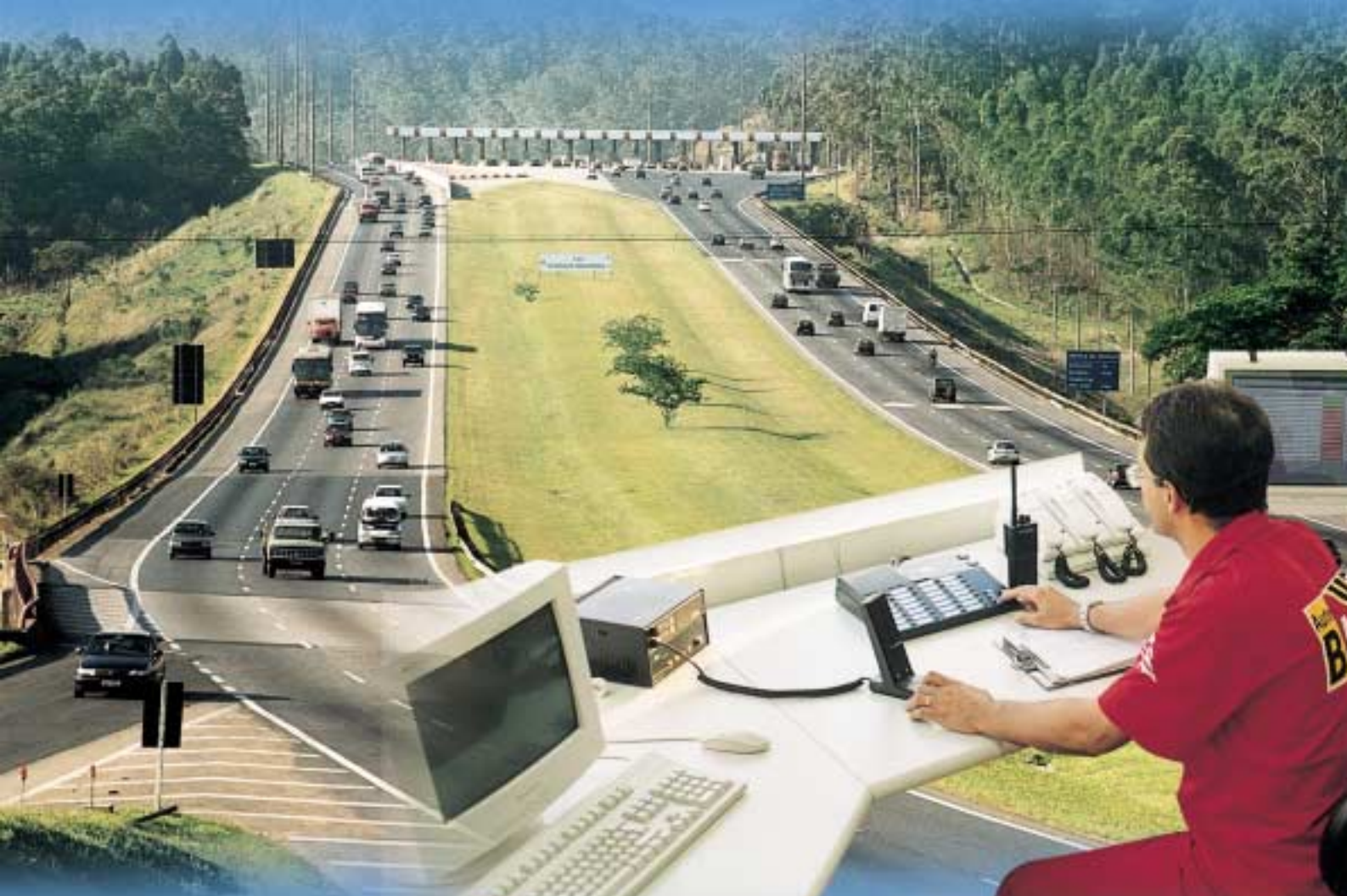


# ANNUAL REPORT 1999 - 2000



# GEA

TOLL COLLECTION SYSTEMS



GRENOBLOISE D'ELECTRONIQUE ET D'AUTOMATISMES

## BOARD OF DIRECTORS

Monsieur Serge ZASLAVOGLU, Président  
Monsieur Henri CYNA  
Monsieur Louis-Michel ANGUE  
Monsieur Serge-Alexis ZASLAVOGLU  
Monsieur Pierre GUILLERAND  
Monsieur Grigori ZASLAVOGLU  
Madame Jeannine ZASLAVOGLU  
Madame Marie-Paule ROC  
Monsieur Daniel GOUREVITCH  
Monsieur Eric VANDEL

## AUDITORS

FIDULOR,  
Membre de Moores Rowland International  
représenté par Monsieur Thierry CHAUTANT  
42, avenue Georges Pompidou  
69442 LYON CEDEX 08, FRANCE

## STOCK BROKERS

DU BOUZET S.A.  
Small Companies Division  
3, rue de l'Arbre Sec  
69001 LYON CEDEX 01, FRANCE  
Tél. : +33 04 72 10 40 10

## HEAD OFFICE

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

## COMMUNICATIONS

Monsieur Serge ZASLAVOGLU  
Tél. : +33 04 76 90 72 72  
Fax : + 33 04 76 41 00 83  
e-mail : [postmaster@gea.fr](mailto:postmaster@gea.fr)  
Web site : [www.gea.fr](http://www.gea.fr)

