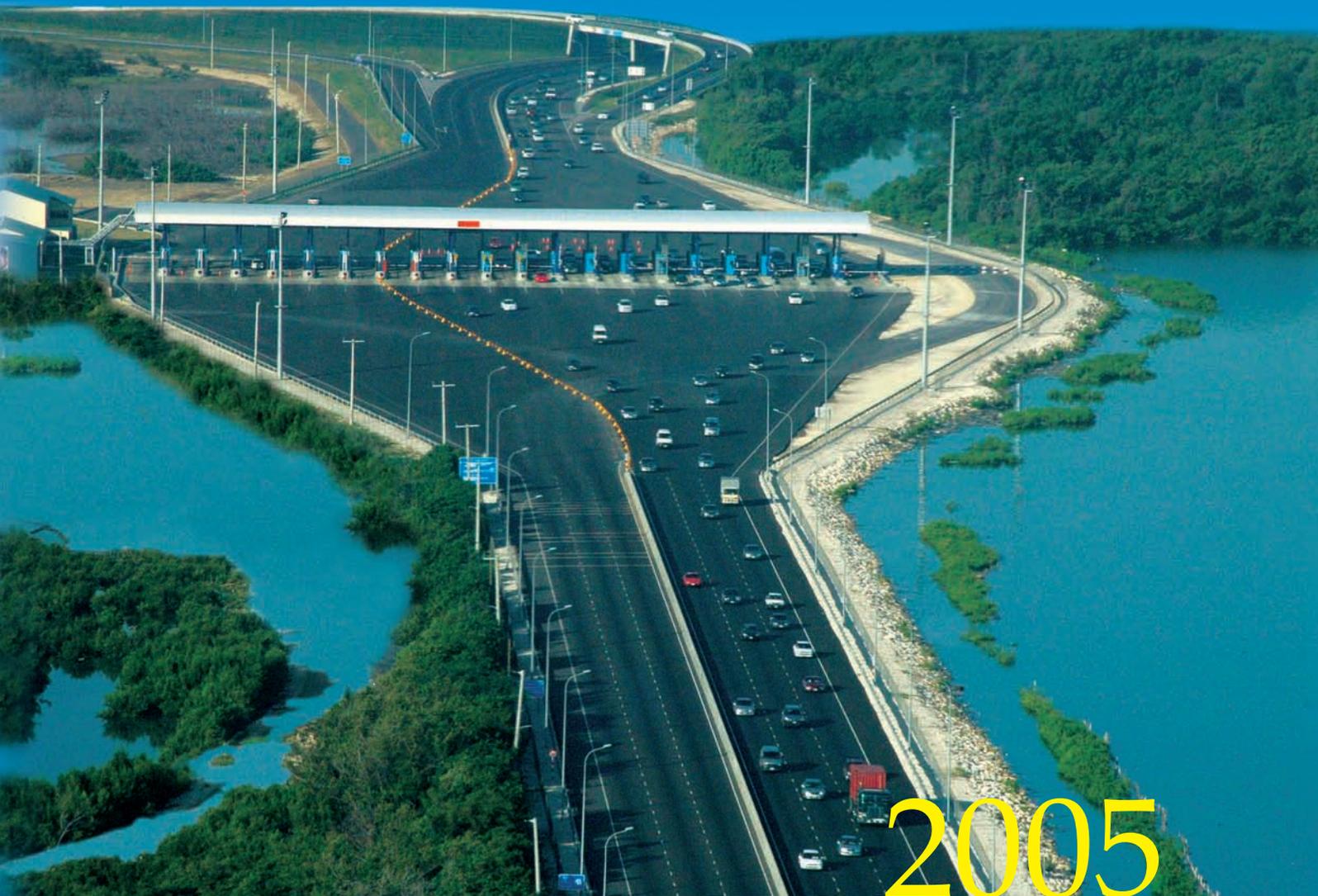


TOLL COLLECTION SYSTEMS



2005
ANNUAL REPORT
2006

GRENOBLOISE D'ELECTRONIQUE ET D'AUTOMATISMES



BOARD OF DIRECTORS

Mr. Serge ZASLAVOGLOU, President
Mr. Henri CYNA
Mr. Louis-Michel ANGUE
Mr. Serge-Alexis ZASLAVOGLOU
Mr. Pierre GUILLERAND
Mr. Grigori ZASLAVOGLOU
Mrs. Jeannine ZASLAVOGLOU
Mr. Daniel GOUREVITCH
Mr. Eric VANDEL
Mr. Roland ROC

AUDITORS

Grant Thornton,
represented by Mr. Thierry CHAUTANT
42, avenue Georges Pompidou
69442 LYON CEDEX 03

STOCK BROKERS

EXANE BNP PARIBAS
3, rue de l'Arbre Sec
69001 LYON
Tel.: +33 4 72 10 40 01

HEAD OFFICE

ZIRST
12, chemin de Malacher
B.P. 85
38243 MEYLAN CEDEX

COMMUNICATIONS

Mr. Serge ZASLAVOGLOU
Tel.: +33 4 76 90 72 72
E-mail: postmaster@gea.fr
Web site: www.gea.fr

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GEA WORLDWIDE



More than 8, 000 Toll Collection Terminals in 31 countries.

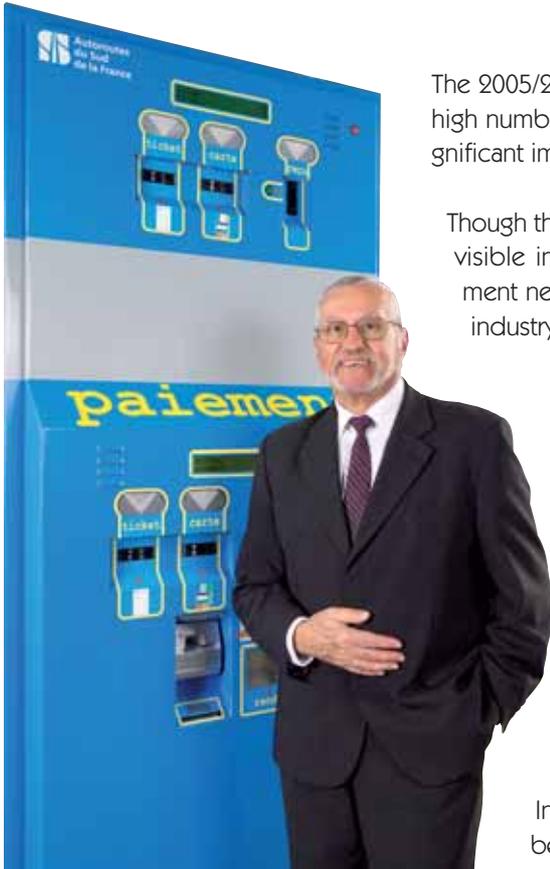
GEA IN FRANCE



Motorways equipped by GEA

Car Parks equipped by GEA

MESSAGE FROM PRESIDENT



Serge ZASLAVOGLU, GEA President.

The 2005/2006 financial year was marked by the commencement of an unusually high number of start-ups for contracts running over several years, which had a significant impact on income.

Though the commercial benefits of this type of contract are only likely to be fully visible in the medium term (3-to-5-year contracts, renewable), this development nevertheless allows GEA to enjoy a leading position in the French tolling industry.

Supplier to the nine leading French motorway companies GEA has pursued its development over the national tolled network during the financial year, with a number of equipment supply or renewal contracts with SANEF (ABERTIS Group), SAPN (ABERTIS Group), ASF (VINCI Group), ESCOTA (VINCI Group), APRR (EIFFAGE Group), AREA (EIFFAGE Group) and COFIROUTE (VINCI Group).

GEA has also delivered new equipment to the Millau viaduct (EIFFAGE Group) and signed a major contract with the AREA-BOUYGUES Group to equip the new A41 motorway between Cruseilles and Geneva).

In addition, the company's acknowledged technological advance has been confirmed in the field of automation, with the signature or completion of a number of contracts: automatic equipment to Eurotunnel, entry terminals and automatic lanes to COFIROUTE, electronic toll tags to AREA, SANEF and ATMB, automatic terminals to AREA, etc.

The recent signature of a number of contracts with Cofiroute to equip the A86 motorway in particular is a recognition of GEA's expertise, especially in the field of automatization of toll plazas.

GEA has won new contracts abroad, in Guatemala, Mexico and Austria.

GEA has also reinforced its position as market leader in Morocco with the signature of a number of contracts, particularly for the Casablanca-Marrakech motorway. Finally GEA has strengthened its position in a number of countries such as China, Jamaica, Croatia and Brazil.

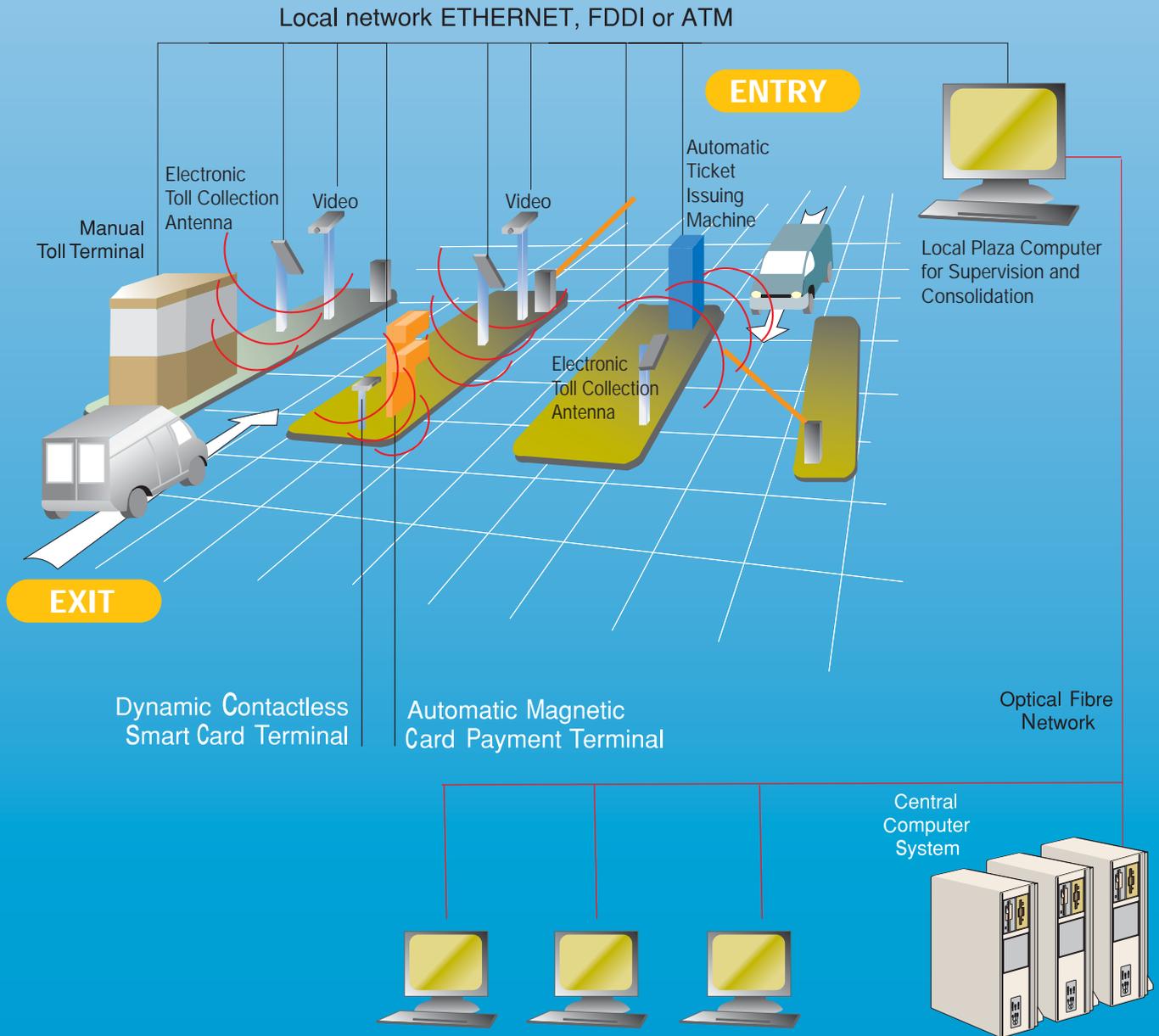
As part of its car parking activity, our collaboration with SAEMES (Paris Council) has continued with, for example, the commissioning of the "Musée des Arts Premiers" car park on the Quai Branly.

