Directors closed the accounts of Gévelot SA and approved the disclosure of its consolidated financial statements at 31 December 2016.

Notes 1 to 26 form an integral part of the consolidated financial statements. Unless otherwise specified, all amounts are stated in thousands of euros.

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.

The accounting methods set out below were consistently applied to all periods presented in the consolidated financial statements.

New mandatory application texts

The standards and interpretations published by IASB and adopted by the European Union and becoming effective on 1 January 2016 have no significant impact on the Gévelot Group.

New texts applied in advance

The Group applied no amendment and no standard or interpretation in advance.

New texts not yet adopted by the European Union

The potential impact of main texts published by the IASB or IFRIC but having not yet been the subject of an adoption by the European Union to the closing date, is being analyzed. However, the Group does not expect that other potentially applicable texts to accounting years beginning on 1 January 2017 have a significant impact on the Group's accounts.

No application in advance is envisaged at this stage.

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.

1.1. Accounting principles specific to consolidation

1.1.1 Scope of consolidation

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

Companies not exclusively controlled by Gévelot SA are recognised by the equity method if it has significant influence in them.

1.1.2 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.

1.1.3 Transactions in foreign currencies

Transactions in foreign currencies are converted into euros using the rate of exchange applying on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the rate applying at closing, and the resulting differences are recognised in the income statement 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 2.

1.2 Accounting principles specific to the balance sheet

1.2.1 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 amortised. 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 fixed assets» in Note 1.2.4.

1.2.2 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.

[1] IFRS as adopted by the European Union is available on the website of the European Commission (http://ec.europa.eu//internal_market/accounting/ias/index_fr.htm)

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 1.2.4.

1.2.3 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 1st January 2008.

In the Extrusion sector, special tools are purchased or made with a view to producing parts for special customer orders. When they are contractually the subject of customer financing, the non-financed amount of these costs is recognised as a tangible 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 IAS23 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 if 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, facade rendering and cleaning, weatherproofing): 10 to 40 years,
- Plant and equipment: 3 to 40 years, barring exceptions,
- Computer hardware: 3 to 5 years.

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

1.2.4 Impairment of fixed assets

Assets with an indefinite useful life and goodwill are not amortised and are subject to a depreciation test at least once every year and whenever there is an indication of a loss of value. Other redeemable assets are tested for depreciation when due to particular events or circumstances, the recoverable value might be less than the book value.

A non-exhaustive list of external or internal indicators used in this estimate is provided below:

- External indices:
  - greater than usual decline in market value,
  - major changes in the technical, economic and legal environment having a negative impact on the company,
  - an increase in interest rates,
- Internal indices:
  - obsolescence or physical degradation not provided for under depreciation,
  - below-forecast economic performances,
  - material changes in the manner in which this asset is used.

The depreciation included in the accounts corresponds to the surplus between the book value and the recoverable value. The depreciation test is performed where required at the level of individual assets or at the level of CGUs (Cash-Generating Units) when assets cannot be valued individually. For the purposes of depreciation tests, goodwill that cannot be tested individually are grouped together within the group of CGUs that is expected to benefit from the synergies of business combinations.

The recoverable value of an asset (a CGU or a group of CGUs) 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.

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

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

1.2.5 Financial assets

Financial assets consist mainly of loans and receivables, as well as investments maturing in more than three months and that are not recognised as cash.

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 (generally equal to the amount invoiced) 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.

1.2.6 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.

1.2.7 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.

1.2.8 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.

All treasury shares held by the Group are recognised at acquisition cost and subtracted from equity. Income from any sale of treasury shares is subtracted immediately from the increase in equity, so that any capital gains or losses will not affect net income on the year.

1.2.9 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, less the fair value of the Plan's related assets. 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 Group books a provision equal to liabilities, net of the fair value of financial assets of the regime.

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.

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.

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

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. These liabilities are not recognised in the balance sheet, except for those corresponding to business combinations. They are disclosed in information on off-balance sheet liabilities.

1.2.10 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.

1.2.11 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.

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.

1.3 Accounting principles specific to the income statement

1.3.1 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 producing parts for special customer orders. If they are contractually financed by the customer, this 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.

1.3.2. Current Operating 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 disposals 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.

Operating income includes the Contribution Economique Territoriale (CET). CET has two components: the Contribution Foncière des Entreprises (CFE) and the Cotisation sur la Valeur Ajoutée des Entreprises (CVAE). CFE is based on the rental value of goods subject to property tax. CVAE is equal to 1.5% of added value. CET is capped at 3% of added value. If the added value of the Group's French activities is far higher than the taxable income on these same activities, the Group considers CET as an operating expense rather than an income tax, hence its recognition under operating income.

Competitiveness and Employment Tax Credits and Research Tax Credits

The amounts acquired through the Competitiveness and Employment Tax Credits of the French companies of the Group reduce the amount of personnel expenditure.

Research Tax Credits of the French companies of the Group are recorded as operating income in the item « Operating subsidies ».

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, losses in value on non-current assets, 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.

1.3.3 Financial costs

1.3.3.1 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).

1.3.3.2 Other financial income and expenses

These mainly include the results of currency hedging transactions.

1.4 Segment reporting

In accordance with IFRS 8, the segment reporting is presented by business segments defined by internal organizational systems and the Group's management structure.

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

- Cold Extrusion & Machining,
- Pumps / Fluid Technologies.

Gévelot S.A. items that cannot be assigned directly to an operating sector such as defined above are included under "other activities".

B. SIGNIFICANT EVENTS

The renegotiation of a supply contract in the Oil & Gas field generated €9.5 M recorded as an operational result and €9.5 M entered as deferred revenue which shall be carried over to the result over the remaining term of the contract. The rider to this contract includes an embedded derivative which, in application of the IAS 39 standard, should be entered separately and assessed at its fair value on 31 December 2016.

Considering the conditions of this rider and the sales forecast, this derivative has been valued at zero at this close. The fair value of the derivative shall be re-examined at each close taking into account the evolution of the price of the barrel of oil and updated sales forecasts.

In application of cautious criteria, the Group was led to observe a depreciation of €8.1 M on the industrial assets of the Extrusion Sector (see Note 4.3).

C. SIGNIFICANT ESTIMATES AND JUDGMENTS

The preparation of consolidated accounts in compliance with IFRS standards requires taking into account assumptions and estimates that affect the amounts of assets and liabilities shown in the balance sheet, the contingent liabilities mentioned in the appendix, and the expenses and income shown in the income statement. These estimates and assumptions are made by the Management based on its past experience and various other factors deemed to be reasonable. However the current economic and financial environment makes it difficult to get an understanding of business prospects. It is possible that actual amounts will subsequently differ from estimates and assumptions made initially. These assumptions and estimates concern mainly:

a) Values used for impairment tests

Assumptions and estimates that are made to determine the recoverable value of goodwill, intangible and tangible fixed assets, relate in particular to market prospects required for the evaluation of cash flows and the applied discount rates. Any change in these assumptions could have a significant effect on the recoverable amount of those assets. The main assumptions used by the Group are described in Note 4.3.

b) Valuation of pension liabilities

The Group participates in defined-contribution or defined benefit pension plans. The liabilities related to the latter are calculated on the basis of actuarial calculations based on assumptions such as the discount rate, future salary increases, the staff turnover rate, the rate of mortality and the rate of return on assets. The valuation procedure is described in Note 1.2.9 and the assumptions used in Note 12. The Group considers that the actuarial assumptions used are appropriate and justified in current conditions. However these liabilities might evolve in the event of change in assumptions.

c) Fair value measurement

Land and buildings for administrative or commercial use are revalued periodically by independent experts. Between each expertise, the Group checks the absence of indications of loss of value.

Furthermore, as stated in Note 20, financial instruments measured at fair value are measured by reference to quoted prices in an active market.

D. Changes to financial statements previously published

NONE

E. Post-balance sheet events

The Board of Directors, on 13 April 2017, decided to reduce the share capital through the cancellation of treasury shares (8.1%).

Thereby, Gevelot's share capital stands at €28,717,500, comprising 820,500 shares each with a par value of €35.

Note 2 : Information on consolidation scope at 31 December 2016

Gévelot S.A., a public limited company with a capital of 31 262 245 euros, is the parent company of the Gévelot Group. It is listed on Alternext and registered in France under the number 562088542 RCS Nanterre.

2.1. Consolidation scope at 31 December 2016

The following companies are fully consolidated:

COMPANIES SIRET N°	HEAD OFFICE		SIREN N° N° SIRET	% controlled at 31.12.2016	% controlled at 31.12.2015	% interests at 31.12.2016
HOLDING						
Gévelot S.A.	6, boulevard Bineau		562088542			
	92300 Levallois-Perret (France)		56208854200369			
COLD EXTRUSION & MACHINING						
Gévelot Extrusion S.A.	6, boulevard Bineau		399198951	99,99	99,99	99,99
	92300 Levallois-Perret (France)		39919895100010			
Dold Kaltfliesspressteile GmbH	Langenbacher Strasse 17/19			100,00	100,00	100,00
	78147 Vöhrenbach (Germany)					
Suzhou Dold Automobile Components	Ping Wang Ecological Park			100,00	100,00	100,00
Manufacturing Co. Ltd.	Ping Wang Town - Lu Zhong Road					
	215221 Wujiang City - Jiangsu Province (China)					
PUMPS / FLUID TECHNOLOGY						
PCM S.A.	6, boulevard Bineau		572180198	99,99	99,99	99,94
	92300 Levallois-Perret (France)		57218019800184			
PCM Technologies S.A.S.	6, boulevard Bineau		802419960	99,99	99,99	99,94
	92300 Levallois-Perret (France)		80241996000017			
PCM Europe S.A.S.	6, boulevard Bineau		803433972	99,99	99,99	99,94
	92300 Levallois-Perret (France)		80343397200018			
PCM Manufacturing France S.A.S.	6, boulevard Bineau		803933399	99,99	99,99	99,94
	92300 Levallois-Perret (France)		80393339900013			
PCM Deutschland GmbH	Wiesbadener Landstrasse 18			99,99	99,99	99,94
	65203 Wiesbaden (Germany)					
PCM Group UK Ltd.	Pilot Road - Phoenix Parkway			99,99	99,99	99,94
	Corby, Northants NN17 5YF (United Kingdom)					
PCM Group Australia Pty Ltd	c/o Grant Thornton Level 2, 215 Spring Street	} wholly owned				
	Melbourne, VIC 3000 (Australia)	} by PCM Group UK				
PCM Group Italia Srl	via Rutilia 10/8			99,99	99,99	99,94
	20141 Milano (Italy)					
Sydex Srl	Baden Powell 24			54,99	-	54,97
	36045 Lonigo (Italy)					
Sydex Singapore Ltd	35 Tannery Rd #04-06 Tannery Blk	} 90 % owned				
	Ruby Ind Complex	} by Sydex Srl				
	Singapore (347740) (Singapore)	}				
Sydex USA LLC	9302 Deer Run Road	} 62 % owned				
	Waxhaw, NC 28173 (United States)	} by Sydex Srl				
Sydex Flow Ltda	Praceta Vale da Romeira, nº 12	} 60 % owned				
	2840 - 449 Seixal (Portugal)	} by Sydex Srl				
Torqueflow - Sydex Ltd	Unit 2CB Deer Park Farm Industrial Estate	} 40 % owned				
	Knowle Lane	} by Sydex Srl				
	Eastleigh, Hampshire SO50 7PZ (United Kingdom)	}				
PCM Kazakhstan LLP	Office 46, Business Center "Nur Plaza", Microdistrict 29A			99,99	99,99	99,94
	Aktau city (Kazakhstan)					
PCM Rus LLC	Detsky Pereulok 5 - Office 12			99,99	-	99,94
	196084 Saint Petersburg (Russia)					
PCM Flow Technology Inc.	Lynn CanneLongo 2711 Centerville Road, Suite 400			99,99	99,99	99,94
	Wilmington, Delaware 19808 (United States)					
PCM USA Inc.	11940 Brittmoore Park Drive	}				
	Houston Texas 77041 (United States)	}				
PCM Canada Inc.	4500, 855 - 2nd Street S.W.	} wholly owned				
	Calgary Alberta T2P 4K7 (Canada)	} by				
PCM Colombia SAS	Calle 104, No. 14A-45, Oficina 302	} PCM Flow Technology				
	Bogota (Colombia)	}				
PCM Chile SpA	Av Vitacura 2939 Piso 10	}				
	Las Condes, Santiago (Chile)	}				
Amik Oilfield Equipment & Rentals Ltd.	4318 76 Avenue N.W.	} 75% owned by				
	Edmonton, AB T6B 2H8 (Canada)	} PCM Flow Technology				
PCM Group Asia Pacific Pte. Ltd.	541 Orchard Road #09-01 Liat Towers			99,99	99,99	99,94
	Singapore (238881) (Singapore)					
PCM Trading (Shanghaï) Co. Ltd.	Unit 10A01&10G03, Shanghaimart			99,99	99,99	99,94
	2299 Yanan Road (West)					
	200336 Shanghaï (China)					
PCM (Suzhou) Co. Ltd.	Ping Wang Ecological Park			99,99	99,99	99,94
	Ping Wang Town - Lu Zhong Road					
	215221 Wujiang City - Jiangsu Province (China)					
PCM Middle East FZE	4A 106, 5EB741, Dubai Airport Free Zone			99,99	99,99	99,94
	Dubai (United Arab Emirates)					
PCM Muscat LLC	Alofuk Building, 1st Floor, Office 14, Shatti Al Qurum			99,99	99,99	99,94
	PO Box 167 PC 103, Muscat (Sultanate of Oman)					