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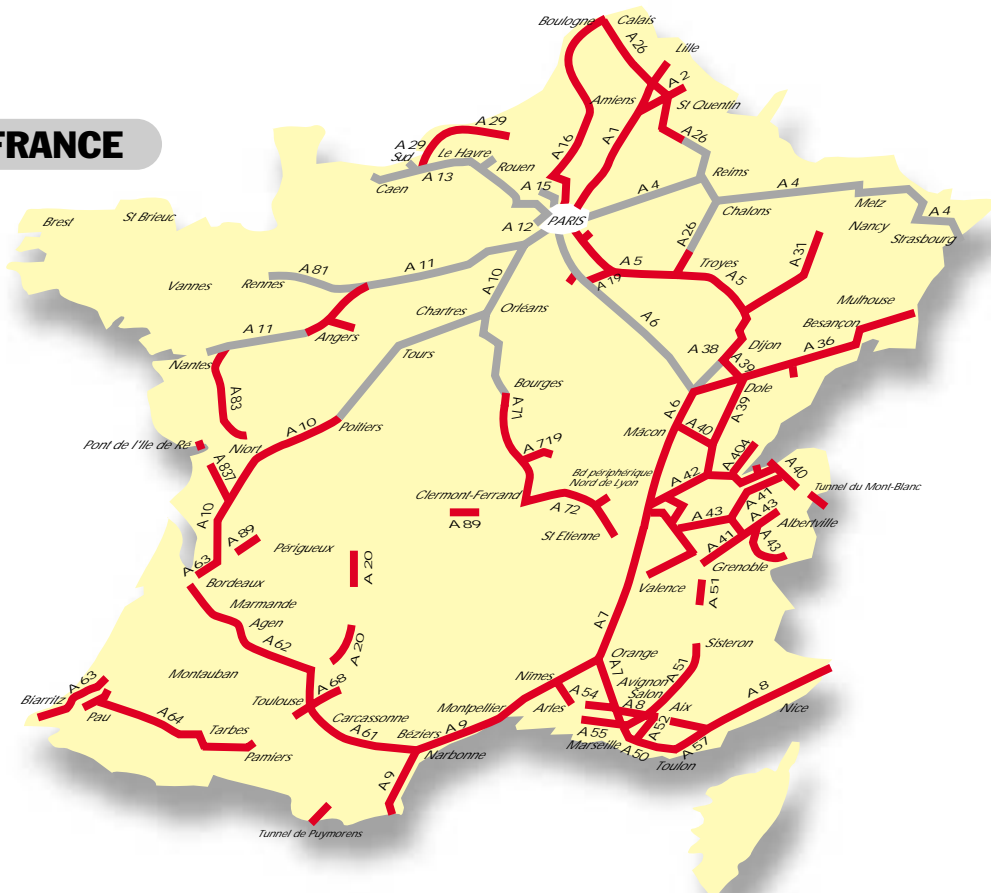
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## GEA WORLD-WIDE



More than 4,000 toll collection terminals in 15 countries.

## GEA IN FRANCE



Highways equipped by GEA

Eight of the nine highway operators in France, accounting for 90% of the country's concession highway network, are using systems designed by GEA.

## MESSAGE FROM THE PRESIDENT

*In 2000, the year of its thirtieth anniversary, GEA experienced sustained activity and highlighted its technological advance and commercial efforts.*

*Initiated in 1999, we continued our policy of refocusing on our high value-added activities, incorporating an increasing share of proprietary software development while intensifying production (+16%), particularly in France.*

*This growth was not achieved to the detriment of the margin since the net income after tax and contributions rose by 33% to 2,9 million Euros (19 million French Francs).*

*Throughout this financial year, GEA has also reinforced its technological advance in many fields.*

*Our integration solutions for the French Télépeage Inter Sociétés - TIS (Interoperable Electronic Toll Collection) have been selected by eight French motorway companies out of nine, thus positioning GEA as a major contractor in the microwave technology field (5.8 GHz) for non-stop toll collection systems.*

*In 1999-2000, the company also developed a new fully automatic toll Plaza concept, the first system of which was supplied for the A89 Clermont/Bordeaux motorway (Société des Autoroutes du Sud de la France) and for which an order has also been placed by the Société des Autoroutes du Nord et de l'Est de la France.*

*Concerning export, several contracts in Brazil and China were signed in the year 2000. In addition, a new contract was won in Morocco to provide a toll system for the first section of the future Casablanca-Marrakech-Agadir motorway.*

*Finally, an initial contract was signed in India to fit tolling systems on a motorway in the Mumbai region.*

*On 30th September 2000, the order book stood at 33 million Euros (215 million French Francs), with 60% on the export market.*

*Boasting a sound financial structure of over 10 million Euros (65 million French Francs) of net cash resources with no debt and 18.4 million Euros (120 million French Francs) of equity capital, GEA is able to pursue its current and future technological developments and its internationalisation.*