As of 30 September 2006, the order book, which consists in 85% of French contracts, amounts to 41 million euros.

I would finally like to thank all the employees at GEA for their hard work during 2006.

Serge ZASLAVOGLU
President

ORGANISATION OF DATA COLLECTION AND TRANSMISSION NETWORK



Fitted with a central processing unit, the toll terminals at the users level manage the various lane peripherals (automatic vehicle classification systems, traffic signals, barriers, electronic tolling antennas, etc).

Transaction data and traffic information are collected in real time and stored before being centralised and consolidated through local networks such as Ethernet, FDDI or ATM.

These local plaza computers communicate with a central computer via optical fibre networks.

COMPUTER AND ELECTRONIC TOLLING CONTROL SYSTEM:

At the financial level:

- Prevents fraud
- Manages the money flow
(Revenue of more than 6,5 billion in France in 2006)

At the technical level:

- Processes all types of payment methods
- Generates traffic statistics
- Automates Toll Collection
- More than 1.2 billion transactions in 2006
- (of which more that 260 millions in ETC Toll Collection)



voie réservée télébadge

AN EXPANDING BUSINESS: AUTOMATED TOLL PLAZAS

G.E.A. offers a comprehensive range of equipment which allows its clients to automate either partially or entirely their revenue collection. With more than 100 fully automated toll plazas in service in France on the A20, A29, A66, A72, A83, A87 and A89 motorways, G.E.A. is at the forefront of technology in this field.

Several international clients in Denmark, Sweden, Spain, Brazil, Malaysia, Thailand, China, Morocco and Tunisia have also chosen G.E.A. for all or part of their automated toll systems.

- ✓ Automatic toll lanes accepting all means of payment (Multi-Payment Machines)
- ✓ Automatic vehicle classification systems
- ✓ Audio and video systems providing real-time remote assistance to patrons (data and digital image transmission over high-speed networks).
- ✓ Integration of contactless smart card payment systems
- ✓ Electronic Toll Collection (ETC) systems compliant with the European standard CEN TC 278:
 - Within the scope of the TIS (Télépéage Inter-Sociétés) tolling scheme for the French motorway operators, G.E.A.:
 - Supplied and implemented more than 700 ETC roadside beacons
 - Delivered a high-speed ETC system, with automatic detection of incidents through video image analysis
 - Provided the TIS software integration for all of the 9 French motorway operators
 - Internationally, G.E.A. installed several ETC systems in Sweden, Denmark, Brazil, Croatia, Spain, and in Asia.
 - Within the scope of its exclusive co-operation agreement with the Thales Group, G.E.A. delivered 750,000 On-Board Units abroad since the beginning of the activity.
 - The Heavy Goods Vehicle (HGV) ETC system represents another long-term line of growth. G.E.A. is particularly well positioned to address this new market because of its renowned expertise. Thanks to its expertise in automatic classification systems, G.E.A. has already commissioned multi-class ETC systems (for passenger vehicles and HGVs) in Denmark, (Sorebælt bridge), Sweden (Øresund bridge) and Brazil (Anhangüera-Bandeirantes motorway).
 - G.E.A. has been chosen by most of the French motorway companies for the software integration of the new Heavy Goods Vehicles TIS (Interoperable French-wide ETC System).

CAR PARK REVENUE CONTROL SYSTEMS

GEA started diversifying its activities in 2001 and designed a complete line of revenue control equipment for car parks, thanks to a first contact with the VINCI Group.

This product includes:

- ▀ Entry Lane Terminals
- ▀ Restricted Entry Lane Terminals
- ▀ Exit Lane Terminals
- ▀ Pedestrian Access Control Terminals
- ▀ Automatic Payment Machines
- ▀ Manual Payment Machines
- ▀ Car Park Management Supervision Servers
- ▀ Central Computer Systems



The VINCI Group is a world leader in concessions, construction and related services and operates more than 1,300 car parks in 12 countries of which more than 500 are in France.

- This first success triggered other awards to GEA from:
 - Communauté Urbaine de Marseille
 - Omniparc (Eiffage Group)
 - SAEMES (City of Paris)
 - CHU (City of Grenoble)
- Car park maintenance activity has continued for both VINCI and Eiffage.



OPERATIONAL STRUCTURE AND HUMAN RESSOURCES



Serge ZASLAVOGLOU
President



Hassane TANOUKHI
Project Director



Jean-Luc AUGUSTE
Technical Director



Alexis ZASLAVOGLOU
*Research and Development
Manager*



Olivier MANNECHEZ
Software Development Manager



François-Xavier OTT
*Strategy, Marketing and
Sales Director*



Philippe THOREAU
Commercial Director

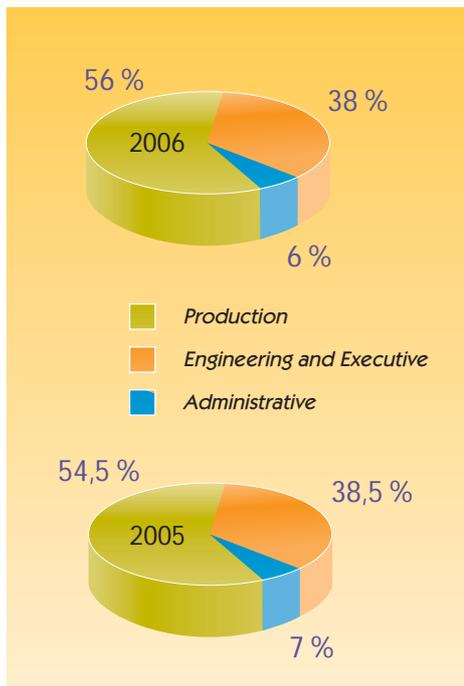


Jean LARRANG
*Commercial Director
(American Region)*

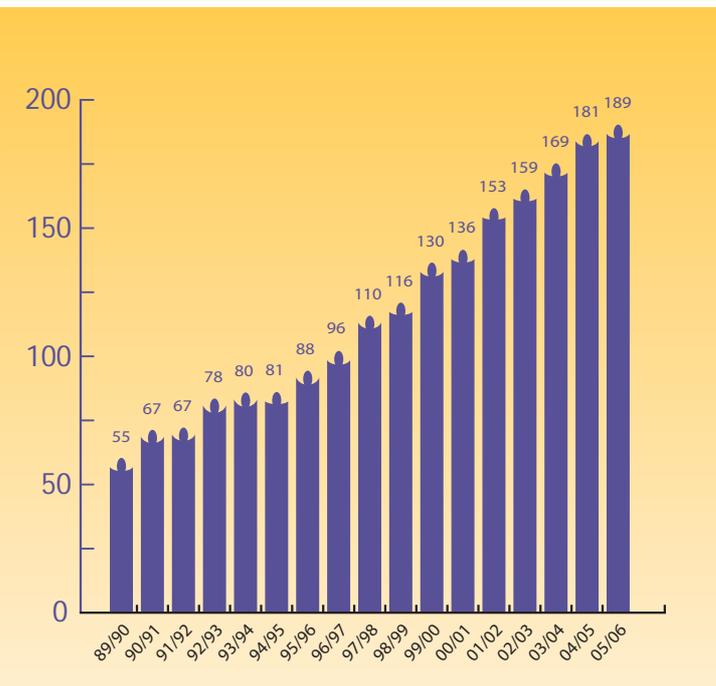
On 30 September 2006 GEA staff totalled 197 (182 the previous year) distributed as follows:

- Engineering and executive:	75
- Administrative	11
- Production	111
	197

STAFF DISTRIBUTION IN TERMS OF PERCENTAGE

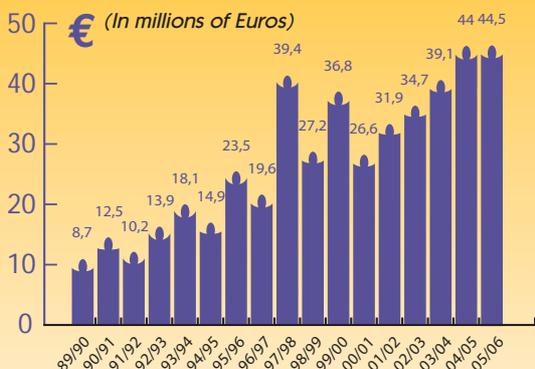


EVOLUTION OF AVERAGE STAFF NUMBERS

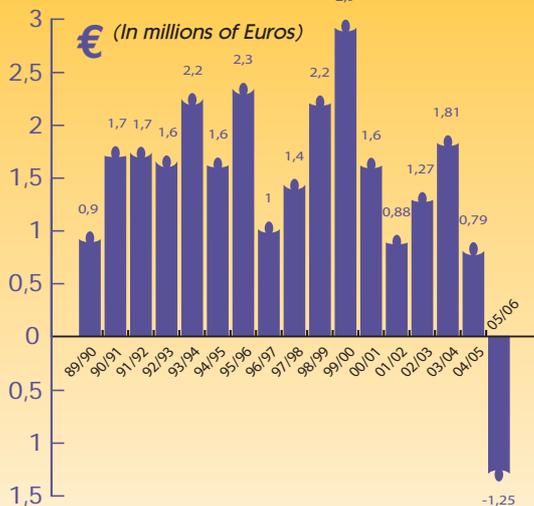


KEY FIGURES

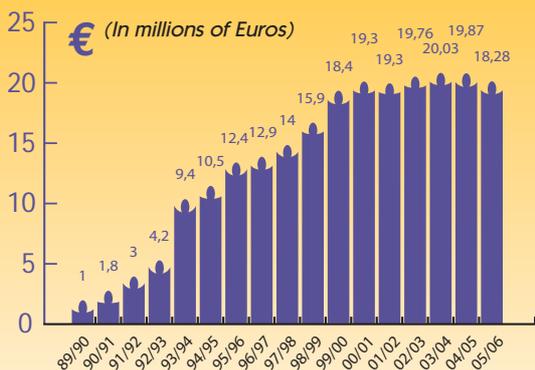
EVOLUTION OF TURNOVER



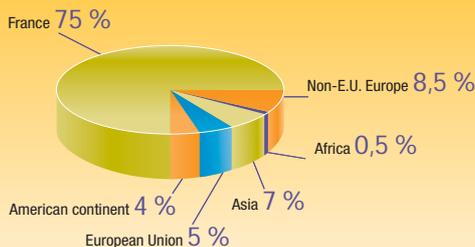
EVOLUTION OF NET RESULT



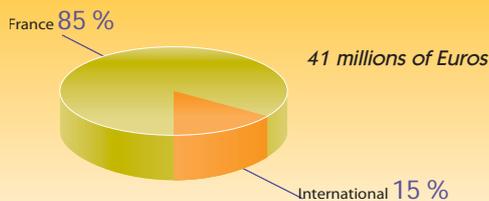
EVOLUTION OF SHAREHOLDER'S EQUITY



TURNOVER DISTRIBUTION

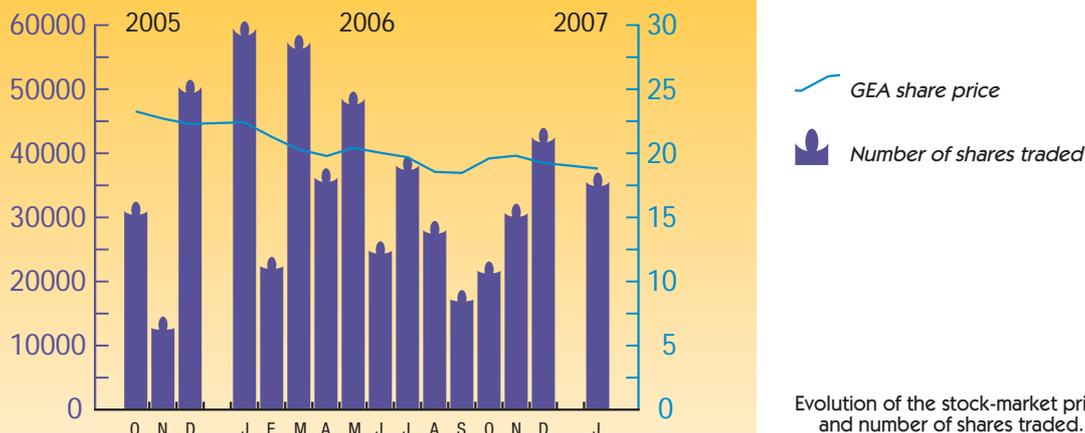


THE ORDER BOOK AS OF 30/09/06



THE STOCK MARKET

GEA shares (code ISIN : FR0000053035) are quoted on the Euronext Paris Eurolist C.



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MANAGEMENT REPORT ON OPERATIONS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2006

Ladies and Gentlemen,

We have convened this Annual Ordinary General Meeting to report on our company's activity for the financial year ended 30 September 2006 and to submit the annual accounts for the said financial year for your approval.

We would like to begin by specifying that the financial data that is presented to you has in no way been modified, either in the way that the accounts are presented or in the evaluation methods, compared to the last financial year.

With the exception of the changes arising out of the first application of the accounts regulation committee rules set out below.

This report contains a table in appendix, which shows the company's financial results during the last five financial years.

We will now present the different items of information stipulated by the regulations.

I – ACTIVITY AND RESULTS

1) Situation and Activity during the Financial Year

The sales revenue at 30 September 2006 totalled 44,452,793 euros compared to 44,008,354 euros during the previous financial year.

Total operating income, taking the variation in the works in progress (- € 1,762,936 compared to + € 648,857 the previous financial year) and the write backs of provisions and expense transfers (+ € 49,472) into account, works out at € 42,739,329 compared to € 44,755,151 in the previous financial year.

Abroad, GEA has broadened its establishment in Brazil with the signature of a number of equipment contracts and its first maintenance contracts.

During the financial year, GEA has won and started up its first contracts in Guatemala and Mexico.

GEA has also confirmed its position as market leader in Morocco with the signature of a number of equipment contracts, particularly for the Casablanca-Marrakech motorway. Finally, during this year, the company has brought a number of motorway sections into service in China, Jamaica and Croatia.

In France, GEA is a supplier to nine French motorway companies and has pursued its development over the national network during the financial year, with a number of equipment supply or renewal contracts with SANEF ("Société des Autoroutes du Nord et de l'Est de la France" - ABERTIS Group), SAPN ("Société des Autoroutes Paris-Normandie" - ABERTIS Group), ASF (Autoroutes du Sud de la France" - VINCI Group), ESCOTA ("Autoroutes de l'Esterel et de la Côte d'Azur" - VINCI Group), APRR (Autoroutes Paris-Rhin-Rhône - EIFFAGE Group), AREA ("Autoroutes Rhône-Alpes" - EIFFAGE Group) and COFIROUTE (VINCI Group).

GEA has also delivered automatic equipment for EUROTUNNEL and new equipment for the Millau viaduct (EIFFAGE Group).

New orders for entry terminals and automatic lanes have been won from COFIROUTE and delivered during the financial year.

In addition, the company has signed the equipment contract for the A41 motorway (Cruseilles-Geneva) with the AREA-BOUYGUES Group.

In the field of electronic toll systems, GEA has won a number of significant orders for on board units from AREA, SANEF and ATMB.

Finally, as part of its car park activities, GEA has signed and partially delivered a number of contracts with SAEMES (Paris Council) during the financial year.

Operating expenses amounted to € 43,901,493, compared to € 43,699,618 the previous year, including the following:

- Depreciation and provision expenses for the financial year of € 537,367.
- The pay roll of € 7,695,755 and the connected social security charges of € 3,381,163.

The financial year shows an operating deficit of 1,162,164 € compared to an operating profit of 1,055,533 € in the previous year.

Operating income has been characterised by the maintenance of a high level of charges to cope with:

- the cost of researching and starting up a new contract with APRR for the renewal and supply of toll booth equipment over 3 years.
- the commencement of an unusually high number of start-ups for contracts running over several years, for which the commercial benefits will only be fully visible in the medium term.
- GEA development in new export markets in 2006 (Guatemala, Austria, Mexico).

Financial income and expenses totalled respectively € 177,307 and € 243,463 compared to € 272,948 and € 199,419 the previous financial year.

Current pre-tax income shows a negative total of - 1,228,320 €, compared to a positive total of 1,129,063 € in the previous year, taking into account a one-off positive income of 1,708 €.

2) Developments of stockholders' equity and indebtedness

Stockholders' equity amounted to 18.29 million euros as at 30 September 2006 compared to 19.87 million euros as of 30 September 2005.

Bank overdraft is nearly zero and the company has not signed any lease contract.

3) Foreseeable Developments and Prospects for the Future

GEA intends to continue its development in the motorway toll collection sector by relying on its technological advance in the total automation of the highway toll collection sector, which represents a substantial demand from the motorway companies.

At 30 September 2006, the order book composed of 85% French contracts totalled 41 million euros.

4) Research and Development Activities

The company has continued its research and development programme over the past financial year. None of the expenses incurred in this context have been converted to fixed assets.

5) Share Buy Back

On 28 March 2006, the Board of Directors was authorised to purchase its own shares on the Stock Market in accordance with article L.225-209 of the Commercial Code with the unique aim of regularising the price of shares through systematic counter tendency intervention in the following conditions:

- Maximum buying price: 30 euros per share
- Maximum selling price: 12 euros per share
- Maximum number of shares to be acquired: 10% of total shares
- Allocation of dividends of the such acquired shares to retained earnings

By this right during the financial year:

- 17,518 shares were acquired at an average price of € 20,66 per share
- 17,574 shares were sold at and average price of € 21,13 per share

Total commissions in respect of the liquidity contract were 11,148,98 € ex-VAT for the financial year, including 2,500 € of inclusive brokerage fees.

These operations took place in the context of a liquid assets contract according to the AFEL charter ethics concluded with a specialised investment company.

On 30 September 2006 the company held 1,603 shares (0.13% of its capital) for a value of € 29,764.

On 30 September 2005 the company held 1,659 shares (0.14% of its capital) for a value of € 38,633.

On 30 September 2004 the company held 1,763 shares (0.15% of its capital) for a value of € 32,736.

6) Miscellaneous

The company is not under any obligation to produce its accounts to IFRS standards.

However, it has set-up some of preferential methods of CRC 99-03 regulation, which could apply to GEA's activity in order to come closer to international accounting standards.

The company thus accounts each year since 2004, a provision corresponding to the company's engagements concerning personnel retirement indemnities.

Also, as of the financial year 2005/2006, the company has applied CRC 2004-06 regulations concerning the definition, accounting and evaluation of assets and CRC 2002-10 concerning the depreciation of assets.

As a result, the amount of 123,420 € has been carried forward (net of corporation tax).

7) Important events since the end of the financial year

Nothing is to be noted here.

II – SUBSIDIARIES, SHARE HOLDING

(Articles L.233-6, L.233-12 of the Commercial Code)

1) Subsidiaries (+ 50% of the capital)

In the context of legal dispositions, we inform you that at the close of the financial year, our company held:

- 100% of shares in GEA International, Inc.; a company with no capital incorporated under American law.
- 99.96% of shares in CIE-Compagnie d'Investissement Europe; a company under Belgian law.

2) Share Holding (5%, 10%, 20%, 33.3% and 50%)

Subsidiaries and share holdings' activity:

All information regarding our subsidiaries and share holding activities are attached to our balance sheet.