2.2. Comments on the scope of consolidation and controlling interests

- The PCM Rus LLC Company was founded in January 2016. It is 100% owned by PCM Europe SAS.
- PCM SA acquired 55% of shares in the Sydex SRL Company in July 2016. Six months of 2016 activity were integrated into consolidated accounts.
- There were no other changes in the scope of consolidation in 2016.
- 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.

2.3. Exchange rates for financial statements prepared in foreign currencies

The companies' balance sheet items were translated at the closing exchange rate on 31 December 2016 and their expense and income account items were translated using the following rates:

	Closing rate		Average rate	
Currency	2016	2015	2016	2015
1 US dollar	€0.9487	€0.9185	€0.9037	€0.9012
1 Pound sterling	€1.1680	€1.3626	€1.2212	€1.3774
1 Chinese yuan	€0.1366	€0.1416	€0.1361	€0.1434
1 Canadian dollar	€0.7048	€0.6616	€0.6819	€0.7054
1 Australian dollar	€0.6851	€0.6663	€0.6718	€0.6773
1 Omani rial	€2.4661	€2.3923	€2.3535	€2.3540
1 United Arab Emirates dirham	€0.2582	€0.2508	€0.2467	€0.2468
1 Russian ruble	€0.0156	€0.0124	€0.0135	€0.0147
1 Kazakhstani tenge	€0.0028	€0.0027	€0.0027	€0.0040

Note 3 : Share capital

(in euros)	At 31/12/2015			Period 2016	At 31/12/2016		
	Ordinary	Treasury	Total	Cancelled	Ordinary	Treasury	Total
Ordinary shares							
Number	820 510	72 697	893 207	-	820 500	72 707	893 207
Par value	35	35	35	-	35	35	35
Total	28 717 850	2 544 395	31 262 245	-	28 717 500	2 544 745	31 262 245

Composition of share capital:

As of 31 December 2016, authorized share capital totalled 31,262 thousand euros, comprising 893,207 ordinary shares with a par value of 35 euros, issued and fully paid-up.

As part of the adoption, on October 15, 2015 of the first Resolution of the Combined General Meeting, the Board of Directors received delegation for the implementation of a share buyback programme for cancellation.

The Group bought back 10 of its own shares for a total amount of €1 K during the fiscal year 2016.

As of 31 December 2016, the Group hold 72,707 of its own shares. The weighted average number of common shares outstanding during the fiscal year 2016 is thus 820,501, after deducting the weighted average number of own shares for 72,706.

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

Note 4 : Goodwill, intangible and tangible capital assets

4.1. Goodwill, intangible and tangible capital assets

	31.12.2016					
	Goodwill	Development expenses	Software and other	In progress	Advances and down payments	Intangible capital assets
Gross value						
At opening	5 218	9 654	7 834	811	-	18 299
Acquisitions and increases	-	500	658	635	-	1 793
Disposals	-	(364)	(178)	(54)	-	(596)
Changes in scope	900	-	72	-	-	72
Transfers	-	571	145	(722)	-	(6)
Translation adjustments	(159)	-	2	(4)	-	(2)
At closing	5 959	10 361	8 533	666	-	19 560
Amortisation and depreciation						
At opening	(4 136)	(7 737)	(6 209)	-	-	(13 946)
Expenses	-	(981)	(595)	-	-	(1 576)
Net depreciation	-	-	-	-	-	-
Disposals	-	364	178	-	-	542
Changes in scope	-	-	(65)	-	-	(65)
Translation adjustments	4	-	(5)	-	-	(5)
At closing	(4 132)	(8 354)	(6 696)	-	-	(15 050)
Net value at opening	1 082	1 917	1 625	811	-	4 353
Net value at closing of period	1 827	2 007	1 837	666	-	4 510

	31.12.2015					
	Goodwill	Development expenses	Software and other	In progress	Advances and down payments	Intangible capital assets
Gross value						
At opening	5 189	9 082	6 995	1 288	15	17 380
Acquisitions and increases	-	384	566	648	-	1 598
Disposals	-	(450)	(18)	(99)	(15)	(582)
Transfers	-	638	268	(1 031)	-	(125)
Translation adjustments	29	-	23	5	-	28
At closing	5 218	9 654	7 834	811	-	18 299
Amortisation and depreciation						
At opening	-	(7 096)	(5 642)	-	-	(12 738)
Expenses	-	(1 091)	(570)	-	-	(1 661)
Net depreciation	(4 136)	-	-	-	-	-
Disposals	-	450	16	-	-	466
Translation adjustments	-	-	(13)	-	-	(13)
At closing	(4 136)	(7 737)	(6 209)	-	-	(13 946)
Net value at opening	5 189	1 986	1 353	1 288	15	4 642
Net value at closing of period	1 082	1 917	1 625	811	-	4 353

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

31.12.2016

	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	6 528	33 413	210 441	12 142	6 776	184	269 484
Acquisitions and increases	5	1 268	3 488	395	3 983	-	9 139
Revaluation of land and buildings	435	-	-	-	-	-	435
Disposals	-	-	(373)	(409)	(856)	-	(1 638)
Changes in scope	-	688	492	121	-	-	1 301
Transfers	-	1 456	5 849	(25)	(7 243)	(31)	6
Translation adjustments	(139)	184	343	(18)	(23)	(1)	346
At closing	6 829	37 009	220 240	12 206	2 637	152	279 073
Amortisation and depreciation							
At opening	(365)	(8 577)	(172 435)	(8 898)	-	-	(190 275)
Expenses	(33)	(766)	(6 276)	(778)	-	-	(7 853)
Net depreciation	-	(949)	(6 953)	(240)	-	-	(8 142)
Revaluation of land and buildings	39	-	-	-	-	-	39
Disposals	-	-	347	397	-	-	744
Changes in scope	-	(96)	(314)	(92)	-	-	(502)
Transfers	-	-	(128)	128	-	-	-
Translation adjustments	5	(15)	(165)	18	-	-	(157)
At closing	(354)	(10 403)	(185 924)	(9 465)	-	-	(206 146)
Net value at opening	6 163	24 836	38 006	3 244	6 776	184	79 209
Net value at closing of period	6 475	26 606	34 316	2 741	2 637	152	72 927

31.12.2015

	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	6 411	32 509	198 188	11 699	5 917	4 195	258 919
Acquisitions and increases	8	226	3 611	667	6 523	46	11 081
Disposals	-	(6)	(501)	(506)	(399)	-	(1 412)
Transfers	57	477	8 737	204	(5 292)	(4 058)	125
Translation adjustments	52	207	406	78	27	1	771
At closing	6 528	33 413	210 441	12 142	6 776	184	269 484
Amortisation and depreciation							
At opening	(309)	(7 824)	(166 795)	(8 410)	-	-	(183 338)
Expenses	(55)	(726)	(5 936)	(858)	-	-	(7 575)
Net depreciation	-	-	-	-	-	-	-
Disposals	-	4	373	417	-	-	794
Transfers	-	-	-	-	-	-	-
Translation adjustments	(1)	(31)	(77)	(47)	-	-	(156)
At closing	(365)	(8 577)	(172 435)	(8 898)	-	-	(190 275)
Net value at opening	6 102	24 685	31 393	3 289	5 917	4 195	75 581
Net value at closing of period	6 163	24 836	38 006	3 244	6 776	184	79 209

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.

	31.12.2016				31.12.2015			
	Administrative land and buildings	Plant and machinery	Other	Total	Administrative land and buildings	Plant and machinery	Other	Total
Gross value								
At opening	1 100	15 593	1 120	17 813	1 100	15 155	1 037	17 292
Acquisitions and increases	110	2 388	125	2 623	-	1 159	149	1 308
Revaluation of land and buildings	-	-	-	-	-	-	-	-
Disposals and decreases	-	-	(161)	(161)	-	(721)	(66)	(787)
At closing	1 210	17 981	1 084	20 275	1 100	15 593	1 120	17 813
Amortisation and depreciation								
At opening	-	(10 638)	(763)	(11 401)	-	(10 216)	(623)	(10 839)
Expenses and increases	-	(2 883)	(195)	(3 078)	-	(902)	(156)	(1 058)
Disposals and decreases	-	-	161	161	-	480	16	496
At closing	-	(13 521)	(797)	(14 318)	-	(10 638)	(763)	(11 401)
Net value at opening	1 100	4 955	357	6 412	1 100	4 939	414	6 453
Net value at closing of period	1 210	4 460	287	5 957	1 100	4 955	357	6 412

4.3. Valuation method

Depreciation

In accordance with the principle stated in Note 1.2.4, on 31 December 2016, 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 (Gévelot Extrusion, Dold), and for the CGU incorporating goodwill (PCM Group UK).

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 1% for the Extrusion sector and 1% for the Pumps sector (1% for all sectors for the tests carried out at the end of 2015).