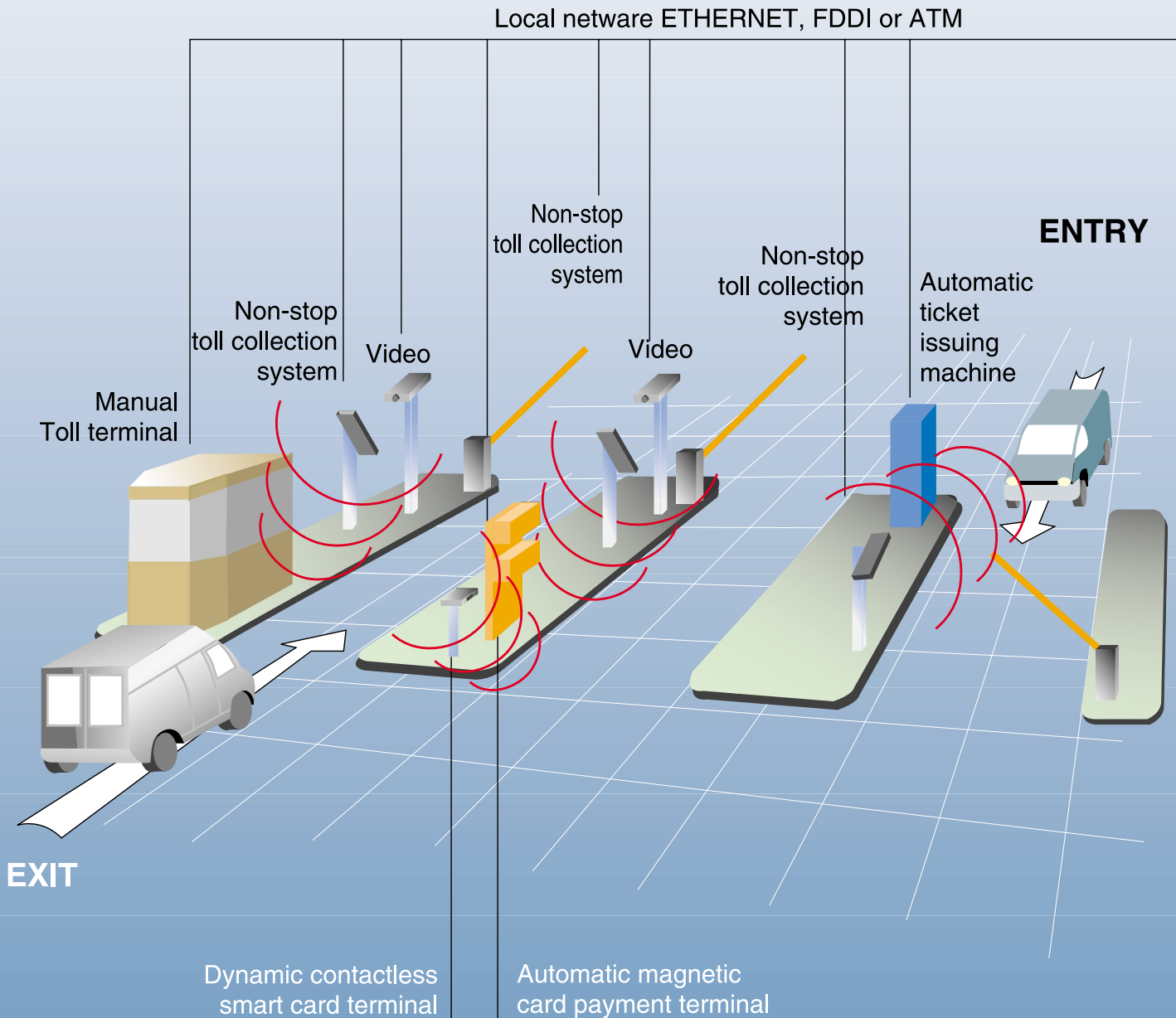
*I would like to thank all our collaborators for all the efforts achieved in 2000. GEA will continue to rely on these collaborators for the future.*



Serge ZASLAVOGLU, President of GEA, receives the 11th International Trophy for Small and medium-sized French Companies from Mr. Daniel GUIRAUD, Managing director of the 'Les Echos' Group.

Serge ZASLAVOGLU  
President

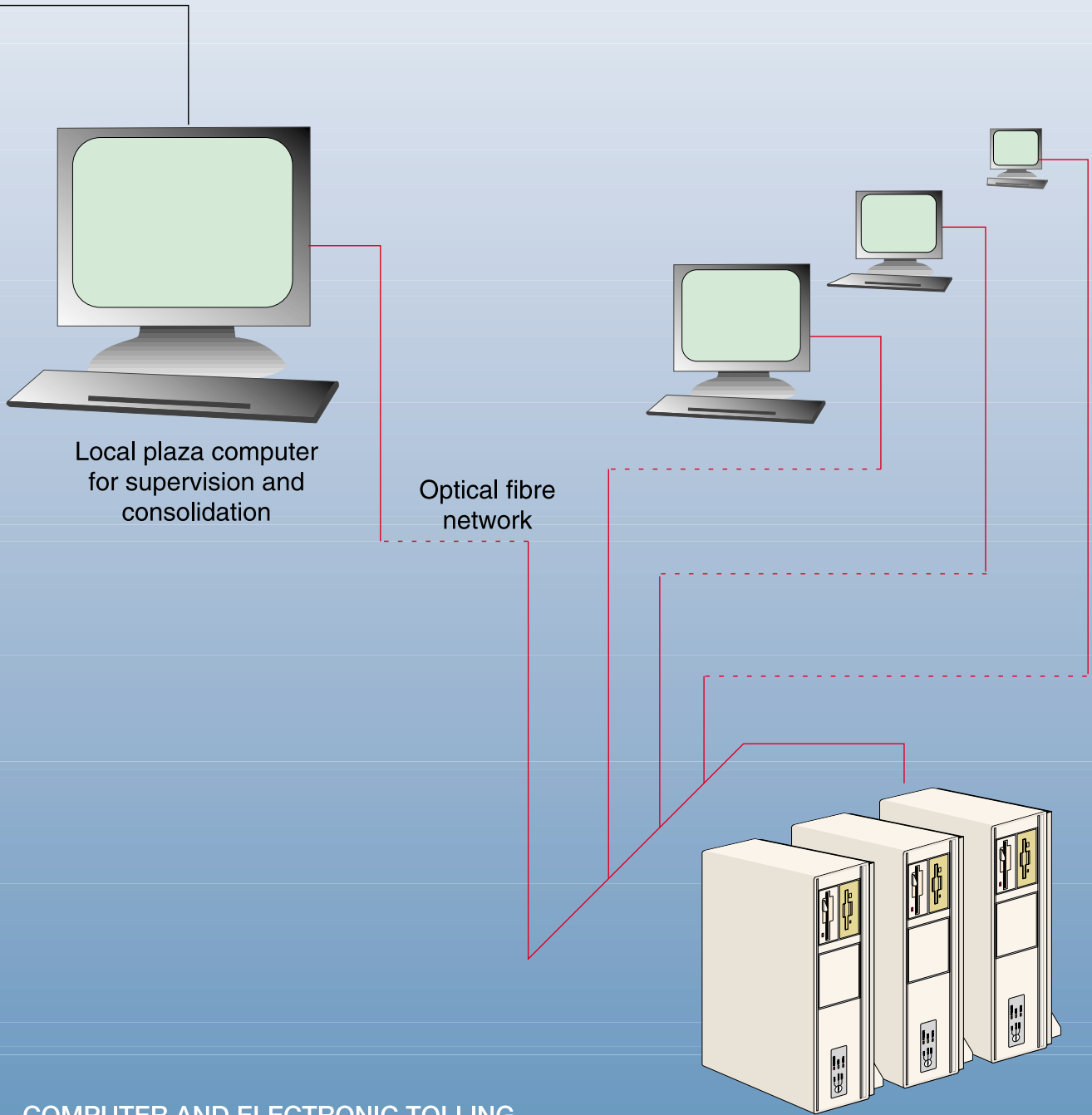
# ORGANISATION OF DATA COLLECTION AND TRANSMISSION NETWORKS