Please note the following additional information:

- 1) "GEA International, Inc." had no activity.
Its purpose is the sale of motorway and car park toll collection systems.
- 2) During the financial year ended 30 September 2006, 'CIE' achieved a turnover of € 503,763.
The financial year resulted in a profit of € 1,805.

III – RECIPROCAL SHARE HOLDING

No transfer of shares as described in article 251, paragraph 2 of the decree dated 23 March 1967 has been carried out during the said financial year.

IV – DEGREE OF EXPOSURE TO RISK FACTORS

Technological risk factors

Prevention of technological risks

The company's activities do not come under the provisions of article L.925-10262 of the Commercial Code relating to installations shown on the list set out in section IV of article L.515-8 of the Environment Code.

New product launches

Proficiency in equipment design, manufacture and deployment phases ensures a high safety margin for GEA in terms of deadlines. Similarly, the proficiency in conjunction with the quality policy developed within the company reduces breakdown risks to a minimum.

Sub-contractor skills

For reasons of economic effectiveness, the company sub-contracts a fairly small and highly targeted proportion of its production and installation work. The company also strives to ensure at least two sub-contracting sources for the same type of service.

Staff skills

The company is continuing its expansion by concentrating on on-going product innovation, maintaining product quality and providing support services, all of which require a highly qualified and stable workforce. Workforce stability has been clearly asserted since the company was established.

Business risk factors

Advent of new competitors

To the best of our knowledge, there have been no new competitors in GEA's field of business this year.

Falling prices

GEA evolves on a competitive market, which may lead to price pressure. Furthermore, GEA may be compelled to offer occasional strategic business gestures, especially in order to enter

new export markets.

Counterfeiting

There is a marginal risk of counterfeiting given the on-going technological developments and level of service associated with the sale of this type of product.

Customer risks

The customer risk is low given the quality of contracting parties, in particular in France where customers are public or private sector companies and operators of structures.

Abroad, GEA strives to obtain payment by means of firm letters of credit confirmed by a French bank. Furthermore, when significant credit is granted to a customer, GEA usually requests a bank bond to guarantee payment.

Financial risk factors

Exchange rate risks

As in previous years, wherever possible, coverage of exchange rate risk factors has been ensured through forward contracts.

The company also occasionally uses COFACE's cover systems.

The company's position as of 30 September 2006 was as follows:

Forward sales: USD 439,302 (351 K euros).

Interest rate risks

None.

Dilution and risks of takeover

The founders and directors hold a clear majority of the voting rights inside the company, which provides protection against hostile public offers.

Fluctuations in company shares

Since it was floated on the stock market in 1994, GEA has used legal provisions to intervene on the market to regularise its share price without exception against the trend, such interventions being carefully measured. These took the form of a liquidity contract signed with a specialist brokering company which acts according to the code of practice laid down by the French equivalent of the SNC, the AMF (Autorité des Marchés Financiers).

In the 2005/2006 financial year, the GEA share varied between 17.75 euros (on 14/07/06) and 24.10 euros (on 11/10/05).

Legal and tax risk factors

Disputes

The company has no disputes which are likely to affect its results. However, because of its activities in France and abroad, it may be the subject of litigation. GEA has taken out various insurance policies which are adapted to its business activity:

- Legal Liability insurance policies (premium: € 36,312; cover: € 8,000,000 before delivery and € 3,800,000 afterwards, deductible: 10% of the loss limited to € 762).
- Comprehensive and Business Interruption Loss Insurance (premiums: € 55,238, cover: gross margin for the business interruption loss insurance, new reinstatement value as well as the reimbursement of the BME after an expert's report, deductibles: none).
- Contractor's All Risks for specific projects (premiums: € 7,865; cover: amount of the equipment and services up until provisional acceptance; deductibles: variable).
- Transported Goods (premiums: € 10,284; cover: value of the equipment; deductible: variable).
- Car Fleet (premiums: € 29,757; cover: unlimited for legal liability and value after expert report

for comprehensive cover; deductibles: none in limited liability and variable according to vehicle type).

- Air Insurance (premiums: € 23,449; cover: hull cover depending on the type of aircraft, legal liability non transported persons 3 to 7 million euros depending on the type of aircraft, passengers' legal liability € 114,500, pilot € 152,450).

Tax and company risk factors

The company fulfils its tax and social security obligations.

Intellectual property

Not applicable.

Human resource risk factors

Dependence on key staff members

The company is sufficiently well structured not to be significantly exposed to this type of risk.

Environmental risk factors

The entire company's output does not incur significant risk of pollution from either manufacture or storage.

No environmental expenses were made or recorded as of 30 September 2006. The company did not receive any government grant for that purpose.

V - SOCIAL INFORMATION

GEA's total staff on 30 September 2006 was 197.

Overtime was worked on an occasional basis due to temporary activity peaks of installation or commissioning phases on different work sites.

GEA also employed temporary staff due to absent employees and temporary activity peaks for a total of 7,617 days for the financial year 2005/2006.

GEA switched to a 35-hour working week at the beginning of 2000.

Some employees chose to work part-time at their own request; part-time being mostly 4/5th time connected to parental leave or other part-time work.

Salaries represented € 7,695,755 for the 2005/2006 financial year compared to € 7,521,796 for the previous financial year.

Social security charges amounted to € 3,381,164 compared to € 3,321,251 the previous year.

There is no profit-sharing agreement in GEA nor is there a company savings scheme.

GEA set aside no sum for profit sharing for the financial year since the results were below the level of 5% of company shareholders' equity.

Equal opportunities between men and women appear to be respected within the company, no special measures were taken during the past year and the general policy of equal treatment will be continued.

There is no union agreement inside the company.

In addition to the inter-professional agreements, GEA is subject to the agreements of the Metallurgical sector.

The working environment and conditions are monitored periodically by GEA's Committee for Health and Safety at Work.

Six minor working accidents were recorded among GEA staff and temporary employees during the financial year.

Training programmes were carried out in line with the training plan submitted to the Employees' Representative Council and in accordance with the needs which appeared during the financial year. They resulted in an assessment also submitted to the Employees' Representative Council, which made no comments.

As part of its training procedures, the company has incorporated the guidelines of the Act of May 2004 relating to continuous training and has in particular informed its employees of their individual training rights.

GEA endeavours to employ disabled people (4 workers on 30 september 2006). In 2006, GEA paid 20,827 euros to the Fund for the professional integration of disabled people.

GEA subcontracts a relatively small and targeted part of its production and installation work for economic efficiency.

VI – SHARE HOLDING

1) Identity of the Shareholders owning more than a twentieth, a tenth, three twentieths, a fifth, a quarter, a third, half or two-thirds of the Registered Capital or voting rights, and/or who have passed these levels during the financial year (article L.233-7.1 of the Commercial Code:

Shareholders	Number of share thresholds		Voting rights thresholds	
	N	N-1	N	N-1
Mr. Serge ZASLAVOGLU	+ 1/3	+ 1/3	+1/2	+1/2
Société RICHELIEU FINANCES	+ 1/20	+ 1/20		

2) Subscription, Purchase or Placing in Security by the Company of its own Shares for the Employee Profit Sharing Scheme.

We hereby inform you that in compliance with the clauses in article L.225-211 of the Commercial Code, no purchase or sale of company shares was made as per articles L.225-208 and L.225-209 of the Commercial Code in the past financial year.

3) Options for Subscriptions or Purchase of Shares Granted to the Company Employees.

No operations as described in the articles L.225-184 of the Commercial Code and 174-20 of the decree was made during the last financial year. The company was not authorised to allocate share options.

4) Proportion of capital held by the employees at the end of the financial year

No employee participation in share capital enters into the framework of the clauses of article L.225-102 of the Commercial Code.

VII – STOCK MARKET VALUE

GEA shares were floated on the secondary market of the Paris Stock Exchange on 21 June 1994, at the offer price of 120 French francs (18.29 Euros).

On 18 January 2007 the shares subsequently quoted on the Eurolist C d'Euronext Paris market were at 18.29 euros and on this basis, the stock market value of the “GEA” capital was of 22.75 million euros.

VIII – PROPOSAL FOR ALLOCATION OF THE PROFIT

We propose to allocate the loss for the financial year, a total of € 1,226,612.03
 - to the carried-forward account, for the full amount, i.e. € 124,176.80
 - and to the “Other reserves” account, which will thus be reduced
 from € 13,822,902.91
 to € 12,720,467.68
 by a total amount of € 1,102,435.23

Reminder of the dividend that have been previously paid

In conformity with the stipulations of article 223 of the General Tax Code, we remind you that the sums distributed as dividends for the three previous financial years are as follows:

FINANCIAL YEARS	NUMBER OF SHARES	DIVIDENDS (Euros)	TAX CREDIT (Euros)	REAL RETURN (Euros)
2002/2003	1,200,000	0.70	0.35	1.05
2003/2004	1,200,000	0.80		0.80
2004/2005	1,200,000	0.40		0.40

IX – NON TAX-DEDUCTIBLE EXPENSES

In accordance with the provisions of article 223 of the General Tax Code, we advise you that the accounts for the financial year include the sum of 26,694 euros, which corresponds to the non tax-deductible expenditure (article 39-4 of the CGI [General Tax Code]).

X – ASSESSMENT OF THE DIRECTORS’ FEES TO BE ALLOCATED TO THE BOARD MEMBERS

We hereby propose that you set the Directors’ Fees for members of the Board of Directors to an overall sum of 12,000 euros for the current financial year.

XI – AUTHORISATION TO ALLOW THE COMPANY TO MAKE STOCK MARKET EXCHANGES FOR ITS OWN SHARES

In accordance with the provisions of article L.225-209 of the Commercial Code, we request that you decide whether to grant the Board of Directors the authority to purchase its own company shares.

For this purpose you are presented with a detailed purchasing programme such as has been drawn up by the Board of Directors which you can read and which will be part of a special resolution and subject to your vote.

XII – INFORMATION ON COMPANY PARTNERS AND EXECUTIVES

List of company mandates:

In accordance with the provision of article L.225-102-1 of the Commercial Code, we have listed hereafter the mandates and functions of the members of the Board of Directors:

1/ Mr Serge ZASLAVOGLU, Chairman

Other positions:

- Manager of the real estate company “SCI DE CANASTEL”
- Manager of the real estate company “SCI KALISTE”
- Manager of the real estate company “SCI EPSILON”
- Manager of the limited liability company (SARL) DEA
- Manager of the real estate company “SCI SANTA CRUZ”

Number of GEA shares held: 405,938 corresponding to 811,784 voting rights.

2/ Mr Serge Alexis ZASLAVOGLU, Member of the Board

Other positions:

- Board member and Chairman of “CIE” limited
- Board member of “MIC” limited

Number of GEA shares held: 8,100 corresponding to 16,200 voting rights.