The discount rates applied are 10% for Gevelot Extrusion, 9% for Dold in Germany and 11% for the Pumps sector (respectively 10%, 9% and 11% for the tests carried out at the end of 2015) and correspond to the average cost of the capital after tax, taking each segment's specific market rates and risk premiums into account.

These approaches are based on the Group best estimates in an uncertain economic environment.

The new tests on 31 December led to an additional depreciation of €8.1 M on the industrial assets of Gévelot Extrusion (€5.3 M) and of Dold (€2.8 M) at the end of 2016. These additional provisions are justified by a more cautious approach of the assessment parameters linked to specific risks of the Automotive Market in Europe.

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

	CGU carrying amount	Difference in value between the Test and Accounts	Discount rate	Indefinite growth rate	Change in cash flow
Change			+0,5%	-0,5%	-10%
Extrusion sector					
Gévelot Extrusion	30,4 M€	+0,0 M€	-1,6 M€	-1,2 M€	-3,0 M€
Dold	20,6 M€	+0,0 M€	-1,3 M€	-1,0 M€	-2,1 M€
Total Extrusion sector	51,0 M€	+0,0 M€	-2,9 M€	-2,2 M€	-5,1 M€
Pumps sector					
PCM Group UK	2,5 M€	+0,7 M€	-0,2 M€	-0,1 M€	-0,4 M€

Cash-generating units of the Pumps Sector, other than the cash-generating units of PCM Group UK, in the absence of a value loss index on the Pumps Secttor, did not result in the performance of value tests.

Note 5 : Financial assets

	2016	2015
Long-term		
Other capitalized securities	-	-
Loans	308	377
Other (*)	1 184	1 157
Total long-term financial assets	1 492	1 534
Current		
Loans	117	128
Derivative instruments	-	-
Bank term deposit over three months	41 270	26 650
Total current financial assets	41 387	26 778
Total financial assets	42 879	28 312

(*) of which €752 K in 2016 and €744 K in 2015 concern Dold Kaltfliesspressteile GmbH (see note 12)

Loans consist in loans to employees for construction assistance and which are reimbursed over a period of 20 years. These zero-interest loans are discounted to the date they are set up in order to reflect losses over time in the value of future repayments.

Bank term deposits over three months consist of investments maturing in more than three months and not recognised as cash.

Note 6 : Inventories

		2016		2015
Raw materials and other supplies	22 230		23 019	
. Work-in-progress	5 967		6 895	
. Semi-finished and finished goods	9 427		10 965	
. Merchandise	6 098		8 204	
Gross amount		43 722		49 083
. Raw materials and other supplies	(2 242)		(2 399)	
. Work-in-progress	(439)		(224)	
. Semi-finished and finished goods	(881)		(278)	
. Merchandise	(15)		(11)	
Depreciation		(3 577)		(2 912)
Total		40 145		46 171

The reversal of write-down of €665 K in 2016 is featured in current operational costs.

Note 7 : Trade notes and accounts receivable

	2016	2015
Gross amount	76 230	50 767
Depreciation	(1 913)	(2 361)
Total	74 317	48 406

Credit risk conditions are discussed in the Operating and Financial Review.

The increase in the customer item was mainly due to the debt on the contractual renegotiation in the Pumps sector.

As the Group's markets are dominated by just a few players (mainly in the automotive sector), it generates a significant share of its consolidated revenue with major clients that individually account for more than 10% of consolidated revenues. These major clients accounted for 54.2% of Extrusion division revenue in 2016.

All dubious or litigious debts have been depreciated.

Note 8 : Other accounts receivable

	2016	2015
Advances and down payments on orders	561	1 913
Central and local government excluding corporate income tax	2 388	3 713
Personnel	152	239
Debit supplier balances	131	127
Other debtors	1 982	1 860
Prepaid expenses	787	967
Total	6 001	8 819

Note 9 : Cash and cash equivalents

	2016	2015
Cash	71 027	74 104
Bank term deposits	35 965	30 500
Open-end and monetary investment funds in euros	-	-
Cash and cash equivalents	106 992	104 604

Cash and cash equivalents are measured at fair value and mature in the short term.
Rates of bank term deposits are between 0.05% and 1.75%.
€3.0 million of the cash belonging to the Group's chinese entities is intented to finance their development.

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

		2016	2015
Cash and cash equivalents		106 992	104 604
Bank overdrafts	Note 13	(7 422)	(18 815)
Cash position at closing		99 570	85 789

Bank overdrafts correspond to the mobilization of short-term receivables and the resort to short term credit lines.

Note 10 : Other accounts payable

	2016	2015
Advances and down payments received on orders	48 079	39 033
Tax debts excluding corporate income tax, personnel and welfare agencies	12 482	14 996
Other creditors	4 911	3 908
Deferred income	11 352	2 573
Total	76 824	60 510

The increase in deferred income was essentially due to part of the contractual renegotiation in the Pumps sector, which shall be recognised as income over the remaining term of the contract.

Note 11 : Provisions

	01.01.2016	Provisions	Reversals provision used	Reversals provision not used	Translation and changes in scope	31.12.2016 Total	31.12.2016 Under one year	31.12.2016 Over one year
Contingency provisions								
. Provisions for litigation settlements	323	725	-	-	-	1 048	1 048	-
. Other contingency provisions	513	268	(295)	(114)	6	378	5	373
Total	836	993	(295)	(114)	6	1 426	1 053	373
Loss provisions								
. Other loss provisions	693 (*)	14	(175)	-	40	572 (*)	354	218
. Retirement provisions (Note 12)	7 698	1 501	-	-	-	9 199	-	9 199
. Work medal provisions	229	9	-	-	-	238	-	238
Total	8 620	1 524	(175)	-	40	10 009	354	9 655
Total provisions	9 456	2 517	(470)	(114)	46	11 435	1 407	10 028

(*) Other loss provisions include:

	01.01.2016	31.12.2016
- provisions for operating expenses	21	78
- provisions for personnel expenses	255	289
- provisions for commercial expenses	417	205
	693	572

Note 12 : Employee benefits

The Group grants post-employment benefits to its personnel employed in France and in Germany. These expenses are recognised:
- as current operating income for the cost of services rendered, paid services and past services;
- as operating income for regime reductions/liquidations;
- as other financial income and expenses for the net financial charge;
- as other comprehensive income for the effects of revaluation.

Retirement benefits

	France	Germany	2016	2015
Provision in the balance sheet				
Discounted value of obligations covered	5 693	4 735	10 428	9 230
Fair value of the plan's assets	(1 229)	-	(1 229)	(1 532)
Provision recognised in the balance sheet	4 464	4 735	9 199	7 698
Discounted value of obligations covered				
At opening	5 264	3 966	9 230	10 074
Cost of services rendered	302	104	406	446
Financial cost	111	79	190	148
Benefits paid	(340)	(59)	(399)	(682)
Reduction / liquidation of plan	-	-	-	-
Change of plan	-	-	-	-
Actuarial gain / loss of period	356	645	1 001	(756)
Changes in scope	-	-	-	-
Discounted value of obligations covered	5 693	4 735	10 428	9 230
Fair value of the plan's assets				
At opening	1 532	744	2 276	2 754
Interests income	33	16	49	30
Contributions	-	72	72	59
Benefits paid	(340)	(80)	(420)	(589)
Actuarial gain / loss of period	4	-	4	22
Changes in scope	-	-	-	-
Fair value of the plan's assets	1 229	752	1 981	2 276
Change in provisions				
At opening	3 732	3 966	7 698	8 059
Period's expenses / (income)	380	183	563	471
Disbursements	-	(59)	(59)	(54)
Actuarial gain / loss of period	352	645	997	(778)
Changes in scope	-	-	-	-
Change in provisions	4 464	4 735	9 199	7 698
Total expenses recognised in income statement				
Cost of services rendered	302	104	406	446
Financial cost	78	79	157	118
Benefits paid	-	(59)	(59)	(147)
Reduction / liquidation of plan	-	-	-	-
Total expense/(income) recognised in income statement	380	124	504	417

Main actuarial assumptions		
- Discount rate	1.3%	1.3%
- Rate of pay rises	2.00%	0%
- Retirement age	64 (non-managerial), 65 (man)	65

The turnover table is at 0% after 56.

Defined benefit plans are evaluated by independant actuaries.
In accordance with IAS 19.116, Dold assets are recognised as separate assets because they are not eligible insurance contracts. At 31 December 2016, these assets totalled €752 K and are recognised as "long-term financial assets".

Work medals paid out by Group companies to their personnel are covered by a provision calculated by an independent actuary (see note 11).

Note 13 : Financial liabilities

13.1. Financial liabilities

	2016	2015
Long-term		
Bank loans	21 756	16 283
Other borrowing and financial debt	190	190
Total long-term financial liabilities	21 946	16 473
Current		
Bank loans	10 682	5 435
Other borrowing and financial debt	-	-
Derivatives	632	191
Bank overdrafts	7 422	18 815
Total currrent financial liabilities	18 736	24 441
Total financial liabilities	40 682	40 914

Bank overdrafts correspond to the mobilization of short-term commercial receivables for €7.3 million and the resort to short-term credit lines for €0.1 million.

The Group received innovation aids from Bpifrance. These aids have staggered maturities between 2017 and 2024 and appears as ""bank loans".

These interest-free aids are updated at implementation date in order to take into account the loss of the value of future repayments in time.

13.2. Changes in financial liabilities

	01.01.2016	New loans	Repayments	Translation adjustments	Reclassification	Changes in scope	31.12.2016
Loans and debt with lending institutions (including finance leases)	21 909	19 019	(8 404)	100	-	446	33 070
Other borrowing and financial debt	190	50	(67)	-	-	17	190
Financial liabilities (excluding overdrafts)	22 099	19 069	(8 471)	100	-	463	33 260
Bank overdrafts	18 815	7 422	(18 815)	-	-	-	7 422
Total	40 914	26 491	(27 286)	100	-	463	40 682

13.3. Financial liabilities by date of maturity

	Total		Maximum 1 year		1 to 5 years		Over 5 years	
	2016	2015	2016	2015	2016	2015	2016	2015
Loans and debt with lending institutions (including finance leases)	33 070	21 909	11 314	5 626	20 024	14 373	1 732	1 910
Other borrowing and financial debt	190	190	-	-	157	173	33	17
Bank overdrafts	7 422	18 815	7 422	18 815	-	-	-	-
Total	40 682	40 914	18 736	24 441	20 181	14 546	1 765	1 927

13.4. Financial liabilities relating to finance lease

	Total		Maximum 1 year		1 to 5 years		Over 5 years	
	2016	2015	2016	2015	2016	2015	2016	2015
Lessor debts and credits	6 030	5 397	1 874	1 771	3 374	2 748	782	878
Total	6 030	5 397	1 874	1 771	3 374	2 748	782	878

13.5. Breakdown of financial liabilities by main currencies

	Total		Euros		US Dollars		Other currencies	
	2016	2015	2016	2015	2016	2015	2016	2015
Loans and debt with lending institutions (including finance leases)	33 070	21 909	29 822	16 854	1 897	3 707	1 351	1 348
Other borrowing and financial debt	190	190	190	190	-	-	-	-
Bank overdrafts	7 422	18 815	7 422	18 815	-	-	-	-
Total	40 682	40 914	37 434	35 859	1 897	3 707	1 351	1 348

13.6. Breakdown of financial liabilities by type of rate

	2016	2015
Non-covered variable rates (*)	7 016	3 688
Fixed rates	20 214	13 014
Interests	-	-
Overdrafts	7 422	18 815
Finance leases (fixed rates)	6 030	5 397
Total	40 682	40 914

(*) loans at non-covered variable rates mature between 2017 and 2021.