Fitted with a central processing unit, the toll terminals at the users level manages the various lane peripherals (automatic vehicle classification systems, traffic signals, barriers, non-stop toll collection systems...)

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

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



Local plaza computer  
for supervision and  
consolidation

Optical fibre  
network

Central  
computer  
system

**COMPUTER AND ELECTRONIC TOLLING CONTROL SYSTEMS :**

At the financial level to :

- prevent fraud,
- control the flow of money

(FF 33.9 billion of revenues in France in 1999).

At the technical level to :

- process all types of payment methods,
- generate traffic statistics,
- automate toll collection,
- 994 million transactions in 1999.

## IN 2000, GEA HIGHLIGHTED ITS TECHNOLOGICAL ADVANCE

### GEA CONFIRMED ITS LEADING POSITION IN THE NON-STOP TOLL COLLECTION FIELD

For several years, GEA has become firmly positioned in the dynamic tolling system market with in-depth expertise in microwave technologies (5.8 GHz) for ground/vehicle links.

During the 1999-2000 financial year, GEA was present at several levels of the French Télépéage Inter Sociétés - TIS program (Interoperable Electronic Toll Collection) corresponding to the European standard :

- GEA supplied and commissioned over 700 ground-based microwave systems for this project.
- In addition, GEA integrated the TIS program software in the tolling system of 8 of the 9 French motorway companies.
- Finally, GEA was selected by the Société des Autoroutes du Sud de la France to develop a fast non-stop toll collection system (50 km/h) under TIS technology, associated to an Incident Detection System by video image analysis.

In 2000, GEA also expanded this non-stop toll collection technology into Sweden, Brazil and South East Asia.

- GEA continued its technical and commercial developments of contactless smart card payment systems, particularly for the South East Asian markets.

In 2000, the company developed a new fully automatic toll plaza concept.

The first systems were supplied to the Société des Autoroutes du Sud de la France for the A89 Clermont-Bordeaux motorway.

A second order for this new type of product was placed by the Société des Autoroutes du Nord et de l'Est de la France for the A29 motorway.



- GEA continuously innovates in the data transmission field on high-speed networks. Several real-time audio-video remote assistance applications have therefore been developed. GEA also has in-depth experience in transmitting digital images over networks, which are associated with each toll transaction for an even higher performance control.

- GEA has a significant software engineers team to develop its own software applications both for terminals in tolling lanes and computers servers (local consolidation of transactions and traffic statistics).

- GEA has also developed central management, financial consolidation and statistical data processing systems for the head offices of motorway companies.



## GEA SENIOR STAFF AND HUMAN RESSOURCES



Serge ZASLAVOGLOU  
Président



Hassane TANOUKHI  
Projects Director



Michel RINALDI  
Manufacturing Director



Jean-Luc AUGUSTE  
Technical Director



Alexis ZASLAVOGLOU  
Research and Development  
Manager



Olivier MANNECHEZ  
Software development Manager



Michel ZASLAVOGLOU  
Overseas Operations Director



Jean-Claude BALDO  
Commercial Director for Asia

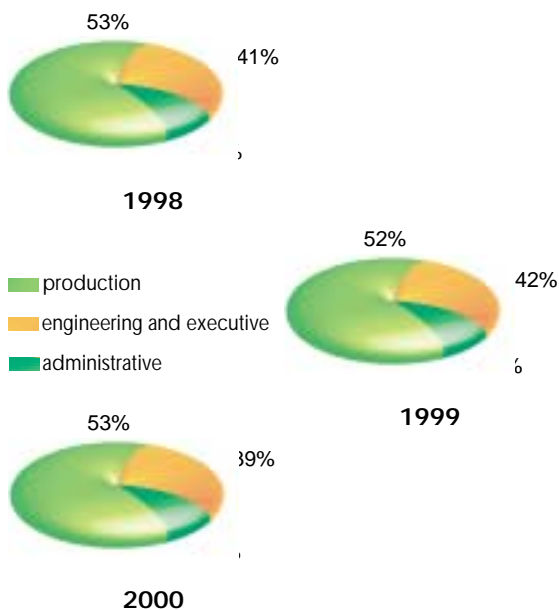


Jean LARRANG  
Commercial Director

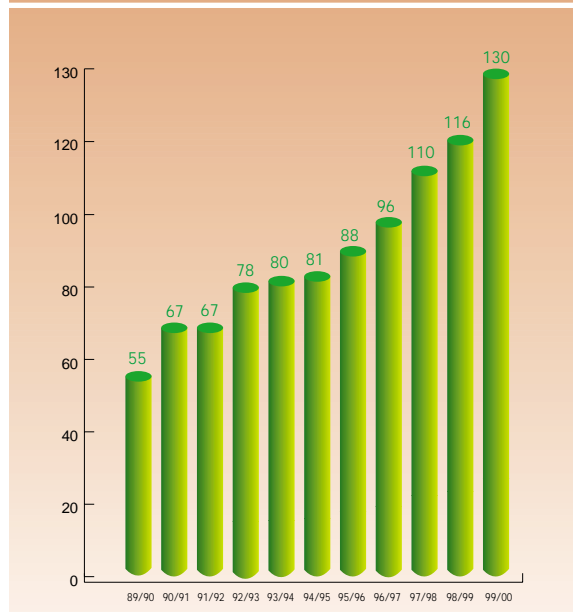
In September 2000 GEA total staff numbers amounted to 135 (124 one year earlier), distributed as follows :