3/ Mr Henry CYNA, Member of the Board

Other positions: none

Number of GEA shares held: 150 corresponding to 150 voting rights.

4/ Mr Louis-Michel ANGUE, Member of the Board

Other positions: none

Number of GEA shares held: 1 corresponding to 2 voting rights.

5/ Ms Jeannine ZASLAVOGLU, Member of the Board

Other positions: none

Number of GEA shares held: 1,700 corresponding to 1,700 voting rights.

6/ Mr Grigori ZASLAVOGLU, Member of the Board

Other positions:

- Board member of “CIE” limited (deputy board member)
- Board member and Chairman of “MIC” limited

Number of GEA shares held: 8,000 corresponding to 16,000 voting rights.

7/ Mr Daniel GOUREVITCH, Member of the Board

Other positions: none

Number of GEA shares held: 549 corresponding to 550 voting rights.

8/ Mr Eric VANDEL, Member of the Board

Other positions: none

Number of GEA shares held: 1 corresponding to 2 voting rights.

9/ Mr Roland ROC

Other positions: none

Number of GEA shares held: 2,501 corresponding to 2,502 voting rights.

10/ Mr Pierre GUILLERAND

Other positions:

- Board member of the PGO Company.

Number of GEA shares held: 10 corresponding to 20 voting rights.

Compensation of company executives

As per provisions of article L.225-102-1 of the Commercial Code, below is an account of the total remuneration and all other benefits paid to each company executive in the past financial year:

Mr Serge ZASLAVOGLU :	349,674 euros, i.e.
- Gross fixed annual salary:	71,372 euros
- Variable salary, according to the level of activity:	227,659 euros
- Benefits in kind:	22,739 euros
- Reimbursement of travel and journey expenses:	27,904 euros
- Special benefits relating to the cessation or change of function (deferred salary, retirement gratuities and pension obligations) :	nil

Mr Serge Alexis ZASLAVOGLU:	180,200 euros, i.e.
- Gross fixed annual salary:	72,986 euros
- Variable salary, according to the level of activity:	85,941 euros
- Director fee:	4,000 euros
- Reimbursement of travel and journey expenses:	17,273 euros
- Special benefits relating to the cessation or change of function (deferred salary, retirement gratuities and pension obligations) :	nil

Mr Henri CYNA	
- Director fee:	4,000 euros

Mr Louis-Michel ANGUE	
- Director fee:	4,000 euros

Mr Grigori ZASLAVOGLU:	38,464 euros, i.e.
- Gross fixed annual salary:	34,464 euros
- Director fee:	4,000 euros
- Special benefits relating to the cessation or change of function (deferred salary, retirement gratuities and pension obligations) :	nil

Mr Pierre GUILLERAND	
- Director fee:	4,000 euros

XIII – RENEWAL OF THE DIRECTORS' AND AUDITORS' MANDATES

No Board Member or Auditor mandates are due to expire at the end of the next meeting.

XIV – OBSERVATIONS FROM THE EMPLOYEES' REPRESENTATIVE COUNCIL

We hereby state that the employees' representative council convened on 30 January 2007 had no observations to make regarding the accounts of the past financial year, as authorised by the provisions of article L.432-4 of the French Labour Code.

XV – CONVENTIONS STIPULATED BY ARTICLE L.225-22-1, L.225-38 or L.225-42-1 OF THE COMMERCIAL CODE

We hereby request that you approve the conventions stipulated by above mentioned articles of the Commercial Code, as regularly authorised by your Board of Directors over the past financial year.

Your Auditor has been informed of these agreements and commitments, which he mentions in his special report, it being stated that we have also informed him, in accordance with the provisions of article 92-1 of the decree of 23 March 1967, of the agreements referred to in article L.225-39 of the Commercial Code relating to current operations concluded under normal conditions, and that the agreement concerning commercial operations carried out between "GEA" and "DEA" in respect of technical and administrative support services or cabling and assembly works, falls within the framework of such agreements and no longer has to be mentioned in his special report.

We hope that the above proposals meet with your approval and that you will adopt the resolutions submitted to you.

The Board of Directors.

Results (and other typical elements) of the Company during the Past Five Financial Years

(in euros)

NATURE OF THE ITEMS	Financial year 2001/2002	Financial year 2002/2003	Financial year 2003/2004	Financial year 2004/2005	Financial year 2005/2006
	Euros	Euros	Euros	Euros	Euros
I - CAPITAL AT THE END OF THE FINANCIAL YEARS					
Registered capital	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Nb of ordinary shares	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Nb of shares with priority dividend (with voting right)	0	0	0	0	0
Max. Number of shares to be created in future	0	0	0	0	0
II - OPERATIONS AND RESULTS OF THE FINANCIAL YEAR					
Turnover	31,918,917	34,700,996	39,082,417	44,008,354	44,452,793
The result before tax, employee profit sharing and depreciation allowances and provisions	1,893,450	2,476,325	3,503,594	1,854,702	-661,386
Tax on profits	368,325	465,311	817,478	469,330	0
Sum due for the profit sharing scheme for the financial year	40,728	79,252	196,563	0	0
Result after taxes, profit sharing and depreciation allowances and provisions	879,545	1,274,745	1,811,655	791,696	-1,226,612
Profit distributed	840,000	840,000	960,000	480,000	0
III - PROFITS PER SHARE					
Result after taxes, profit sharing but before depreciation allowances and provisions	1.24	1.61	2.09	1.15	-0.55
Result after taxes, profit sharing and depreciation allowances and provisions	0.73	1.06	1.51	0.66	-1.02
Dividend allocated per share	0.70	0.70	0.80	0.40	0
IV - PERSONNEL					
Average workforce employed during the financial year	153	159	169	181	189
Total amount of salaries paid	6,095,759	6,294,986	6,771,700	7,521,796	7,695,755
Amount of sums paid for fringe benefits during the financial year (social security, social works, etc.)	2,623,411	2,910,078	2,974,918	3,321,251	3,381,164

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

For the year ended as at September 30th 2006

Dear Sir or Madam,

In compliance with the assignment entrusted to us by your Shareholder's Annual Meeting, we hereby report to you, for the year ended as at September 30th, 2006 on,

- the audit of the financial statements of the company GEA as enclosed to the present report,
- the justification of our assessment,
- specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of significant misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis.

In our opinion, the financial statements give a true and fair view of the company's financial statements and of its assets and liabilities as at September 30th, 2006 and of the results of its transactions for the year then ended, in accordance with the accounting principles generally applied in France.

Without questioning the opinion expressed beyond, we draw your attention on the note 2 of the appendix « Rules and accounting methods» that states the changes of accounting methods resulting from the first application of the rules CRC 2002-10 and CRC 2004-06 relating to assets.

2 JUSTIFICATION OF OUR ASSESSMENT

In accordance with the requirements of the article L.823-9 of the French Code de Commerce, relating to the justification of our assessments, we present you the following elements:

- As mentioned in the first part of the present report, the note 2 of the appendix presents the change of accounting methods.

Based on our assessment of the rules and the accounting principles followed by our company, we controlled the correct application of the changes of accounting methods mentioned beyond and their presentation in the appendix.

- The recognition of the method described in the note 2 i) of the appendix.

Based in our assessment of the rules and accounting principles applied by your company, we checked the accounting method and its correct application.

Thus, the assessment we provide is part of our audit approach relating to the annual accounts, taken as a whole, and contributes to the unqualified opinion expressed above in the first part of this report.

3 SPECIFIC VERIFICATIONS AND INFORMATION

We also performed the specific verifications required by law in compliance with the professional standards applied in France.

We have no comments on:

- the fair presentation and conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders concerning the financial position and the financial statements. ;
- the fairness of the pieces of information given in the management report relating to the salaries and benefits given to the social agents.

In accordance with the law, we verified that the management report contained the appropriate disclosures as to the identity of the shareholders and votes.

Lyon, January 22nd 2007

The Statutory Auditor
Grant Thornton
French member of
Grant Thornton International



Thierry Chautant
Partner

BALANCE SHEET

For the years ended 30 September 2006 and 2005

(Currency : Euros)

ASSETS	30/09/06	30/09/05	Note
CURRENT ASSETS			
Liquid assets	5,049,782	3,092,584	10
Accounts receivable	16,896,482	20,638,615	9
Advance payments to suppliers	47,098		
Inventory	9,109,113	10,831,711	8
Prepaid expenses	461,227	529,594	
TOTAL CURRENT ASSETS	31,563,702	35,092,504	
FIXED ASSETS			
Long term investments	323,662	291,275	5-6
Property, plant and equipment	1,581,799	1,170,399	4
Intangible assets	7,249	31,563	3
TOTAL FIXED ASSETS	1,912,710	1,493,237	
TOTAL ASSETS	33,476,412	36,585,741	
LIABILITIES AND SHAREHOLDERS EQUITY (GEA)			
	30/09/06	30/09/05	Note
CURRENT LIABILITIES			
Accounts payable	8,839,421	11,135,158	13
Advanced from customers	18,477	318,008	
Taxes and social security payable	4,229,921	3,336,688	13
Short-Term loans	6,734	9,982	
Deferred revenue	668,746	577,201	13
TOTAL CURRENT LIABILITIES	13,763,299	15,377,037	
LONG-TERM LIABILITIES			
Long-term loans	0	0	
Estimated liabilities	1,425,624	1,338,780	12
TOTAL LONG-TERM LIABILITIES	1,425,624	1,338,780	
SHAREHOLDERS' EQUITY			
Share capital	2,400,000	2,400,000	11
Share premium	2,927,021	2,927,021	11
Legal reserve	240,000	215,224	11
Other reserve	0	0	11
Retained earning	13,822,903	13,534,504	11
Amount carried forward	124,177	1,478	11
Net income	-1226,612	791,696	11
TOTAL SHAREHOLDERS' EQUITY	18,287,489	19,869,924	
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	33,476,412	36,585,741	

INCOME STATEMENT

For the years ended 30 September 2006 and 2005
(Currency : Euros)

	09/06	09/05	Note
SALES AND OTHER OPERATING REVENUE	42,739,329	44,755,151	16
OPERATING EXPENSES	-43,364,126	-43,112,367	19
Depreciation, provisions	-537,367	-587,251	20
OPERATING INCOME	-1,162,164	1,055,533	
Net Financial Items	-66,156	73,529	
Net Extraordinary Items	1,708	131,964	21
Profit sharing	0	0	
Taxation	0	-469,330	18
NET INCOME	-1,226,612	791,696	

The accompanying notes are an integral part of these balance sheets and statements of income.