Weighted average interest rate is Euribor 3M + 0.90 % for loans at non-covered variable rates.
Interest rates varie between 0% and 4.3% for loans at fixed rates.

Note 14 : Taxes

14.1. Payable taxes

	01.01.2016	Payments	Down payments	Research tax credit	Competitiveness & employment tax credit	Period expense	31.12.2016
Asset	(3 751)	3 690	(48)	-	-	63	(46)
Liability	19	(975)	(1 431)	(1 046)	(1 023)	5 432	976
Total						5 495	

14.2. Deffered taxes

	01.01.2016	Movements: Income statement	Movements: Other operating results	Movements: Other (incl. Translation adjustment)	31.12.2016
Deferred tax assets	(4 844)	(3 409)	(303)	(3)	(8 559)
Deferred tax liabilities	8 020	(1 603)	129	9	6 555
Total	3 176	(5 012)	(174)	6	(2 004)

Deferred tax assets mainly result from differentials of valuation and amortization of fixed assets (€2.2 M), deferred income (€2.9 M), provisions for pensions and other employee benefits (€1.8 M), tax temporary differences (€1.2 M), and eliminations of margins on inventories (€0.5 M).

Deferred tax liabilities arise mainly from differentials of valuation and amortization of fixed assets (€2.3 M), restatements of finance lease contracts (€0.2 M) and regulated provisions (€3.7 M).

14.3. Income tax expenses

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

	2016	2015
Payable taxes	5 495	2 133
Deferred taxes*	(5 012)	1 684
Total	483	3 817

* Deferred tax expenses / income breaks down as follows:		
- Income / expenses from net provisions for / reversals of intangible and tangible capital asset amortisation	348	986
- Income / expenses from net provisions for / reversals of intangible and tangible capital asset depreciation	(2 461)	-
- Expenses on reversed regulated provisions and other taxes	(668)	(56)
- Other income and expenses	294	101
- Carried over deficits	211	28
- Deferred income	(2 857)	-
- Other timing differences	121	625
Total deferred tax expense / (income)	(5 012)	1 684

Reconciliation of the theoretical and the recognised income tax expense:

			2016
Current operating income of consolidated companies			15 000
Theoretical income tax expense in France	(4 688)		
Theoretical income tax expense in Germany	(60)		
Theoretical income tax expense in England	(87)		
Theoretical income tax expense in Italy	(82)		
Theoretical income tax expense in America	498		
Theoretical income tax expense in China	(90)		
Theoretical income tax expense in Oman	(82)		
Theoretical income tax expense in Kazakhstan	(81)		
Theoretical income tax expense in Russia	(3)		
Theoretical income tax expense in Singapore	17		
Theoretical income tax expense in Australia	(120)		
Total theoretical income tax expense		(4 778)	
Net impact of non-deductible or non-taxable expenses and income		1 590	
Impact of unrecognised deficits		2 605	
Impact of rate changes		100	
Effective income tax expense on current operations			(483)
Net income from continuing operations			14 517

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

Rate of corporate income tax

Rate of corporate income tax	financial years 2016 to 2018	2019 and subsequent financial years		financial years 2016 to 2018	2019 and subsequent financial years
France	34.43%	28.92%	Oman	12.00%	12.00%
Germany	28.25%	28.25%	Kazakhstan	20.00%	20.00%
America	34.00%	34.00%	Russia	20.00%	20.00%
England	20.00%	20.00%	Singapore	17.00%	17.00%
Italy	31.40%	31.40%	Australia	30.00%	30.00%
China	25.00%	25.00%			

Note 15 : Income from operating activities

	France	Abroad	2016	2015
Sales of goods	21 870	64 063	85 933	70 312
Production sold:				
. of goods	39 933	69 383	109 316	135 491
. of services	418	666	1 084	1 067
Turnover	62 221	134 112	196 333	206 870
Operating grants			1 119	1 177
Other income			6 105	7 432
Other income from operating activities			7 224	8 609
Total income from operating activities			203 557	215 479

"Operating grants" mainly consist in research tax credits.

Note 16 : Current operating expenses

			2016	2015
Production stored			2 144	1 923
Capitalised production			(1 102)	(1 033)
Purchases of goods			9 038	14 126
Changes in goods inventory			(880)	(2 440)
Purchases of raw materials and other supplies			54 446	62 089
Changes in inventories of raw materials and other supplies			2 276	352
Other purchases and external charges			40 140	42 995
Payroll expenses			67 455	72 881
Taxes and comparable payments			3 631	4 035
Depreciation and estimated expenses:				
. On capital assets	- depreciation expenses	Note 4	9 429	9 236
. On current assets	- estimated expenses		1 553	389
. Contingency	- estimated expenses		819	528
Other expenses			1 673	2 574
Total current operating expenses			190 622	207 655

Note 17 : Financial income / loss

	2016	2015
Interest generated by cash and cash equivalents	397	257
Net earnings from sales of short-term investments	159	637
Income from cash and cash equivalents	556	894
Interest charges on financing transactions	615	398
Gross cost of financial indebtedness	615	398
Net cost of financial indebtedness	(59)	496
Income from non-consolidated investments	-	-
Discounted financial income	488	11
Exchange gains	3 066	2 372
Other financial income	17	11
Total other financial income	3 571	2 394
Discounted financial expenses	8	58
Exchange losses	2 409	5 339
Other financial expenses	299	515
Total other financial expenses	2 716	5 912
Income (loss) from other financial income and expenses	855	(3 518)
Financial income / (loss)	796	(3 022)

Note 18 : Segment information

18.1. Breakdown of fixed assets by business segment

	At 31.12.2016				At 31.12.2015			
	Extrusion	Pumps	Other business	Total	Extrusion	Pumps	Other business	Total
Goodwill (1)	-	5 959	-	5 959	-	5 218	-	5 218
Intangibles subtotal	12 085	7 449	26	19 560	11 290	6 983	26	18 299
Land and buildings	23 511	17 745	2 582	43 838	23 427	14 010	2 504	39 941
Industrial plant and other	192 705	39 555	186	232 446	187 321	35 036	226	222 583
Construction work in progress	2 257	380	-	2 637	3 281	3 484	11	6 776
Advances and down payments	152	-	-	152	184	-	-	184
Tangibles subtotal	218 625	57 680	2 768	279 073	214 213	52 530	2 741	269 484
Gross values	230 710	71 088	2 794	304 592	225 503	64 731	2 767	293 001
Accumulated amortisation / depreciation	190 654	34 393	281	225 328	177 251	30 825	281	208 357
Net values	40 056	36 695	2 513	79 264	48 252	33 906	2 486	84 644
Period's expenses	14 229	3 295	47	17 571	5 938	7 381	53	13 372
Total balance sheet by business segment	85 620	206 171	121 176		97 839	171 649	111 743	

(1) concerns PCM Group UK Ltd., Amik Oilfield Equipment & Rentals Ltd. and Sydex Srl

Gévelot SA's land and buildings are put at the disposal of the Extrusion sector for €10.4 million and the Pumps sector for €2.2 million.

Total capital expenditure on intangibles and tangibles in 2016 amounted to:

Cold Extrusion & Machining:	€6 331 K
Pumps / Fluid Technology:	€4 598 K
Other business:	€3 K
	€10 932 K

Total capital expenditure on intangibles and tangibles in 2015 amounted to:

Cold Extrusion & Machining:	€7 989 K
Pumps / Fluid Technology:	€4 678 K
Other business:	€12 K
	€12 679 K

18.2. Changes in financial liabilities by business segment

	01.01.2016	Repayments	New loans	Reclassification and translations	31.12.2016
Loans and debt with lending institutions (incl. finance leases)					
Cold Extrusion & Machining	13 800	(5 004)	3 384	17	12 197
Pumps / Fluid Technology	6 904	(3 330)	15 635	529	19 738
Other business	1 205	(70)	-	-	1 135
Subtotal	21 909	(8 404)	19 019	546	33 070
Other loans and financial debts	190	(67)	50	17	190
Bank overdrafts					
Cold Extrusion & Machining	9 244	(9 244)	7 398	-	7 398
Pumps / Fluid Technology	9 568	(9 568)	22	-	22
Other business	3	(3)	2	-	2
Subtotal	18 815	(18 815)	7 422	-	7 422
Total	40 914	(27 286)	26 491	563	40 682

18.3. Consolidated turnover by business segment

	31.12.2016			31.12.2015		
	Outside Group	Intra Group	Total	Outside Group	Intra Group	Total
Cold Extrusion & Machining	105 094	1 418	106 512	108 763	1 600	110 363
Pumps / Fluid Technology	91 134	54 965	146 099	98 054	67 152	165 206
Other business	105	2 180	2 285	53	2 440	2 493
Eliminations and reconciliations	-	(58 563)	(58 563)	-	(71 192)	(71 192)
Total	196 333	-	196 333	206 870	-	206 870

18.4. Results by business segment

Results of operations

	2016			2015		
	Outside Group	Intra Group	Total	Outside Group	Intra Group	Total
Cold Extrusion & Machining	7 117	(2 055)	5 062	7 892	(2 157)	5 735
Pumps / Fluid Technology	7 884	(512)	7 372	2 626	(680)	1 946
Other business	(2 066)	2 567	501	(2 694)	2 837	143
Total	12 935	-	12 935	7 824	-	7 824

Transition from results of operations to revenue	Extrusion	Pumps	Other business	Total 2016	Total 2015
Results of operations	5 062	7 372	501	12 935	7 824
Revenue on contractual renegotiation	-	9 487	-	9 487	-
Other operating income	2	10	9	21	188
Litigation	(7)	(48)	-	(55)	(113)
Impairment of non-current assets (note 4)	(8 142)	-	-	(8 142)	(4 136)
Country risks	-	-	-	-	-
Other operating expenses	-	(35)	(7)	(42)	(514)
Revenue	(3 085)	16 786	503	14 204	3 249

Revenue

	2016			2015		
	Outside Group	Intra Group	Total	Outside Group	Intra Group	Total
Cold Extrusion & Machining	(1 030)	(2 055)	(3 085)	7 823	(2 157)	5 666
Pumps / Fluid Technology	17 298	(512)	16 786	(1 744)	(680)	(2 424)
Other business	(2 064)	2 567	503	(2 830)	2 837	7
Total	14 204	-	14 204	3 249	-	3 249

Earnings before tax of consolidated companies

	2016			2015		
	Outside Group	Intra Group	Total	Outside Group	Intra Group	Total
Cold Extrusion & Machining	(1 555)	(2 070)	(3 625)	7 348	(2 180)	5 168
Pumps / Fluid Technology	17 672	(512)	17 160	(4 562)	(680)	(5 242)
Other business	(1 117)	2 582	1 465	(2 559)	2 860	301
Total	15 000	-	15 000	227	-	227