- engineering and executive :	53
- administrative :	10
- production :	72
	<hr/>
	135

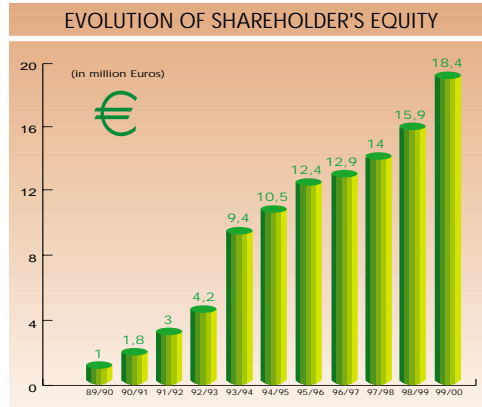
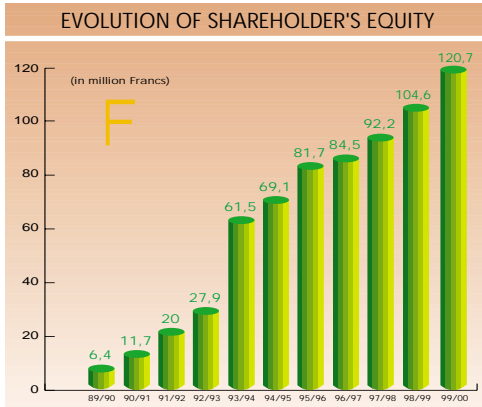
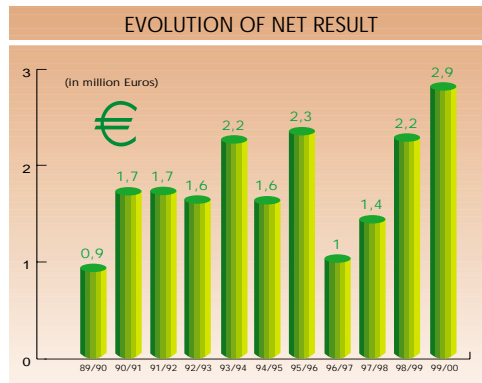
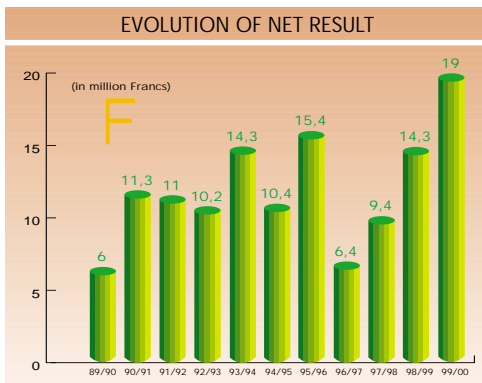
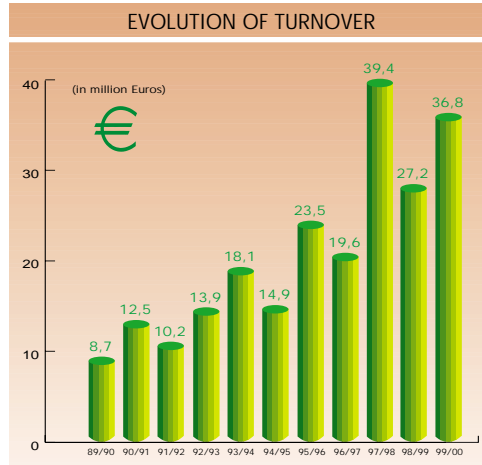
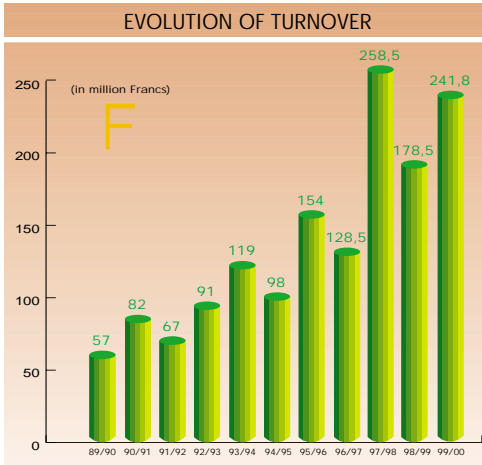
STAFF DISTRIBUTION IN TERMS OF PERCENTAGE



EVOLUTION OF AVERAGE STAFF NUMBERS

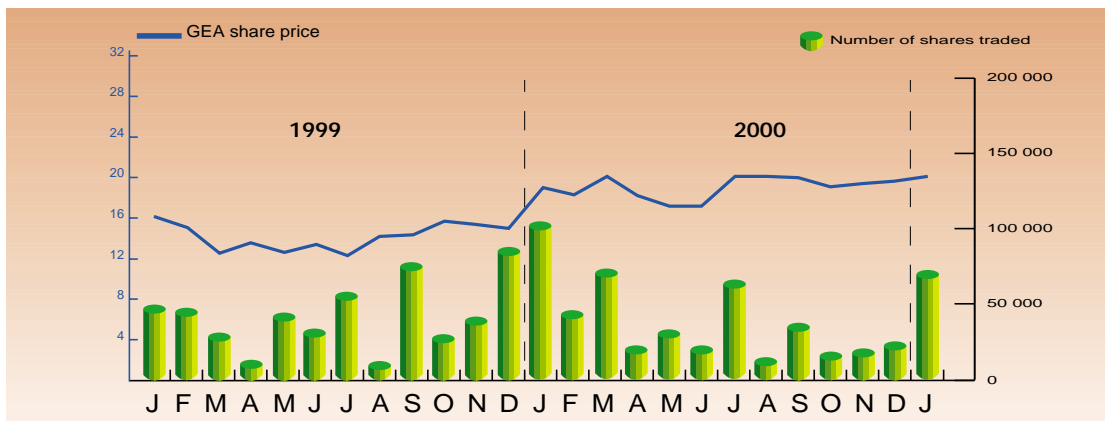


## KEY FIGURES



## THE STOCK MARKET

Since 2 February 1998, GEA securities (sicovam code 5303) are quoted on the continuous market (continuous B).