CASH FLOW STATEMENT

For the years ended September 30th, 2006 and 2005

(In thousand Euros)

	Sept-06	Sept-05
OPERATING ACTIVITIES		
Net income	-1,227	792
Depreciation, amortization and provision	565	594
Profit or loss on disposal of assets	-4	-31
CASH FLOW FROM OPERATING ACTIVITIES	-666	1,354
Change in accounts receivable	3,763	-4,740
Change in inventories and work in progress	1,723	-817
Change in account payable	-1,672	1,198
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,814	-4,359
INVESTING ACTIVITIES		
Acquisitions of fixed assets	-680	-365
Disposal of fixed assets	4	31
Net investments	-676	-334
Net financial investments	-32	-3
NET CASH FLOW USED IN INVESTING ACTIVITIES	-708	-337
FINANCING ACTIVITIES		
Capital increase	0	0
Dividends paid	-480	-960
New short-term loans	0	0
Reduction in long-term debt	0	0
Change in current account	0	0
NET CASH FLOW PROVIDED BY FINANCING ACTIVITIES	-480	-960
NET CHANGE IN BANK DEPOSITS	1,960	-4,301
BANK DEPOSITS AT OCTOBER 1ST	3,084	7,384
BANK DEPOSITS AT SEPTEMBER 30TH	5,044	3,084

NOTES ON THE FINANCIAL STATEMENTS

(Amounts given in Euros)

SEPTEMBER, 30th 2006

GEA is a French manufacturer of toll collection equipment.

Note No. 1: Significant Events of the Year

No significant event occurred during the year.

Note No. 2: Accounting Principles

The financial statements have been prepared in accordance with the following principles generally accepted in France:

- Going concern
- Consistency principle
- Accrual basis of accounting

All accounting values have been assessed according to the historical cost principle.

No exception to generally accepted accounting principles has been made.

Change of accounting method

As from this financial year, the rules CRC 2004-06 relating to the definition, the recognition and the valuation of assets and CRC 2002-10 relating to the amortisation and the depreciation of assets will be in force.

The retrospective method consisting in recognising the impacts of regulation changes as if the new rules have always been applied.

The first application of the above-mentioned accounting rules only concerns some breakable goods whose depreciable life based on the value in use increased.

The impact of this change of method is shown hereafter:

In K€		Impact on shareholders' equities	Impact on the period income
Change of the depreciable life for the breakable goods	(1)	+185	
Impact IS	(2)	-62	
Net impact of IS	(1) + (2)	+123	
Amortization according the former method	(3)		-103
Amortization according the new rules	(4)	0	-38
Impact on the period income	(4)-(3)	0	+65

Except for the change of method above mentioned, the method applied for the issue of the accounts for the period 2005/2006 is identical to the ones applied at the closing of the last annual accounts.

A. INTANGIBLE ASSETS

Depreciation is provided on the straight-line method for the estimated useful life :

- Software: 12 months

Research and development expenditures are charged to profit and loss account.

B. TANGIBLE ASSETS

Tangible assets are valued at their historical cost.

Depreciation is provided on the straight-line and declining balance methods for financial accounting purposes over the following estimated useful lives :

- Machinery and equipment: 3 to 10 years
- Fixtures: 5 to 15 years
- Transportation equipment: 3 to 20 years
- Office equipment: 3 to 10 years

C. INVESTMENTS

Investments are valued at acquisition cost. A depreciation is provided for the difference between acquisition cost and the fair value.

The fair value is assessed on the owner's equity, the expected profitability and business prospects.

D. PAYABLE AND RECEIVABLE TRADE ACCOUNTS

They are valued at historical cost. If necessary, a depreciation is provided for doubtful accounts.

E. INVENTORIES

Raw materials are valued on a FIFO basis. Goods in progress are valued at the lower cost between production cost and liquidation price. It includes raw materials and direct labour costs together with general expenses related to production, except for financial expenses.

F. SHORT TERM INVESTMENT

Financial investments concern mutual funds as well as quoted shares. Mutual funds are valued on a FIFO basis. If necessary, a depreciation is provided for the difference between acquisition and the fair value. Quoted shares are valued at the financial year-end price.

G. FOREIGN CURRENCY OPERATIONS

Payable and receivable accounts are valued according to the corresponding foreign currency value on closing day. The difference generated by this conversion is seen on the balance sheet as unrealised exchange gains and losses. A depreciation is provided for possible loss. Covered accounts are valued at coverage cost.

H. TURNOVER

The turnover is constituted with the amounts invoiceable to clients according to contractual agreements (specifications).

The invoicing is completed according to the work in progress, via succeeding situations.

Other works are recognised as goods in progress.

I. PROFIT MARGIN

The profit margin on long-term contracts is recognised when works are completed.

J. PENSION COMMITMENTS

Pension commitments are accounted based on the retirement allowances defined by the collective agreement including social charges. The provision corresponds to the updated allowances that would be allocated to the 65-years-old staff considering the expectation of life and the turnover rate estimated for each employee.

Commitments are calculated according to the INSEE table of 2000.

Note No. 3: Intangible Assets

	Sept-06	Sept-05
Intangible assets	7,249	31,563

Intangible assets include software.

Note No. 4: Tangible Assets

The company owns the following property and equipment.

	Sept-06	Sept-05
Machinery and equipment	250,912	294,892
Fixtures	257,103	297,266
Transportation equipment	898,796	379,613
Other assets	174,988	198,628
Assets in progress	0	0
TOTAL	1,581,799	1,170,399

Note No. 5: Shares and Investments

	Sept-06	Sept-05
Shares	249,900	(1) 249,900
GEA shares	29,607	
Other investments	44,155	41,375
TOTAL	323,662	291,275
Depreciation	0	0
TOTAL	323,662	291,275

(1) Interest and investments as at 30/09/05 were as follows:

- 100 % interest in a limited company under American law without capital. This subsidiary was created during the 2000/2001 financial year-end and has no activity.

- 99.6 % interest in the Compagnie d'Investissements-Europe (CIE), registered in Belgium.

These shares remain unchanged.

Note No. 6: Investment Companies Shares

Investment companies shares are composed of 1,603 G.E.A. shares. The selling value as at 30 September 2006 is € 29,608 for an accounting value of € 29,765.

Note No. 7: Related Company Disclosures

No share in a related company appears in the assets.

Note No. 8: Inventory and Goods in Progress

	Sept-06	Sept-05
Raw materials and spare parts	3,655,184	3,614,846
Raw materials depreciation provision	-36,540	-36,540
Goods in progress	5,490,469	7,253,405
TOTAL	9,109,113	10,831,711

Note No. 9: Trade and Other Debtors

	Sept-06	Sept-05
Trade debtors	16,725,192	20,288,231
Other debtors	366,542	498,538
	17,091,734	20,786,769
Less : allowance for doubtful accounts:	<148,154>	<148,154>
	16,943,580	20,638,615
Prepaid expenses	461,227	529,595
TOTAL	17,404,807	21,168,210

Note No. 10: Liquid Assets

Liquid assets are composed of securities as well as cash and bank deposits :

	Sept-06	Sept-05
Securities	0	38,633
Cash and bank deposits	5,049,782	3,053,951
TOTAL	5,049,782	3,092,584

Note No. 11: Shareholder's Equity

The share capital is divided into 1,200,000 shares, worth € 2 each.

Shares held for over 4 years become double-voting.

Note No. 12: Estimated Liability

	Sept-06	Sept-05
Provisions for guarantee on domestic and export works	531,104	508,216
Provisions for foreign exchange risk	40,319	12,617
Provisions for pension commitment	854,201	817,947
TOTAL	1,425,624	1,338,780

Note No. 13: Trade and Other Creditors due within one year

	Sept-06	Sept-05
Trade creditors	8,683,992	10,599,486
Other liabilities	155,429	535,672
Other creditors including taxation and social security	4,229,921	3,336,688
TOTAL	13,069,342	14,471,846
Prepaid receivables	668,746	577,201

Note No. 14: Accrued Liabilities

	Sept-06	Sept-05
Trade creditors	2,177,197	2,177,055
Tax and payroll	3,471,814	2,570,569
Other creditors	80,696	144,199
TOTAL	5,729,707	4,891,82

Note No. 15: Commitments

- Forward exchange coverage: US\$ 439,302 (K€ 351)
- Off - balance sheet assets: K€ 13,251 of Bank Guarantees.

Note No. 16: Information by Business Activity and Area

	France	Export	Turnover
Production	32,789,739	8,952,169	41,741,908
Services	568,360	2,142,525	2,710,885
TOTAL	33,358,099	11,094,694	44,452,793

Note No. 17: Information on Staff

	Sept-06	Sept-05
Wages and salaries	7,695,755	7,521,796
Social security	3,381,164	3,321,251
TOTAL	11,076,919	10,843,047

Number of employees:

	Sept-06	Sept-05
Management	73	69
Employees	116	112
TOTAL	189	181

Note No. 18: Income Tax

	Income	Income Tax
Operating income	-1,228,320	0
Profit sharing	0	0
Extraordinary items	1,708	0
Net income	-1,226,612	0

Note No. 19: Operating Expenses

Operating expenses include the following:

	Sept-06	Sept-05
Cost of sales	25,363,750	26,126,297
Payroll	11,076,919	10,843,047
Tax expenses	716,113	668,718
Other operating expenses	6,207,344	5,474,305
TOTAL	43,364,126	43,112,367

Note No. 20: Depreciation and Provision Expenses

	Sept-06	Sept-05
Depreciation on intangible assets	62,260	67,901
Depreciation on tangible assets	415,965	426,775
Allocation to provision for raw materials depreciation	0	8,491
Allocation to provision for doubtful accounts	0	0
Allocation to provision for guarantee on domestic and export work	22,888	29,201
Allocation to provision for pension commitment	36,254	54,883
TOTAL	537,367	587,251

Note No. 21: Extraordinary Items

Extraordinary items (profit)	11,985
Extraordinary items (loss)	-14,277
Net profit on tangible assets sale	4,000
TOTAL	1,708

Note No. 22: Subsidiaries and investments

Subsidiaries	Capital	Interest percentage	Share gross value	Loans and advances	Turnover	Cashed in dividends
	Reserves and carry forward in local currency		Shares net value in €	Guaranties and backings in €	Net income in €	
GEA International Inc	0	100%	0	0	NC	0
CIE	250,000	99.96%	249,900	0	503,764	0
	-2,698		249,900	0	1,806	
TOTAL SUBSIDIARIES			249,900			
GEA SHARES			29,765			
TOTAL SECURITIES (Gross value)			279,665			

Note No. 23: Cash flow charts

Cash is defined by the company as the total of:

- Inflow values
- Demand deposits in the banks
- Cash accounts
- Short-term securities, net with valuation allowance if necessary

Short-term securities are very liquid investments, the value of which is not supposed to change in a significant manner.