Net income from continuing operations

	2016			2015		
	Outside Group	Intra Group	Total	Outside Group	Intra Group	Total
Cold Extrusion & Machining	(1 295)	(1 357)	(2 652)	5 011	(1 429)	3 582
Pumps / Fluid Technology	13 316	(336)	12 980	(7 945)	(446)	(8 391)
Other business	2 545	1 693	4 238	(656)	1 875	1 219
Total	14 566	-	14 566	(3 590)	-	(3 590)

18.5. Breakdown of fixed assets by geographical segment

	At 31.12.2016				Au 31.12.2015			
	France	Germany	Other countries	Total	France	Germany	Other countries	Total
Goodwill (1)	-	-	5 959	5 959	-	-	5 218	5 218
Intangibles subtotal	14 656	4 419	485	19 560	13 646	4 250	403	18 299
Land and buildings	26 563	10 910	6 365	43 838	26 151	10 868	2 922	39 941
Industrial plant and other	164 669	55 599	12 178	232 446	157 692	55 500	9 391	222 583
Construction work in progress	2 619	18	-	2 637	5 351	22	1 403	6 776
Advances and down payments	152	-	-	152	168	12	4	184
Tangibles subtotal	194 003	66 527	18 543	279 073	189 362	66 402	13 720	269 484
Gross values	208 659	70 946	24 987	304 592	203 008	70 652	19 341	293 001
Accumulated amortisation / depreciation	159 762	55 141	10 425	225 328	148 613	50 995	8 749	208 357
Net values	48 897	15 805	14 562	79 264	54 395	19 657	10 592	84 644
Period's expenses	11 607	4 971	993	17 571	5 186	2 998	5 188	13 372

(1) concerns PCM Group UK Ltd., Amik Oilfield Equipment & Rentals Ltd. and Sydex Srl

18.6. Consolidated turnover by geographical segment

		31.12.2016			31.12.2015	
France		62 221	*31,7%*		64 799	*31,3%*
. Germany	32 809			32 310		
. Other European Union countries	37 646			33 588		
. Other European countries	4 524			1 349		
. America	23 977			30 690		
. Other areas	35 156			44 134		
Foreign countries		134 112	*68,3%*		142 071	*68,7%*
Total		196 333	*100,0%*		206 870	*100,0%*

Note 19 : Research and development

Research and development expenses for the entire Group amounted to €4.080 million, €1.563 million of which were capitalized in accordance with IAS 38.

Note 20: Financial instruments

	31.12.2016		Breakdown by category of instruments (1)				
	Value in balance sheet	Fair value	Fair value through profit/loss	Assets held for sale	Loans, receivables and other liabilities	Liabilities at amortized cost	Derivatives
- Long-term financial assets	1 492	1 492	-	-	1 492	-	-
- Trade accounts receivable	74 317	74 317	-	-	74 317	-	-
- Other receivables	6 001	6 001	-	-	6 001	-	-
- Current financial assets	41 387	41 387	41 270	-	117	-	-
- Cash and cash equivalents	106 992	106 992	106 992	-	-	-	-
Assets	230 189	230 189	148 262	-	81 927	-	-
- Long-term financial liabilities	21 946	21 946	-	-	-	21 946	-
- Trade accounts payable	21 437	21 437	-	-	21 437	-	-
- Payable to fixed asset suppliers	1 108	1 108	-	-	1 108	-	-
- Other payables	76 824	76 824	-	-	76 824	-	-
- Current financial liabilities	18 736	18 736	-	-	-	18 104	632
Liabilities	140 051	140 051	-	-	99 369	40 050	632

(1) No reclassification between categories of financial instruments has been performed during the accounting year.

	31.12.2015		Breakdown by category of instruments (1)				
	Value in balance sheet	Fair value	Fair value through profit/loss	Assets held for sale	Loans, receivables and other liabilities	Liabilities at amortized cost	Derivatives
- Long-term financial assets	1 534	1 534	-	-	1 534	-	-
- Trade accounts receivable	48 406	48 406	-	-	48 406	-	-
- Other receivables	8 819	8 819	-	-	8 819	-	-
- Current financial assets	26 778	26 778	26 650	-	128	-	-
- Cash and cash equivalents	104 604	104 604	104 604	-	-	-	-
Assets	190 141	190 141	131 254 -		58 887	-	-
- Long-term financial liabilities	16 473	16 473	-	-	-	16 473	-
- Trade accounts payable	23 485	23 485	-	-	23 485	-	-
- Payables to fixed asset suppliers	1 136	1 136	-	-	1 136	-	-
- Other payables	60 510	60 510	-	-	60 510	-	-
- Current financial liabilities	24 441	24 441	-	-	-	24 250	191
Liabilities	126 045	126 045	-	-	85 131	40 723	191

(1) No reclassification between categories of financial instruments has been performed during the accounting year.

The fair value of "cash and cash equivalents" is the same as their book value owing to their very short-term maturity. "Current financial assets" recognised at fair value through profit and loss corrrespond to term deposits reclassified owing to their not being included in cash.

Financial assets and liabilities classified as "loans, receivables and other liabilities":
- "long-term financial assets" and "current financial assets" are valued at amortized costs;
- the fair value of "trade accounts receivable" and "other receivables", as well as "trade accounts payable", "payables to fixed assets suppliers" and "other payables" is the same as their balance sheet value, including possible depreciations, owing to their very short settlement times.

"Long-term financial liabilities" and "current financial liabilities" are valued at amortized cost, calculated using the effective interest rate (EIR).

Derivative instruments mean financial tools used by the company for hedging currency risks. Foreign exchange contracts consist of forward purchases and sales of foreign currencies.

MANAGING FINANCIAL RISKS

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 garantees 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).

In the liquidity risk management framework and to finance development projects, the Group is pursuing a proactive refinancing and prudent cash management policy. On 31 December 2016, the net financial position was positive and amounts to €107 697 K.

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

FINANCIAL INSTRUMENTS - FAIR VALUE HIERARCHY

Financial instruments estimated at fair value are level 1 (market exchange prices).

Note 21: Rental and lease agreements

	Total future payments	Discounted value	Net underlying value	Currency	Average residual duration	< 1 year	> 1 yr < 5 yr	> 5 yr	Rate of interest	Discount rate
Type of contract										
Rental - for operations	1 284	1 255		Euro	4 ans	608	485	191	n/a	1,50%
Rental - non-operating	961	942		Euro	2 ans	499	354	108	n/a	1,50%
Finance leases	6 441	6 277	12 875	Euro	4 ans	2 003	3 571	867	2,30%	1,50%

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 vehicules.
Most of the finance leases are on production equipment (presses, plant).
An expense of approximately €1.2 million was recognised in 2016 for straightforward rental agreements.

Note 22 : Managers' remuneration

	2016	2015
Short-term benefits (excluding social security charges)	614	953
Social security charges	193	276
Total	807	1 229

Managers include members of the Board of Directors and Gévelot S.A.'s Senior Management.
Remuneration includes gross salary, premiums, fringe benefits and directors' fees.
Corporate officers have no specific retirement plan.

Note 23 : Average headcount

	2016	2015
Managerial and executive	259	248
Supervisory, clerical and blue-collar	998	1 057
Total	1 257	1 305
Temporary workers	111	96

Note 24 : Off-balance sheet commitments

Contractual obligations

	2016	2015
Pledges, bonds and guarantees	3 115	2 878
Total	3 115	2 878

Commitments received

	2016	2015
Pledges, bonds and guarantees	-	-
Total	-	-

Note 25: Affiliated companies

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

Note 26: Fees of Auditors and members of their network

(in euros)	PRICEWATERHOUSECOOPERS 2016 Amount	%	2015 Amount	%	C.R.E.A. 2016 Amount	%	2015 Amount	%
Audit								
Auditing, certification, review of individual and consolidated financial statements	121 610	100%	119 661	100%	101 500	100%	106 500	100%
Issuer	*59 500*	*49%*	*58 500*	*49%*	*59 500*	*59%*	*58 500*	*55%*
Fully consolidated subsidiaries	*62 110*	*51%*	*61 161*	*51%*	*42 000*	*41%*	*48 000*	*45%*
Services directly relating to audit engagements	-	-	-	-	-	-	-	-
Issuer	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	-	-	-	-	-	-	-	-
Subtotal	121 610	100%	119 661	100%	101 500	100%	106 500	100%
Other services rendered								
Legal, fiscal, social	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total	121 610	100%	119 661	100%	101 500	100%	106 500	100%

Rapport des Commissaires aux Comptes sur les Comptes Consolidés
Exercice clos le 31 décembre 2016

Aux Actionnaires
Gévelot S.A.
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 2016, sur :

- le contrôle des comptes consolidés de la société GEVELOT 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.

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 la note 1.2.4 de l'annexe le précise, le groupe procède à des tests de valeur au moins une fois par an pour les actifs non financiers ayant une durée de vie indéterminée et les goodwill et, lorsqu'apparaissent des indices de perte de valeur, pour les autres actifs amortissables. La valeur recouvrable de ces actifs, regroupés par unité génératrice de trésorerie, est comparée à leur valeur nette comptable. En 2016, les tests ainsi réalisés ont conduit à constater une dépréciation à hauteur de 8,1 M€ affectée aux actifs industriels de Gévelot Extrusion et de Dold (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 adoptée 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.

La Note 1.B. Faits significatifs de l'annexe précise les traitements comptables retenus consécutivement à la renégociation d'un contrat de fournitures. Dans le cadre de notre appréciation des principes comptables suivis par votre société, nous nous sommes assurés du caractère approprié des traitements comptables ainsi exposés et de la pertinence des informations fournies à ce titre dans les notes aux états financiers.

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 relatives au groupe, données dans le rapport de gestion.