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# MANAGEMENT REPORT ON OPERATIONS FOR THE FINANCIAL YEAR ENDING 30<sup>th</sup> SEPTEMBER 2000

Ladies and Gentlemen,

We have asked you to come to this annual ordinary general meeting to detail our company's activity for the financial year ending 30<sup>th</sup> September 2000, and to submit the annual accounts of 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, neither in the way that the accounts are presented nor in the evaluation methods used.

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*

At September 30, 2000, turnover stood at FF 241.8 million (Euros 36.86 million), as compared to FF 178.5 million (Euros 27.21 million) in the year-earlier period.

Throughout this financial year, GEA highlighted its technological advance particularly within the frame of non-stop toll collection systems development (Télépéage Inter Sociétés-TIS non-stop toll collection system) and fully automatic toll plazas.

Export sales stood at FF 95.2 million (Euros 14.5 million), as compared to FF 94.7 million (Euros 14.4 million) a year earlier, and now account for 39% of billings.

Where exports are concerned, "GEA" systematically demands payments in French Francs, by irrevocable letter of credit, confirmed by a French bank. When this is not commercially possible, the company covers its foreign exchange risks by selling the currency forward.

The situation was as follows on 30 September 2000 :  
4,640,237 U.S. Dollars sold forward (i.e 31,718 Thousand French Francs - 4,835 thousand Euros).

Operating income amounted to FF 32.3 million (Euros 4.93 million) versus FF 25.6 million (Euros 3.91 million) a year earlier.

Investment income and net financial expenses, respectively, stood at FF 5.3 million (Euros 809.116) and FF 7.5 million (Euro 1.1 million) versus FF 3.15 million (Euros 480,611) and FF 3.2 million (Euros 488,096) in the prior-year period.

Ordinary income before taxation rose to FF 30.1 million (Euros 4.58 million), compared to FF 25.64 million (Euros 3.91 million) in 1998/99.

Net income came to FF 19.01 million (Euros 2.89 million) versus FF 14.31 million (Euros 2.18 million) in 1998/99. This figure includes tax and social contributions of FF 8.2 million (Euros 1.25 million) and FF 2.9 million (Euros 445,351) in employee profit-sharing expenses.

## **2) Foreseeable Evolution and Future Perspectives**

GEA's commercial strengths and technological leadership ideally position it to benefit from growth in demand for automated toll collection systems both in France and overseas. In this area, key opportunities include :

- Renovation of the existing equipment in France, where GEA has a market share of 60 %.
- Upgrading installed systems, particularly due to the increased number of software changes and legal and regulatory modifications (transition to the Euro, introduction of VAT).
- Extensions of existing installed systems due to general increase in traffic and construction of new motorways.
- Development of new toll collection technologies (automatic payment, contactless smart cards, complete automation of toll plazas).
- Privatization of existing motorways in many world regions, particularly among the emerging nations.

On 30 September 2000, the order book stood at FF 215 million with 60 % on the export market.

## **3) Research and Development Activities**

The company, has continued its research programme over the past financial year. No costs incurred in this context have been converted to fixed assets.

## **4) Share buy Back**

On 24 March 2000 the company was authorized to buy or sell its own shares on the Stock Market with a view to establishing the price.

By virtue of this authorisation, the company held 2122 shares worth 274,986 French Francs on 30 September 2000.

On 30 september 1999, GEA held 1997 shares worth 203,135 French Francs.

## **5) Miscellaneous**

The company adopted the 35-hours working week at the beginning of the year 2000.

Furthermore, the transition to the Euro is planned for the 1<sup>st</sup> October 2001.

## II - SUBSIDIARIES, SHARE HOLDING SELF CONTROL ACTIONS (Articles 356, 356-1 and 356-2 L)

### 1) Subsidiaries (+50 % of the capital)

None.

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

At the end of the financial year, our company possessed the following holdings :

BEIJING GEA TRANSPORTATION SYSTEM Co limited : 20 %

This company did not have any activity over the financial year.

## III - RECIPROCAL SHARE HOLDING

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

## IV - SHARE HOLDING

### 1) Identity of the Shareholders Possessing more than a Twentieth, Tenth, Fifth, Third, Half or Two-thirds of the Registered Capital :

Shareholders	Number of share threshold		Voting rights threshold	
	N	N-1	N	N-1
Mr. Serge ZASLAVOGLU	+ third	+ third	+ half	+ half
SICAV SG Opportunités	+ twentieth	+ twentieth	+ twentieth	+ twentieth

### 2) Subscription, Purchase or Placing in Security by the Company of its Own Shares for the Employee Company 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 Subscription or Purchase of Shares Granted to the Company Employees.

No operation 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.

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

No employee participation in share capital enters into the frame work of the clauses in article L.225-109 of the commercial code.

### **V - THE STOCK MARKET BOND**

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.

On 19 January 2001, the shares were quoted at 143 French Francs (i.e 21.8 Euros) and on this basis, the stock market value of the "GEA" capital is 171.6 million French Francs (i.e 26,16 million Euros).

### **VI - PROPOSAL FOR ALLOCATION OF THE PROFIT**

As the legal reserve now attains one-tenth of the share capital we propose to attribute the

- profit for the year ended September 30, 2000 of ..... FF 19,011,340
- along with the retained earning for 1998/99 of ..... FF 4,543
- giving a total of ..... FF 19,015,883

as follows:

- The sum of ..... FF 4,722,890.40

will be distributed to the shareholders as dividends (720,000 Euros)

- And the surplus, i.e. .... FF 14,292,992.60

will be transferred to the ordinary reserve.