The cash flow chart is shown according to the indirect method, from the net benefit.

CORPORATE GOVERNANCE

Chairman's report regarding the rules governing the preparation and organisation of the Board of Directors' work, and the internal control procedures established by the company.

Ladies and Gentlemen,

This report, which supplements that of the Board of Directors, sets forth the rules governing the preparation and organisation of the Board of Directors' work, as well as the internal control procedures established by the company, pursuant to the provisions of article L. 225-37 of the Commercial Code issued from article 117 of the Financial Security Act.

1 – Rules governing the preparation and organisation of the Board of Directors' work

- Organisation and functioning of the Board of Directors

The Board of Directors is presently comprised of ten members.

The directors' term of office is 6 years, and the number of directors over 75 years of age cannot exceed one-third of the total number of directors.

Each director must own at least one GEA share.

The number of directors linked to the company by employment contracts cannot exceed one-third of the directors-in-office. Three directors are presently linked to the company by employment contracts, the other directors being external to GEA.

The company's directors are:

- | | |
|-------------------------------|---------------------------|
| - Mr Serge Zaslavoglou | - Mr Girgori Zaslavoglou |
| - Mr Henri Cyna | - Ms Jeannine Zaslavoglou |
| - Mr Louis-Michel Angue | - Mr Daniel Gourevitch |
| - Mr Serge-Alexis Zaslavoglou | - Mr Eric Vandel |
| - Mr Pierre Guillerand | - Mr Roland Roc |

As of today, no internal rules have been established.

The Board of Directors makes decisions on all major issues regarding the company's affairs, particularly those involving major strategic orientations.

At its meeting of 20 January 2005, the Board of Directors decided to postpone the appointment of specialised committees. During the fiscal year 2005/2006, the Board met four times:

- On 23 January 2006 he closed the accounts for the previous financial year, examined the company's activities over the financial year, decided on the final wording of the documents referred to in article L.232-2 of the Commercial Code, reviewed the main contracts signed since the closure of the financial year, examined the way in which the company had dealt with the various risk factors, proposed the allocation of income to the Annual General Meeting, drew up the agenda and called the Annual General Meeting, examined the agreements referred to in articles L.225-38 and following of the Commercial Code, examined the situation concerning Board Member and Auditor mandates, fixed the attendance fees allocated to the Board, to be submitted to the vote at the Annual General Meeting, decided on the detail of the company's share purchase programme, completed and approved the management report and the summary statement of the position and table of non-operating revenues.

- On 28 March 2006, he modified the wording of the twelfth resolution to be submitted to the shareholder's vote in order to include the wording shown in the description of the share purchase programme presented to the AMF, and noted the change to the name of the firm of auditors.

- On 28 March 2006, it determined the distribution of directors' fees among the members of the Board of Directors and has renewed the mandate of President of the Board and General Manager of Mr Serge Zaslavoglou.

- On 6 July 2006, after examining the activity of the company during the first half year, it settled the terms of the biannual report and the forecasting documents established pursuant to the provisions of article L. 232-2 of the Commercial Code, authorised the continuation of a lease for premise.

- Evaluation of the Board of Directors' Work

During the past fiscal year, the directors examined their practices regarding corporate governance, especially their procedures for the preparation and organisation of their work, and assessed the adequacy of their organisation in relation to their assignment. They sought to apply the recommendations set forth by the New Economic Regulations Act as well as by the VIENOT and BOUTON reports, found to be compatible with the company's size and business volume. Given the relationships existing between the board's members (10 members, 6 of whom are independent), your Board of Directors concluded that it was not necessary to establish rules of self-evaluation.

- Limitations to the General Manager's powers set by the Board of Directors

Since the publication of the New Economic Regulations Act, the company has amended its charter, has specifically determined the distribution of tasks between the General Management and the Board of Directors, and has established the position of Chairman & Chief Executive Officer, without a Delegate General Manager but relying on a management team, a form of corporate organisation that appears to meet the objectives of G.E.A.'s management and development and to represent the most appropriate chain of authority and responsibilities in the company.

The functions of General Manager assumed by the Chairman of the Board of Directors are limited to decisions regarding the company's management and representation in the context of its normal business, all other decisions being made by the Board of Directors, which thus exercises in their entirety the functions conferred on it by law.

II – Internal Control Procedure

- Objectives of Internal Control

The purposes of internal control procedures are:

- To ensure that the acts of management or the execution of operations, as well as the behaviour of individuals, fall within the scope of the orientations of the company's activities determined by its governing organs, by the applicable provisions of law and regulations, and by the internal values, standards and rules established in the company.
- To verify that the accounting, financial and managerial information transmitted to the company's organs give a truthful picture of the company's situation.
- To avoid risks of error and fraud within the company.
- To preserve and protect the assets.

An internal control, as is the case with any control system, does not provide an absolute guarantee of total elimination of risks, but gives only a reasonable assurance that the objectives are met.

The main risks to which the company is exposed are set forth in title IV of the management report regarding the operations of the fiscal year closed on 30 September 2006.

- Summary description of the General Organisation of Internal Control Procedures.

Regarding the matter of internal procedure itself your company has endeavoured to implement means that are most appropriate to its company profile and to its French and international business.

The Chairman and Chief Executive Officer supervise the conducting of regular, everyday business, along with the relevant members of the management team, which is comprised of 7 managers. Mr. Tanoukhi is in charge of project management, Mr Auguste looks after technical management, Mr Alexis Zaslavoglou is responsible for the development of new products and Mr Mannechez directs the software applications. Mr Ott is in charge of the sales and marketing strategy while Mr Thoreau ensures commercial management. Finally, Mr Larrang is the American commercial manager. The Chairman and Chief Executive Officer decide on large-scale operations, subject to the control of the Board of Directors. The Chairman and Chief Executive Officer supervises, with his management team, operations regarding the prevention and monitoring of company risks of any nature, whether or not related to its business, risks of a more financial character being the company secretary's responsibility.

The accounting and financial functions, and management control, are assumed under the Chairman and Chief Executive's authority by the company secretary, assisted by the department of accounting and financial administration comprising 8 people. The policy for the coverage of financial risks of any nature, as well as the signing of commitments, are monitored by the company secretary under the Chairman and Chief Executive's supervision. Financial investments are made based on the instructions of the company secretary, who also handles all of the company's relationships with the banks. As the company has chosen to have as little recourse to bank indebtedness as possible, and given the magnitude and continuity of its cash position, the internal control of financing and cash is assumed by the company secretary. The company secretary also supervises the periodic reconciliations made between cash and accounting and ensures that abnormalities, which might be observed, are corrected; he also supervises the production and completion of financial statements in liaison with the chartered accountant after audit by the Auditor.

- Judicial and Tax Functions

Judicial and tax functions are generally outsourced to specialised firms.

- Internal control procedures related to accounting and financial information

The accounting and management system rests on an internal information system that is backed up by the regular assistance of a chartered accountant, the payroll processing being outsourced to the latter.

Accounts are reconciled twice a year.

Forecasts are made annually and revised at the end of each half-year.

The organisation in place thus facilitates the monitoring of comprehensive bookkeeping, the correct evaluation of transactions and the production of accounting and financial data according to the accounting standards in effect and the accounting rules and methods implemented by the company.

These data are audited by the Auditor in the context of his verifications according to the standards in effect.

The accounting and financial information is regularly transmitted to the shareholders and the financial community.

The company has also prepared for the new obligations to provide information arising from the transposition into the monetary and financial regulations of the Openness Directive, which comes into force on 20 January 2007.

III – Preparation of this report and assessment of the procedures

This report was prepared with the company secretary's assistance based on the comments made by the members of the Board of Directors.

A meeting to that end was also held with the auditor.

Regarding internal controls, the means implemented by the company appear to be appropriate at the present time.

Executed in MEYLAN

The year two thousand and seven

On the nineteenth of January

Statutory auditor's report

issued in accordance with the last paragraph of the article L.225-235 of the Code of commerce, on the report of the President of the Board of Directors of the company GEA, concerning the procedures of internal control relating to the issue and the process of the accounting and financial information.

Company GEA – GRENOBLOISE D'ELECTRONIQUE ET D'AUTOMATISMES
Closing on September 30th 2006

Dear Sir and Madam,

As statutory auditor of the company GEA, and in accordance of the article L. 225-235 of the Code of commerce, we hereby report to you on the report issued by the President of your company in compliance with the article L. 225-37 of the Code of commerce for the FY closed on September 30th 2006.

It is the President's responsibility to state in his report about the conditions of work preparation and organisation of the Board of Directors and the procedures of internal control implemented within the company. It is our responsibility to communicate the comments about the information given in the President's report, concerning the procedures of internal control relating to the issue and the process of the accounting and financial information.

We performed our works according to the professional standards applicable in France. These ones require the implementation of diligences in order to assess the fairness of the information given in the President's report, concerning the procedures of internal control relating to the issue and the process of the accounting and financial information. These diligences consist mainly in:

- getting to know the aims and the general organisation of the internal control, as well as of the procedures of internal control relating to the issue and the process of the accounting and financial information presented in the President's report,
- getting to know the works relating to the information given in the report.

Based on our works, we do not have any comment on the information given concerning the procedures of internal control of the company relating to the issue and the process of the accounting and financial information of the President's report, issued in accordance with the last paragraph of the article L. 225-37 of the Code of commerce.

Lyon, January 22nd 2007

The Statutory auditor
Grant Thornton
French member of Grant Thornton International
Thierry Chautant - Partner

INTERMEDIARY MANAGEMENT BALANCE

For the years ended 30 September 2006 and 2005

(In thousand Euros)

	30/09/05	% PROD	30/09/06	% PROD
Production sold, and sales of equipment	44,008		44,453	
Production stored	685		-1,763	
Immobilised production	0		0	
PRODUCTION DURING THE FINANCIAL YEAR	44,693	100,00 %	42,690	100,00 %
Purchase of raw material	-26,258		-25,404	
Variation in stocks	132		40	
Other purchases and external expenses	-5,454		-6,187	
ADDED VALUE	13,113	29,34 %	11,139	26,09 %
Operating subsidies	0		0	
Taxes and VAT	-669		-716	
Salaries and wages	-7,522		-7,696	
Social expenses	-3,321		-3,381	
GROSS OPERATING SURPLUS	1,601	3,58 %	-654	-1,53 %
Recovery of pay-off and provisions	0		0	
Transfer of expenses	62		50	
Other products	0		0	
Pay-off endowments	-495		-478	
Operating provisions endowment	-93		-59	
Other expenses	-20		-20	
OPERATING RESULTS	1,056	2,36 %	-1,162	-2,72 %
Financial products	273		177	
Financial expenses	-199		-244	
CURRENT RESULT BEFORE TAX	1,129	2,53 %	-1,228	-2,88 %
EXCEPTIONAL RESULT	132		2	
Worker participation	0		0	
Company tax	-469		0	
NET RESULT	792	1,77 %	-1,227	-2,87 %

AUDITOR'S SPECIAL REPORT ON THE AUTHORISED TRANSACTIONS

Financial year ended as at September 30th 2006

Dear Sir or Madam,

As Auditor of your company, we hereby report to you on the authorised transactions.