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

Fait à Neuilly-sur-Seine et Paris, le 27 avril 2017

Les Commissaires aux Comptes

PricewaterhouseCoopers Audit	CREA
Yan Ricaud	Bernard Roussel

Individual Financial Statements at 31 December 2016

Balance sheet at 31 December 2016

ASSETS (in thousands of euros)	Gross amount at 31.12.2016	Amortisation or Depreciation	Net amount at 31.12.2016	Net amount at 31.12.2015
CAPITAL ASSETS (I)				
Intangibles assets (A)				
Concessions, patents, licences, trademarks, processes, rights and comparable items	26	24	2	4
Total A	26	24	2	4
Tangible assets (B)				
Land	2 635	157	2 478	2 480
Buildings	14 754	9 651	5 103	5 334
Other	186	108	78	97
Construction work in progress	-	-	-	11
Advances and down payments	-	-	-	-
Total B	17 575	9 916	7 659	7 922
Long-term investments (C) (1)				
Equity investments	53 573	10 588	42 985	38 455
Receivables from equity investments	1	-	1	4 044
Loans	241	-	241	261
Other (3)	10 318	-	10 318	10 317
Total C	64 133	10 588	53 545	53 077
Total Capital Assets (I) (A + B + C)	81 734	20 528	61 206	61 003
CURRENT ASSETS (II)				
Advances and down payments paid on orders	-	-	-	-
Receivables (2)				
Trade accounts receivable	180	-	180	69
Other	5 835	-	5 835	5 109
Short-term investments	47 970		47 970	42 600
Cash	12 820	-	12 820	10 667
ACCRUALS				
Prepaid expenses (2)	29	-	29	18
Total current assets (II)	66 834	-	66 834	58 463
Unrealized foreign exchange losses (III)	-	-	-	-
Grand total (I + II + III)	148 568	20 528	128 040	119 466

(1) < 1 year	27	33
(2) > 1 year	852	900
(3) including treasury shares	10 309	10 308

LIABILITIES (in thousands of euros)	Before allocation Net amount at 31.12.2016	Net amount at 31.12.2015	After allocation Net amount at 31.12.2016 (a)	Net amount at 31.12.2015 (b)
EQUITY (I)				
Capital	31 262	31 262	31 262	31 262
Paid-in-capital	-	-	-	-
Revaluation adjustments	-	-	-	-
Reserves				
. Legal reserve	3 184	3 184	3 184	3 184
. Other	57 000	11 108	57 000	57 000
Retained earnings	9 735	30	17 328	9 604
Net income (loss) of period	9 070	57 074		
Subtotal : net position	110 251	102 658	108 774	101 050
Investment grant	-	-	-	-
Regulated provisions	3 565	3 349	3 565	3 349
Total Equity (I)	113 816	106 007	112 339	104 399
PROVISIONS (II)				
Contingency provisions	-	-	-	-
Loss provisions	11 383	10 975	11 383	10 975
Total Provisions (II)	11 383	10 975	11 383	10 975
LIABILITIES (III) (1)				
Loans and debt with lending institutions (2)	2	3	2	3
Other borrowing and financial debt	379	373	379	373
Advances and down payments received on current orders	-	-	-	-
Trade accounts payable	102	131	102	131
Tax and welfare liabilities	1 061	159	1 061	159
Liabilities on fixed assets and related accounts	3	11	3	11
Other liabilities	1 259	1 789	2 736	3 397
Prepaid income	35	18	35	18
Total Liabilities (III)	2 841	2 484	4 318	4 092
Unrealized foreign exchange gains (IV)	-	-	-	-
Grand total (I + II + III +IV)	128 040	119 466	128 040	119 466

(1) > 1 year	379	378	379	378
< 1 year	2 462	2 106	3 939	3 714
(2) including cash credits and bank credit balances	2	3	2	3

a) After appropriation submittted to the Annual General Meeting of 15 June 2017

b) After appropriation decided by the Annual General Meeting of 16 June 2016.

2016 Income Statement

INCOME STATEMENT (in thousands of euros)	2016	2015
OPERATING REVENUE (I)		
Rendering of services	2 285	2 493
Net turnover	2 285	2 493
Other income	438	435
Total operating revenue (I) (1)	2 723	2 928
OPERATING EXPENSES (II)		
Other purchases and external charges	736	779
Taxes	494	541
Wages and salaries	501	553
Social security charges	236	252
Amortisation expenses on fixed assets	261	266
Depreciation expenses on fixed assets		-
Other charges	70	70
Total operating expenses (II) (2)	2 298	2 461
1 - OPERATING INCOME (LOSS) (I - II)	425	467
FINANCIAL INCOME (III)		
From minority interests (3)	6 002	57 003
Other interests and comparable income (3)	385	203
Excess provisions charged and expense transfers	-	-
Foreign exchange gains	581	313
Net gains from sales of short-term investments	-	1
Total financial income (III)	6 968	57 520
FINANCIAL EXPENSES (IV)		
Amortisation and depreciation expenses	-	661
Interest expense (4)	-	-
Foreign exchange losses	-	124
Total finance costs (IV)	0	785
2 - RESULTS OF OPERATIONS (III - IV)	6 968	56 735
3 - OPERATING INCOME (LOSS) (I - II) + (III - IV)	7 393	57 202
UNUSUAL GAINS (V)		
Unusual gains in operations	16	135
Unusual gains from sales of assets and other capital transactions	9	1 231
Excess provisions charged and expense transfers	61	213
Total unusual gains (V)	86	1 579
UNUSUAL EXPENSES (VI)		
Unusual expenses in operations	-	731
Unusual expenses from sales of assets and other capital transactions	7	1 262
Unusual amortisation and provisions expenses	685	716
Total unusual expenses (VI)	692	2 709
4 - UNUSUAL ITEMS (V - VI)	(606)	(1 130)
Income tax (VII)	(2 283)	(1 002)
Total income (I + III + V)	9 777	62 027
Total expenses (II + IV + VI + VII)	707	4 953
5 - PROFIT	9 070	57 074

(1) Including operating revenue relating to prior periods	(13)	(14)
(2) Including operating expenses relating to prior periods	(8)	(16)
(3) Including income concerning affiliated companies	6 017	57 026
(4) Including interest concerning affiliated companies	-	-

Cash flow statement 2016

CASH FLOWS (in thousands of euros)	2016	2015
OPERATING ACTIVITIES		
Net income (loss)	9 070	57 074
Elimination of expenses and income not affecting cash or relating to operations:		
- Amortization and depreciation	261	927
- Provisions	624	503
- Capital gains, net of taxes	(1)	30
Cash flows from operations	9 954	58 534
- Change in inventories	-	-
- Change in clients	(111)	605
- Change in suppliers	(29)	(52)
- Other variations	(348)	(1 357)
Change in working capital requirement	(488)	(804)
NET CASH FLOWS FROM OPERATING ACTIVITIES	9 466	57 730
INVESTING ACTIVITIES		
- Acquisitions of intangible and tangible capital assets	(3)	(12)
- Acquisitions of and increases in long-term investments	(501)	(13 979)
Subtotal	(504)	(13 991)
- Disposals of intangible and tangible capital assets	8	2
- Sales of and reductions in financial assets	33	1 437
Subtotal	41	1 439
Net investments of period	(463)	(12 552)
Change in working capital requirement	(8)	6
NET CASH FLOWS FROM INVESTING ACTIVITIES	(471)	(12 546)
FINANCING ACTIVITIES		
- Capital increases (reductions)	-	-
- Dividends allocated to the company's shareholders	(1 477)	(1 608)
- Other distributions	-	-
Total	(1 477)	(1 608)
- Changes in loans and financial liabilities	6	(18)
- Change in working capital requirement	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(1 471)	(1 626)
NET CHANGE IN CASH POSITION	7 524	43 558
Cash position on opening	53 264	9 706
Cash position on closing	60 788	53 264
	7 524	43 558

Notes to the Individual Financial Statements at 31 December 2016

These notes supplement and comment on the balance sheet prior to appropriation for period ending 31 December 2016, totaling 128,040,038.65 euros and the period's income statement, presented in list form, which totals 9,777,054.31 euros and shows a profit of 9,070,458.66 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 2016 to 31 December 2016.

These annual financial statements were drawn up by the Board of Directors on 13 April 2017.

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

The financial statements were drawn up in accordance with the general principles of establishment and presentation of accounts defined by the French code of commerce and the ANC regulation no. 2016-07 of 4 November 2016 approved by Decree on 26 December 2016.

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, the company applied 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, 40 and 50 years,
  - Fit-outs and conversions: straight-line, 20 to 30 years,
  - Facade 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.

Equity Investments

Equity Investments are recognised at acquisition cost or their contribution value, barring statutory revaluation.

The carrying amount is compared with the share of equity held in the company concerned.

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

Other long-term investments

The treasury shares held by Gévelot S.A. as of December 31, 2016, amounted to 72 707 shares representing 8.14% of its share capital. They have been acquired under the authorization granted by the Combined General Meeting of October 15, 2015. They will be cancelled in accordance with the decision of this Combined General Meeting.

Since treasury shares are to be cancelled, no depreciation should be recorded.

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

	2016	2015
Number of shares (percentage of share capital)	72 707 (8.14%)	72 697 (8.14%)
Weighted average cost basis	€ 141.79	€ 141.80
Average share price (December)	€ 139.98	€ 134,29
Gross book value	€ 10.3 M	€ 10,3 M
Net book value	€ 10.3 M	€ 10,3 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 2016, comprising bank term deposits and negotiable medium-term notes, totals € 48 million.

Investment grants

Investment grants are recorded at the date of the grant on the liability side of the balance sheet, in the item « Investment grants » which is part of equity. They are recorded as extraordinary result at the same rate as the allowances to amortisations on fixed assets, which they have contributed to finance.
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.
Derogatory amortisations are mainly the result of a duration differential.

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 SA, PCM SA, PCM Europe SAS, PCM Manufacturing France SAS and PCM Technologies SAS.

Its income net of tax of € 2 283 K includes :

- Gévelot S.A.'s income tax - € 563 K
- tax income relating to entitties included in the Group's tax integration system + € 2 846 K

Furthermore, an intra-group additional provision of €408K was recognised at 31 December 2016 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) Further information and events after the closing date

At the end of March 2017, 72 707 shares were held in treasury acquired at an overall average price of 141.79 euros.

The Board of Directors, on 13 April 2017, decided to reduce the share capital through the cancellation of treasury shares (8.1%). The resulting share capital of Gévelot stands at 28 717 500 €, comprising 820 500 shares, each with a par value of €35.

Note 2 : Capital assets and amortization

Headings and items	Capital assets					Amortization and depreciation			
	Gross value at the start of FY 2016	Increases	Transfers	Reductions	Gross value at the end of FY 2016	Accumulated at the start of FY 2016	Increases	Reductions	Accumulated at the end of FY 2016
Intangible capital assets									
Concessions, patents, licences, trademarks, processes, rights and similar items	26	-	-	-	26	22	2	-	24
Total	26	-	-	-	26	22	2	-	24
Tangible capital assets									
Land	2 635	-	-	-	2 635	155	2	-	157
Buildings	14 754	-	-	-	14 754	9 420	231	-	9 651
Other tangible assets	226	3	11	(54)	186	129	26	(47)	108
Construction work in progress	11	-	(11)	-	-	-	-	-	-
Advances and down payments on tangible assets	-	-	-	-	-	-	-	-	-
Total	17 626	3	-	(54)	17 575	9 704	259	(47)	9 916
Long-term investments									
Minority insterests	49 043	-	4 530	-	53 573	10 588	-	-	10 588
Receivables attached to minority interests	4 044	500	(4 530)	(13)	1	-	-	-	-
Loans	261	-	-	(20)	241	-	-	-	-
Other long-term investments	10 317	1	-	-	10 318	-	-	-	-
Total	63 665	501	-	(33)	64 133	10 588	0	0	10 588

On December 31, 2016 land and buildings corresponded to buildings intended for the use of offices for € 3 097 K or industrial centres for € 4 484 K, occupied by Gévelot S.A. or provided to its subsidiaries or third parties.

In accordance with the principle stated in Note 1, Gévelot S.A. compared the book value of the Equity Securities to the proportionate share of the equity of the concerned companies or to the value in use as the case may be. This analysis did not lead to any change in depreciation previously made.

The Gévelot Extrusion Extraordinary General Meeting of 3rd May 2016 decided on a capital increase of €4,530 K. Gévelot SA fully paid the entirety of this capital increase in cash from the current account.

Gévelot S.A. bought back 10 of its own shares for a total amount of € 1 K during the fiscal year 2016.