The dividend paid per share will thus be fixed at ..... Euros 0.60

representing, taking into account a tax credit of ..... Euros 0.30

a real return of ..... Euros 0.90

This dividend will be paid, after the end of the meeting, at the N.S.M.D. bank, 3 Avenue Hoche, 75008 Paris.

#### **Reminder of the dividends that have been previously paid**

In conformity with the stipulations of article 243 a 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 (FF)	TAX CREDIT (FF)	REAL RETURN (FF)
1996/1997	1 200 000	1,40	0,70	2,10
1997/1998	1 200 000	1,60	0,80	2,40
1998/1999	1 200 000	2,40	1,20	3,60

## **VII - SPENDING WHICH IS NOT TAX DEDUCTIBLE**

In conformity with article 223 of the general tax code, we advise you that the accounts for the previous financial year include the sum of 74,142 French Francs, which corresponds to the non tax deductible expenditure (article 39-4 of the CGI).

## **VIII - ASSESSMENT OF THE DIRECTORS' FEES THAT ARE TO BE ALLOCATED TO THE BOARD MEMBERS**

We hereby ask you to decide the Directors' fees that have to be paid to the Board members for the current financial year, for which we propose that an overall sum of 125,000 French Francs be allocated.

## **IX - 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 Commerce Code, we request that you decide whether to grant the Board of Directors the authority to purchase shares in the Company, subject to a limit of 10 % of the share capital, with a view to regularise the market price of the Company's shares on the stock exchange.

Within the scope of this authorisation, it is established that the purchased shares cannot be cancelled except following a contrary decision taken at an extraordinary General Meeting held after the date of the present General Meeting.

We propose to limit the maximum amount of funds which can be used for the purchase of Company shares to twelve million French Francs (FF 12,000,000) or its equivalent in Euros.

Article L.225-209 of the Commerce Code requires that the terms and conditions including the maximum limit be defined by means of a Shareholders General Meeting.

We propose to limit the maximum price, at which the shares may be purchased, at 500 French Francs or its equivalent in Euros and the minimum price, at which the stated shares may be sold, at 50 French Francs or its equivalent in Euros and to authorize the following :

- that the purchase or sale of the shares may be performed in any way or by any means, subject to regulations.
- and that the maximum proportion of share capital which can be purchased at one time cannot exceed one third of the total share purchase programme.

We propose that the maximum legal period to complete the share purchases be limited to eighteen months with effect from the present General Meeting.

Finally, we request that you authorize the Board of Directors to delegate to its Chairman, the powers hereby conferred and to appoint him to advise the Workers Council of the decisions which have been taken.



## **X - RENEWAL OF TERMS OF OFFICE**

We hereby state that ni Administrator's or Statutory Auditor's term of office is expiring.



We trust that the above proposals will receive your approval and that you will ratify the resolutions submitted to the General Meeting of Shareholders.

The Board of Directors

## RESULTS (AND OTHER TYPICAL ELEMENTS) OF THE COMPANY DURING THE PAST FIVE FINANCIAL YEARS (IN FRENCH FRANCS)

NATURE OF THE ITEMS	Financial year 1995/1996	Financial year 1996/1997	Financial year 1997/1998	Financial year 1998/1999	Financial year 1999/2000
<b>I - CAPITAL AT THE END OF THE FINANCIAL YEARS</b>					
Registered capital	12,000,000	12,000,000	12,000,000	15,742,967	15,742,967
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
<b>II - OPERATIONS AND RESULTS OF THE FINANCIAL YEAR</b>					
Turnover	153,967,339	128,498,256	258,595,579	178,493,083	241,814,867
The result before tax, employee profit sharing and depreciation allowances and provisions	28,405,072	12,283,841	21,904,595	29,063,386	32,276,310
Tax on profits	9,797,997	3,589,161	8,645,759	10,290,447	8,203,535
Sum due for the profit sharing scheme for the financial year	2,265,927	415,168	1,807,283	2,295,298	2,921,312
Result after taxes, profit sharing and depreciation allowances and provisions	15,449,697	6,390,569	9,412,727	14,313,822	19,011,340
Profit distributed	3,600,000	1,680,000	1,920,000	2,880,000	4,722,890
<b>III - PROFITS PER SHARE</b>					
Result after taxes, profit sharing but before depreciation allowances and provisions	13.61	6.90	9.54	13.73	17.63
Result after taxes, profit sharing and depreciation allowances and provisions	12.87	5.32	7.84	11.93	15.84
Dividend allocated per share	3.00	1.40	1.60	2.40	3.94
<b>IV - PERSONNEL</b>					
Average workforce employed during the financial year	88	96	110	116	130
Total amount of salaries paid	20,519,012	22,521,450	28,908,284	28,470,663	33,205,433
Amount of sums paid for fringe benefits during the financial year (social security, social works, etc.)	8,679,532	9,703,286	12,466,398	12,462,457	15,075,259

# **STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30<sup>th</sup>, 2000**

*(Translated from French into English)*

Dear Sir or Madam,

In compliance with the assignment entrusted to us by your Shareholders' Annual Meeting, we hereby report to you, for the year ended September 30<sup>th</sup>, 2000 on :

- The audit of the accompanying financial statements of the Company GEA,
- The 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 statement**

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 material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement give a true and fair view of the company's financial position, its assets and liabilities as of September 30<sup>th</sup>, 2000 and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

## **2. Specific verifications and information**

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

We have no comments on the fair presentation and the 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, with respect to the financial position and the financial statements.

As required:

In accordance with the law, we verified that the management report contained the appropriate disclosures as to the percentage interests and votes held by shareholders.