1 - Authorised transactions and obligations during the financial year

Pursuant to the article L. 225-40 et L. 225-42-1 of the Commercial Code, we were informed of the transactions which were formerly approved by your Board of Directors.

It is not our responsibility to search for other possible transactions or obligations but to report to you, on the basis of the information given to us, on the characteristics and terms of the transactions we were informed with, without having to comment on their use and validity. It is your responsibility, in accordance with the article 92 of the decree of March 23rd, 1967, to assess the relevance related to the conclusion of such transactions in order to approve.

We conducted our work in accordance with the professional standards applicable in France; those standards require that we plan the audit to control the consistency of the information which was given to us with the basic documents from which it comes.

These transactions or obligations are presented in the Table 2 of this report.

The persons related to these transactions are listed in the Table 3 of this report.

2 - Transactions and obligations concluded during the previous financial years and which continued during this financial year

Moreover, pursuant to the decree of March 23rd, 1967, we were informed that the following transactions or obligations, approved during the previous financial years, continued during this financial year.

These transactions or obligations are presented in the Tables 1 and 2 of this report.

The persons concerned by these transactions are listed in the table 3 of this report.

Lyon, January 22th 2007

The Statutory Auditor
Grant Thornton
French member of
Grant Thornton International
Thierry Chautant
Partner

TABLE I : ADVANCES AND LOANS

Transactions previously approved.

Advances or loans		Amount at 30/09/2006 in €	Conditions	Revenue or (expenses) in €
Extended by	Received by			
Serge ZASLAVOGLOU	GEA	791	Current account paid at the maximum tax deductible rate .	<45>

TABLE II : TRANSACTIONS OTHER THAN ADVANCES AND LOANS

A - Transactions authorised during the financial year.

Name of the company	Nature, matter, forms of the transactions	Revenue or (charges) in €
SCI SANTA CRUZ	Continuation of the rental contract agreed to the company by the company « AET Technologies » in which it was subro- gated that as lessor the company « SCI SANTA CRUZ » with application on July 21st 2006. Location : Meylan Accounted amount : (Board of Directors from 6 juillet 2006)	<3845>

B - Transactions previously approved.

Name of the company	Nature, matter, forms of the conventions	Revenue or (charges) in €
SCI EPSILON	Commercial lease concerning the premises located in Meylan : - annual rent of 31 490 euros duty free including the the pro- perty tax - security deposit: fixed to 7 872 euros corresponding to 3 months of renting - review of the rent: indexation on the building cost index - duration : 9 years from 15/06/2002. Amount accounted:	<34,722>
SCI KALISTE	Renewal of the commercial lease concerning the premises located in Meylan, concerning : - annual rent of 83 286 euros duty free including the the pro- perty tax on the built properties. - Security deposit : fixed to 20 821 euros corresponding to 3 months of renting - review of the rent: indexation on the building cost index, - duration : 9 years from 01/10/2005. Accounted amount :	<83,286>

B - Transactions previously approved.

Name of the company	Nature, matter, forms of the conventions	Revenue or (charges) in €
SCI KALISTE	Commercial lease concerning the premises located in Meylan : - annual rent of 18 646 euros duty free including the the property tax - security deposit: fixed to 4 662 euros corresponding to 3 months of renting - review of the rent: indexation on the building cost index - duration : 9 years from 01/06/1999. Amount accounted :	<92,383>
SCI de CANASTEL	Renewal of the commercial lease concerning the premises located in Meylan, concerning : - annual rent of 74 903 euros duty free including the the property tax on the built properties. - review of the rent: indexation on the building cost index, - duration : 9 years from 01/10/2005. Accounted amount : (Board of Directors from January 20th 2005)	<74,903>
Compagnie d'investissement Europe (CIE) and Manila Installation Company (MIC), (a subsidiary of CIE)	Bank guarantee of an amount of 3 million Euros agreed by your company in order to guaranty the good completion of the contractual obligations of the company MIC	

	GEA	SCI KALISTE	SCI DE CANASTEL	SCI EPSILON	SCI SANTA CRUZ	CIE
Serge ZASLAVOGLU	Chairman of the Board	Manager	Manager	Manager	Manager	
Serge Alexis ZASLAVOGLU	Director	Partner		Partner	Partner	Chairman
Grigori ZASLAVOGLU	Director	Partner		Partner	Partner	Director
Jeannine ZASLAVOGLU	Director		Partner			

TEXT OF THE RESOLUTIONS PUT FORWARD TO THE ANNUAL ORDINARY GENERAL MEETING

Held on 27 March 2007

FIRST RESOLUTION

The General Meeting, having reviewed the reports of the Board of Directors, of the President - established in accordance with the provisions of article L.225-37 of the French Commercial Code (Code de Commerce) - and of the Statutory Auditor, approves the financial statements for the year ended 30 September 2006, as they were presented, as well as the transactions evidenced in said statements or summarised in these reports.

Consequently, it gives the directors full and unreserved final discharge for the execution of their mission for the said financial year.

It also approves of the spending made in the financial year, concerning the operations detailed in article 39-4 of the general tax code, for an overall amount of € 26,694.

The Annual General Meeting takes note of the changes made to the methods used for drawing up the annual accounts, as they are described and justified in the appendix.

SECOND RESOLUTION

The General Meeting approves the nature and composition of the agreements in accordance with the provisions of articles L.225-1, L.225-42-1, L.225-38 and following of the Commercial Code, as they figured in the reading of the special report of the auditor.

THIRD RESOLUTION

On the suggestion of the Board of Directors, the General Meeting has decided to allocate the loss for the financial year, a total of € 1,226,612.03
 - to the carried-forward account, for the full amount, i.e. € 124,176.80
 - and to the "Other reserves" account, which will thus be reduced
 from € 13,822,902.91
 to € 12,720,467.68
 by a total amount of € 1,102,435.23

The General Meeting acknowledges having been reminded that the dividend distributed for each share and the corresponding tax credit for the three financial years have been as follows:

Exercices	Number of shares	Dividends	Tax credit	Real return
2002/2003	1 200 000	0,70 euros	0,35 euros	1,05 euros
2003/2004	1 200 000	0,80 euros		0,80 euros
2004/2005	1 200 000	0,40 euros		0,40 euros

FOURTH RESOLUTION

The General Meeting fixes the sum of twelve thousand (12,000) Euros as the annual overall sum allocated to the Director's Fees of the Board of Directors.

This decision, applicable to the running financial year, will be maintained until otherwise decided.

FIFTH RESOLUTION

The General Meeting, having reviewed the report of the Board of Directors and pursuant to article L225-209 of the Commercial Code, authorises the Board of Directors to buy-back company shares, subject to a limit of 10% of the share capital, with a view to regularising the market price of the Company shares on the stock exchange through a liquidity contract concluded with a specialised investment company acting in conformity with article 241-2 and 241-3 of AMF general regulation.

The General Meeting decides that the shares bought back under the present authorisation shall not be cancelled unless otherwise decided during an Extraordinary General Meeting held after the date of the present General Meeting

The General Meeting limits:

- the maximum amount of funds which can be used for the buy-back of the Company shares to 1,800,000 Euros
- the maximum price at which the shares may be bought-back to 30 Euros and the minimum sale price at which the stated shares may be sold to 12 Euros.

The General Meeting decides that the buy-back or sale of the shares may be performed in any way and by any means subject to regulations and that the maximum proportion of share, which can be purchased as blocs of securities, cannot exceed one third of the share purchase program.

It acknowledges that shareholders will be informed during the next Annual General Meeting of the exact assignment of the shares purchased for the sole objective of buying out the rest of the shares.

This authorisation is granted to the Board of Directors for a maximum of eighteen (18) months as from the date hereof. It cancels and replaces the previous one given at the Ordinary General Meeting of 28 March 2006.

The General Meeting authorises the Board of Directors to delegate to its President the powers which have been conferred within the scope of the present resolution.

The General Meeting, among other matters, confers to the Board of Directors all powers, in application of article L.225-209 paragraph 1 of the Commercial Code, relating to informing the Workers Council of the present resolution.

Enrolment requests by shareholders of project resolution must be sent by registered post with delivery note to the headquarters within a deadline of ten days from the publishing of the present decision.

Any shareholder may take part in this meeting or chose one of the three options hereafter:

- give the power of attorney to his or her spouse or another shareholder
- address the power of attorney to the company without indicating the proxy
- use a postal vote

Only shareholders who will have previously met these requirements will be allowed into the meeting, to be represented or to use a postal vote:

- By enrolment of their nominal shares in a purely nominal or administrated account five days prior to the date of the meeting.
- By providing a certificate drawn up by an empowered intermediary showing that the shares are unavailable at the date of the meeting.

Shareholders who wish to be present at this meeting will receive an admission card, on request. A postal vote or proxy vote form is available for all shareholders who request them by registered post with delivery note from CACEIS, 14 rue Rouget de Lisle, 92130 ISSY LES MOULINEAUX six days before the meeting date at the latest. The postal vote forms, duly filled in, should arrive at the same address or at the headquarters at least three days before the date of the meeting.

This present note is the equivalent of a summons, given that no modification has been brought to the minutes following the enrolment requests of project resolutions by the shareholders.

Board of Directors

FEES OF THE STATUTORY AUDITOR AND MEMBERS OF ITS NETWORK

Statutory Auditor:

GRANT THORNTON – 42 avenue Georges Pompidou – 69003 Lyon

Represented by:

Mr. Thierry CHAUTANT

Fees of the statutory auditor and members of its network paid by the company.

Financial years covered: 2004/2005 and 2005/2006

	Amounts		%	
	30/09/05	30/09/06	30/09/05	30/09/06
• Audit				
- Audit of accounts, certification, examination of the individual accounts	72,000	76,000	100%	100%
- secondary missions				
Subtotal	72,000	76,000	100%	100%
• Other services				
- legal, tax, employment				
- information technology				
- internal audit				
- miscellaneous (to be specified if >10% of audit fee)				
Subtotal				
TOTAL	72,000	76,000	100%	100%