On 31 December 2016, Gévelot SA held 72 707 of its own shares for an acquisition cost of €10 309 K. These shares will be cancelled and have not been impaired although the average market price in December 2016 was 1% lower than the average acquisition cost.

Note 3 : Provisions

Headings and items	Amount at the start of 2016	Increases	Reductions: Amounts used during FY 2016	Reductions: Amounts not used during FY 2016	Amount at the end of 2016
Regulated provisions					
Capital cost allowances	3 349	277	(61)	-	3 565
Total	3 349	277	(61)	-	3 565
Contingency provisions					
Provisions for litigation	-	-	-	-	-
Total	-	-	-	-	-
Loss provisions					
Intercompany provision for tax refund deemed likely under the fiscal integration system	10 775	408	-		11 183
Provision for taxes	200	-	-		200
Total	10 975	408			11 383

Note 4 : Maturity of receivables and liabilities

Headings and items	Gross amount at 31.12.2016	Maturing in 1 year max	Maturing in over 1 year
Receivables			
Receivables on capital assets			
Receivables from equity investments	1	1	
Loans (1)	241	27	214
Other	10 318	-	10 318
Receivables from current assets			
Trade receivables (2)	180	180	-
Other	5 835	4 984	851
Subscribed called-up capital not paid up	-	-	-
Prepaid expenses	29	29	
Total	16 604	5 221	11 383
Liabilities			
Loans and debt with lending institutions (3) (4)	2	2	-
Other borrowing and financial debt (3) (5)	379	-	379
Trade accounts payable (6)	102	102	
Tax and welfare liabilities	1 061	1 061	-
Liabilities to fixed-asset suppliers (6)	3	3	-
Other liabilities (7)	1 259	1 259	-
Prepaid income	35	35	-
Total	2 841	2 462	379

(1) Loans granted in period	-
Loans recovered in period	21
(2) Including commercial paper	-
(3) Loans and financial liabilities taken out in period	18
Loans repaid and transferred in period	13
(4) including :	
- no more than two years initially	2
- over two years initially	-
(5) Liabilities maturing in over 5 years	379
(6) including commercial paper	-
(7) including to partners	-

Note 5 : Items concerning affiliated companies

Items	Net amount at 31.12.2016
Advances and down payments on fixed assets	
Equity interests	42 985
Receivables from equity investments	1
Loans	-
Advances and down payments paid on orders (current assets)	-
Trade receivables	114
Other receivables	4 702
Subscribed called-up capital not paid up	-
Loans and debt with lending institutions	-
Other borrowing and financial debt	346
Advances and down payments received on current orders	-
Trade payables	13
Fiscal and welfare liabilities	-
Liabilities to fixed-asset suppliers	-
Other liabilities	1 259
Rendering of services	2 180
Other operating income	411
Other purchases and external charges	23
Other operating expenses	70
Income from equity interests	6 002
Other financial income	15
Financial costs	-

Affiliates: These are companies that are fully consolidated, controlled entities under joint control and notable influence and company managers and the companies they control as well as close family members.

Note 6 : Revaluation

Items	Change in revaluation reserve at 31.12.2016				
	Amount at the start of 2016	Reductions due to disposals	Other changes	Amount at the end of 2016	For the record differences incorporated into capital
Land	-	-	-	-	-
Equity 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 31.12.2016
Receivables from equity investments	1
Trade receivables	46
Other receivables	3
Short-term investments	238
Total	288

Note 8 : Accrued liabilities

Amount of accrued liabilities included in the following balance sheet items	Amount at 31.12.2016
Loans and liabilities with lending institutions	-
Trade payables	4
Tax and welfare liabilities	50
Total	54

Note 9 : Prepaid expenses and income

	Amount at 31.12.2016	
	Expenses	Income
Expenses / Operating revenue	29	35
Expenses / Financial income	-	-
Expenses / Unusual gains	-	-
Total	29	35

Note 10 : Composition of the share capital

	Number	Par value
Shares making up the share capital at the start of financial year 2016	893 207	35,00
Shares issued during the period	-	-
Shares repaid during the period	-	-
Shares cancelled during the period (see Note 2)	-	-
Change in par value through incorporation of reserves	-	-
Shares making up the share capital at the end of financial year 2016	893 207	35,00

Making a share capital of 31 262 245 euros

Note 11 : Statement of changes in net worth

Equity in the closing balance sheet for period 2015 prior to income		48 933
Appropriation of 2015 income at net worth by the Annual General meeting of 16 June 2016		55 466
. 2015 Income	57 074	-
. Dividends paid	(1 608)	-
Equity on opening of period 2016		104 399
Changes in period:		347
. Changes in premiums, reserves, retained earnings	131	-
. Changes in regulated provisions and investment grants	216	-
Equity in the closing balance sheet for period 2016 prior to income		104 746

Note 12: Breakdown of net turnover

a) Breakdown by business segment

	Amount 2016	Amount 2015
Rents	1 489	1 547
Services	796	946
Total	2 285	2 493

b) Breakdown by geographical segment

	Amount 2016	Amount 2015
France	2 274	2 480
Germany	11	13
Total	2 285	2 493

Note 13: Unusual items

The main items included under this heading are:

Headings	Amount 2016	Amount 2015
Intercompany provision for probable refund of tax savings to fully consolidated companies	(408)	(439)
Capital cost allowances	(216)	(226)
Retirement & layoff	-	(447)
Disposal gains / (losses)	2	(32)
Other items, net	16	14
Total	(606)	(1 130)

Note 14: Income tax

Breakdown of income tax between operating income and unusual gains/losses is the following:

Headings	Pre-tax income (loss) at 31.12.2016	Amount of income tax for 2016	Net income (loss) at 31.12.2016
Operating income	7 393	585	6 808
Unusual gains/losses	(606)	(66)	(540)
Additional contribution on amounts paid out	-	44	(44)
Effect on consolidation for tax purposes	-	(2 846)	(2 846)
Total	6 787	(2 283)	9 070

The tax rate is 33 1/3 % for 2016 and 2017, and 28 % from 2018 onwards.

The effect on the period's taxes of dispensatory tax assessments due to capital cost allowances is € 72 K (income).

Increase and decrease in the future tax debt

The future tax debt is € 1,001 K higher due to the reversal of capital cost allowances for € 3,565 K.

Note 15: Off-balance sheet commitments

	Amount at 31.12.2016
Contractual obligations:	
Liabilities for which the company has granted a guarantee	-
- on its own loans	-
- on loans taken out by subsidiaries	-
Leasing commitments including tax	1 719
Retirement commitments	-
Total	1 719
Commitments received:	-
Other	-
Total	-

Leasing commitments:

Headings	Real estate property	Total at 31.12.2016
Original values before tax	1 400	1 400
Amortisations		
Prior fiscal years-to-date	-	-
Allowances of the fiscal year	-	-
Total	-	-
Fees paid before tax		
Prior fiscal years-to-date	349	349
Fiscal year	117	117
Total	466	466
Fees remaining due before tax		
At one year max	117	117
At more than one year and 5 years max	469	469
At more than 5 years	706	706
Total	1 292	1 292
Residual values before tax		
At one year max	-	-
At more than one year and 5 years max	-	-
At more than 5 years	140	140
Total	140	140
Net charge for the fiscal year	117	117

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 2013-02 dated 7 November 2013.

There is no commitment on 31 December 2016 as IFC corporate liabilities (€78 K) were totally covered by the value of funds on 31 December 2016 (€81 K) held by Axa France Vie as part of a contract to outsource a portion of these commitments.

Note 16: Managers' remuneration

The total remuneration of the management bodies is not provided as this would lead indirectly to giving individual compensation.

Note 17: Average headcount 2016

	Salaried staff	Staff put at the disposal of the company
Managerial / executive staff	4	-
Supervisory, technical and clerical staff	1	-
Total	5	-

Note 18: Consolidating company

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

Note 19: Subsidiaries and minority interests at 31 December 2016

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 received 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	15 100	2 394	99,99	29 927	19 339	-	-	63 676	298	-
PCM S.A. 6, boulevard Bineau 92300 Levallois-Perret	10 155	62 502	99,94	6 511	6 511	-	-	1 868	18 054	1 502
Foreign subsidiaries *(in thousands of euros)*										
Dold Kaltfliesspressteile GmbH Langenbacherstrasse 17/19 D-78147 Vöhrenbach (Germany)	13 000	6 069	100,00	17 135	17 135	-	-	40 116	1 538	4 500
B - MINORITY INTERESTS (10 to 50 % of the capital held by the company)	-	-	-	-	-	-	-	-	-	-

(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		2016	2 015
Number of shares at 31 December		893 207	893 207
Accrual-based income	K€	9 070	57 074
	€	10.15	63.90
Changes in net worth excluding restructuring transactions	K€	347	255
	€	0.39	0.29
Proposed dividend	K€	1 477	1 608
	€	1.80	1.80

Statement of changes in net worth

(in thousands of euros)

Equity in the closing balance sheet of 2015 prior to income		48 933
Appropriation of 2015 income at net worth by the Annual General Meeting of 16 June 2016		55 466
. 2015 income	57 074	
. Dividends paid	(1 608)	
Equity at the start of 2016		104 399
Period change:		347
. Changes in premiums, reserves, retained earnings	131	
. Changes in regulated provisions and investment grants	216	
Equity in the closing balance sheet of 2016 prior to income		104 746
Appropriation of 2016 income at net worth submitted to the Combined General Meeting of 15 June 2017		7 593
. 2016 income	9 070	
. Proposed dividends	(1 477)	
Equity after proposed appropriation		112 339

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	2016	2015	2014	2013	2012
I - CAPITAL AT END OF PERIOD		(**)			(*)
a) Share capital	31 262 245.00	31 262 245.00	31 838 310.00	31 838 310.00	31 838 310.00
b) Number of existing ordinary shares	893 207	893 207	909 666	909 666	909 666
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 - PERIOD TRANSACTIONS AND INCOME (LOSS)					
a) Turnover excluding tax	2 284 881.26	2 492 616.82	3 337 180.42	2 665 463.40	3 177 290.37
b) Earnings before tax, employee profit-sharing, amortisation and provisions	7 672 545.77	57 503 116.06	4 129 385.78	2 949 841.22	7 193 177.45
c) Income tax	(2 283 981.00)	(1 001 998.00)	(1 820 881.00)	(616 963.00)	601 839.00
d) Employee profit-sharing in period	-	-	-	-	-
e) Earnings after tax, employee profit-sharing, amortisation and provisions	9 070 458.66	57 074 060.85	375 269,16	277 367.33	53 108.48
f) Distributed earnings	1 476 900.00	1 476 900.00	1 607 772,60	1 619 020.80	1 637 398.80
III - EARNINGS PER SHARE					
a) Earnings after tax, employee profit-sharing but before amortisation and provisions	11.15	65.50	6.54	3.92	7.25
b) Earnings after tax, employee profit-sharing, amortisation and provisions	10.15	63.90	0.41	0.30	0.06
c) Dividend allocated to each share	1.80	1.80	1.80	1.80	1.80
IV - PERSONNEL					
a) Average headcount of personnel employed during the period	5	6	7	7	7
b) Total payroll	501 253.84	552 746.00	671 467.28	651 781.65	635 543.62
c) Amounts paid out for the period's employee benefits (social security, community services, etc.)	235 691.75	251 904.35	318 070.31	299 317.51	298 737.69

(*) In accordance with the eleventh resolution of the Combined Annual and Extraordinary General Meeting of 15 June 2012, a capital reduction of €87,500 through cancellation of the 2,500 treasury shares held by Gévelot S.A..

At the end of 2012, the share capital thus stands at €31,838,310 comprising 909,66 shares each with a par value of €35.

(**) In accordance with the decision of the Board of Directors of 15 October 2015 and under the autorisation given by the Combined Annual and Extraordinary General Meeting of 19 June 2014, a capital reduction of €576,065 through cancellation of the 16,459 treasury shares held by Gévelot S.A..

At the end of 2015, the share capital thus stands at €31,262,245 comprising 893,207 shares each with a par value of €35.

Rapport des Commissaires aux Comptes sur les Comptes Annuels

Exercice clos le 31 décembre 2016

Aux Actionnaires
Gévelot S.A.
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 2016, sur :

- le contrôle des comptes annuels de la société GEVELOT 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 :

Votre Société détermine à chaque clôture la valeur d'inventaire de ses participations selon les méthodes décrites en note N°1a de l'annexe. Elle constitue, le cas échéant, une 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 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.
En application de la loi, nous nous sommes assurés que les diverses informations relatives à l'identité des détenteurs du capital ou des droits de vote vous ont été communiquées dans le rapport de gestion.

Fait à Neuilly-sur-Seine et Paris, le 27 avril 2017

Les Commissaires aux Comptes

PricewaterhouseCoopers Audit	C R E A
Yan RICAUD	Bernard ROUSSEL

Rapport Spécial des Commissaires aux Comptes sur les Conventions Réglementées

Exercice clos le 31 décembre 2016

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

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

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques, les modalités essentielles ainsi que les motifs justifiant de l'intérêt pour la société des conventions dont nous avons été avisés ou que nous aurions découvertes 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. 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 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 déjà approuvées 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 SOUMISES A L'APPROBATION DE L'ASSEMBLEE GENERALE

Nous vous informons qu'il ne nous a été donné avis d'aucune convention autorisée 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 DEJA APPROUVEES PAR L'ASSEMBLEE GENERALE

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

Neuilly-sur-Seine et Paris, le 27 avril 2017

Les Commissaires aux Comptes

PricewaterhouseCoopers Audit	C R E A
Yan Ricaud	Bernard Roussel

Rapport des Commissaires aux Comptes sur la réduction du capital

(Assemblée Générale Mixte du 15 juin 2017 – Douzième résolution)

Aux Actionnaires

Gévelot S.A.
6, boulevard Bineau
92300 Levallois-Perret

En notre qualité de commissaires aux comptes de votre Société et en exécution de la mission prévue à l'article L.225-209 du Code de commerce en cas de réduction du capital par annulation d'actions achetées, nous avons établi le présent rapport destiné à vous faire connaître notre appréciation sur les causes et conditions de la réduction du capital envisagée.

Votre Conseil d'Administration vous propose de lui déléguer, pour une durée de 24 mois à compter du jour de la présente assemblée, tous pouvoirs pour annuler, dans la limite de 10 % du capital social, par période de 24 mois, les actions achetées au titre de la mise en œuvre d'une autorisation d'achat, par votre société, de ses propres actions, dans le cadre des dispositions de l'article du Code de commerce précité.

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. Ces diligences conduisent à examiner si les causes et conditions de la réduction du capital envisagée, qui n'est pas de nature à porter atteinte à l'égalité des actionnaires, sont régulières.

Nous n'avons pas d'observation à formuler sur les causes et conditions de la réduction du capital envisagée.

Neuilly-sur-Seine et Paris, le 27 avril 2017

Les Commissaires aux Comptes

PricewaterhouseCoopers Audit	C R E A
Yan Ricaud	Bernard Roussel

Resolutions

submitted to the Combined General Meeting of 15 June 2017

I – ORDINARY RESOLUTIONS

First Resolution

The General Meeting, having listened to the Management Report from the Board of Directors and the Report from Statutory Auditors, approves these Reports in their entirety, as well as the 2016 annual Individual Financial Statements, showing a net profit of € 9,070,458.66.

Second Resolution

The General Meeting, having considered the Reports from the Board of Directors and Statutory Auditors, approves the annual Consolidated Accounts as presented, and showing for the fiscal year 2016 a consolidated net profit of €14.6 million.

Third Resolution

The General Meeting takes note of the Special Report from Statutory Auditors on regulated Agreements and Commitments mentioned in Article L.225-38 of the Commercial Code and approves the said operations.

Fourth Resolution

The General Meeting decides to allocate
the period's profit of ....€ 9 070 458.66

plus the previous balance brought forward...........€ 9 734 608.28

constituting the distributable profit of ....€ 18 805 066.94

as follows:

. Dividend:.........................€ 1 476 900.00

- € 1 476 900.00

. Balance brought forward
after allocation: ....€ 17 328 166.94

The dividend of €1.80 per Share, eligible for the 40% tax allowance intented for individual beneficiaries and mentioned in Article 158.3.2° of the General Tax Code, will be distributed as from 22 June 2017. It will be paid on the basis of 820,500 shares making up the share capital.

Pursuant to Article 243bis of the General Tax Code, it is recalled that the distribution of the following dividends was carried out in the past three fiscal years, these dividends being fully eligible for the 40% tax allowance mentioned in Article 158.3.2° of the General Tax Code:

Fiscal Year	Net	Tax Credit	Number of Shares served	Number of Shares total
2013	1,80	pm	899 456	909 666
2014	1,80	pm	893 207	909 666
2015	1,80	pm	820 500	893 207

Fifth Resolution

The General Meeting discharges the Directors of the execution of their Mandate for the fiscal year 2016.

Sixth Resolution

Mr Mario MARTIGNONI's directorship being expired, the General Meeting renews his mandate for a period of three years until 2020 General Meeting that will be called to approve the accounts for the fiscal year 2019.

Seventh Resolution

Mrs Roselyne MARTIGNONI's directorship being expired, the General Meeting renews her mandate for a period of three years until 2020 General Meeting that will be called to approve the accounts for the fiscal year 2019.

Eighth Resolution

Mr Jacques FAY's directorship being expired, the General Meeting renews his mandate for a period of three years until 2020 General Meeting that will be called to approve the accounts for the fiscal year 2019.

Ninth Resolution

As the mission of PricewaterhouseCoopers Audit, the statutory auditors, has expired, the General Meeting renews its mission for six financial years, i.e. until the General Meeting in 2023 which shall decide on the accounts for financial year 2022.

An external auditor shall not be appointed to replace FIDEAC whose mission expires on the date of this General Meeting.

Tenth Resolution

As the mission of CREA, the statutory auditors, has expired, the General Meeting appoints RSM France as statutory auditors for six financial years, i.e. until the General Meeting in 2023 which shall decide on the accounts for financial year 2022.

An external auditor shall not be appointed to replace Cagnat & Associés whose mission expires on the date of this General Meeting.

Eleventh Resolution

Autorisation of a €13 million share buyback programme by the company in view of cancelling those shares within the limit of 10% of its share capital.

The Annual General Meeting, acting under the quorum and majority conditions required for Ordinary General Meetings, and having reviewed the Report of the Board of Directors, authorises the Board to allow the Company to purchase its own shares, in accordance with the provisions of Articles L. 225-209 et seq of the French Commercial Code and European Regulation N° 596/2014 of 16 December 2014.

This authorization is granted in order to enable the potential cancellation of any shares acquired, in accordance with the terms of the Twelfth Extraordinary Resolution contained in the agenda of this Annual General Meeting.

The purchase, sale or transfer transactions mentioned above may be performed by any means recognised in Law and by the regulations in force, including within the framework of negociated transactions or the acquisition of blocks.

These transactions can occur at any moment, including during a takeover bid on the company's shares pursuant to articles 231-38 and 231-40 of the General Regulation of the Financial Markets Authority.

The Annual General Meeting has set the maximum number of shares that may be acquired under the terms of the present Resolution at 10% of the Company's share capital as at the date of the present Meeting which corresponds to 82,050 shares, it being specified that the number of treasury shares must be taken into account in the context of the present authorisation, so that the Company complies at all times with the limits on treasury shares, which may not exceed 10% of the Share Capital. The Annual General Meeting has decided that the total amount dedicated to these acquisitions shall not exceed €13 million.

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

- to decide on the implementation of the present authorisation,

- to place all stock market orders and enter into all agreements in accordance with the stock market regulations in force,

- to make all declarations and to carry out all other formalities, including keeping records of share purchases and sales and, generally speaking, to do all that is necessary.

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

This autorisation is granted for a period of 18 months from the date of the present general meeting.

II – EXTRAORDINARY RESOLUTION

Twelfth Resolution

Authorisation given to the Board of Directors in order to cancel the Shares that the Company could have bought back under the Share Buyback Programs.

The General Shareholders' Meeting, considering the Report of the Board of Directors and the special Report of Statutory Auditors and ruling under the quorum ad majority conditions required for Extraordinary General Meetings, authorizes the Board of Directors, within the limits of 10% of Capital by periods of 24 months, to cancel in one or more occasions, at its sole decision, all or part of the own Shares that the Company owns or could own under Article 225-209 and to correlatively reduce the Authorized Capital.

All powers are conferred on the Board of Directors in order to carry out the authorized operations in accordance with this Resolution, impute on disposable premiums and reserves of its choice the difference between the surrender value of the cancelled Shares and their face value, modify the Statutes, reassign the fraction of the available legal reserve as a result of the capital reduction, file all declaration to the financial markets authority and carry out required formalities.

This authorization is granted for a period of 24 months from the date of this Meeting and is subject to the approval of the Eleventh Resolution.

Thirteenth resolution

Abolition of the double vote (Article 27 of the Articles of Association)

The General Meeting of Shareholders, having reviewed the report of the Board of Directors and ruling under the quorum and majority conditions required for Extraordinary General Meetings, resolves to amend paragraph 3, article 27, of the Articles of Association (Vote – Number of votes):

<u>Former wording :</u>
Voting rights attached to shares are proportional to the share of capital they represent. Each capital or dividend share is entitled to one vote. However, a double voting right conferred to other shares, with regard to the amount of capital they represent, is attributed:

a) to fully paid-up shares for which at least four years' nominative registration has been justified in the name of the same Shareholder,

b) to nominative bonus shares attributed to a Shareholder, in the case of a capital increase by incorporation of reserves, profits or issue premiums, on the basis of old shares for which they are entitled to this right.

Double voting rights cease in the cases provided for in the Law.

<u>New wording :</u>
Voting rights attached to shares are proportional to the share of capital they represent. Each share is entitled to one vote.

III – ORDINARY RESOLUTION

Fourteenth Resolution

To proceed with any publication and filing required by law, and generally to carry out any statutory formalities, all powers are vested in the holder of original or duplicated copies or excerpts of these resolutions.

Gévelot

Société Anonyme au capital de 28 717 500 euros
Siège social, Direction et Administration :
6, boulevard Bineau
92300 Levallois-Perret
562 088 542 RCS Nanterre - SIRET N° 562 088 542 00369

www.gevelot-sa.fr