Lyon, January 24<sup>th</sup>, 2001

The Statutory Auditor,  
FIDULOR

a member of Moores Rowland International



Thierry CHAUTANT

## BALANCE SHEET

For the years ended 30 September 2000 and 1999

(Currency : French Francs)

ASSETS	30/09/00	30/09/99	Note
<b>CURRENT ASSETS</b>			
Liquid assets	65,492,758	42,952,927	9-10
Accounts Receivable	68,022,789	93,947,236	8
Advance Payments to suppliers	0	0	
Inventory	29,679,238	44,770,125	7
Prepaid expenses	388,141	2,689,866	
<b>TOTAL CURRENT ASSETS</b>	<b>163,582,926</b>	<b>184,360,154</b>	
<b>FIXED ASSETS</b>			
Long term investments	264,095	181,542	5
Property, Plant and Equipment	10,239,651	5,613,776	4
Intangible assets	31,343	59,188	3
<b>TOTAL FIXED ASSETS</b>	<b>10,535,089</b>	<b>5,854,506</b>	
<b>TOTAL ASSETS</b>	<b>174,118,015</b>	<b>190,214,660</b>	
<b>LIABILITIES AND SHAREHOLDERS EQUITY (GEA)</b>			
	30/09/00	30/09/99	Note
<b>CURRENT LIABILITIES</b>			
Accounts payable	26,260,121	61,789,597	14
Advanced from customers	174,965	863,304	13
Taxes and social security payable	21,779,048	17,695,887	14
Short-Term loans	121,220	327,374	13
Deferred revenue	2,414,314	2,748,794	
<b>TOTAL CURRENT LIABILITIES</b>	<b>50,749,665</b>	<b>83,424,956</b>	
<b>LONG-TERM LIABILITIES</b>			
Long-term loans	0	58,919	13
Estimated liabilities	2,620,200	2,118,522	12
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>2,620,200</b>	<b>2,117,441</b>	
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	15,742,967	15,742,967	11
Share Premium	19,200,000	19,200,000	11
Legal reserve	1,411,779	1,200,000	11
Other reserve	162,518	162,518	11
Retained earning	65,215,000	53,989,059	11
Amount carried forward	4,543	3,897	11
Net income	19,011,340	14,313,822	11
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>120,748,147</b>	<b>104,612,263</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>174,118,015</b>	<b>190,214,660</b>	

## INCOME STATEMENT

For the years ended September 30th, 2000 and 1999  
(Currency : French Francs)

	09/00	09/99	Note
<b>SALES AND OTHER OPERATING REVENUE</b>	230,068,735	197,968,806	16
<b>OPERATING EXPENSES</b>	-195,830,534	-170,522,213	19
Depreciation	-1,901,531	-1,749,397	20
<b>OPERATING INCOME</b>	32,336,670	25,697,196	
Net Financial Items	-2,234,122	-49,099	
Net Extraordinary Items	33,639	1,251,470	21
Profit sharing	-2,921,312	-2,295,298	
Taxation	-8,203,535	-10,290,447	18
<b>NET INCOME</b>	19,011,340	14,313,822	

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

## CASH FLOW STATEMENT

For the years ended September 30<sup>th</sup>, 2000 and 1999  
(In thousand French Francs)

	Sept-00	Sept-99
<b>OPERATING ACTIVITIES</b>		
Net income	19,011	14,314
Depreciation, amortization and provision	2,140	2,164
Profit or loss on disposal of assets	-46	-161
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>21,105</b>	<b>16,317</b>
Change in accounts receivable	28,414	14,538
Change in inventories and work in progress	15,166	-19,662
Change in account payable	-32,469	-1,152
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>32,216</b>	<b>10,041</b>
<b>INVESTING ACTIVITIES</b>		
Acquisitions of fixed assets	-6,546	-1,347
Disposal of fixed assets	93	161
Net investments	-6,453	-1,186
Net financial investments	-83	-12
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>	<b>-6,536</b>	<b>-1,198</b>
<b>FINANCING ACTIVITIES</b>		
Capital increase	0	0
Dividends paid	-2,875	-1,916
New short-term loans	0	0
Reduction in long-term debt	-155	-158
Change in current account	-119	-520
<b>NET CASH FLOW PROVIDED BY FINANCING ACTIVITIES</b>	<b>-3,149</b>	<b>-2,594</b>
<b>NET CHANGE IN BANK DEPOSITS</b>	<b>22,531</b>	<b>6,249</b>
<b>BANK DEPOSITS AT OCTOBER 1<sup>ST</sup></b>	<b>42,927</b>	<b>36,678</b>
<b>BANK DEPOSITS AT SEPTEMBER 30<sup>TH</sup></b>	<b>65,458</b>	<b>42,927</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Amounts given in French Francs)

SEPTEMBER, 30th, 2000

GEA is a French manufacturer of toll collection equipment.

## Note n° 1 : Significant events of the year

No significant event occurred during the year.

## Note n° 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.

### *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 : 5 and 10 years
- fixtures : 10 years
- transportation equipment : 5 years
- office equipment: 3 and 5 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 owners' 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 production general expenses except 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) Sales***

The profit on French long-term contracts is recognized on the percentage of completion method based on the financial status of the contract.

Export sales are recognized when the agreement for payment has been given by the client. Other works are recognized as goods in progress.

#### ***I) Profit margin***

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

#### ***J) Commitments***

The pension obligations are calculated for the whole of the employees in the company at the end of the financial year, taking into account the possibility of a retirement at the age of 65 and the probability of the all benefits to be paid related to the employees turnover rate and of the mortality rate.

The amount of the benefits owed at the end of the financial year is based on the retirement indemnity as defined in the Labour Agreement, accrued by the employer's contribution.

### **Note n° 3 : Intangible Assets**

	Sept-00	Sept-99
Intangible assets	31,343	59,188

Intangible assets include softwares.



### Note n° 4 : Tangible Assets

The company owns the following property and equipment.

	Sept-00	Sept-99
Machinery and equipment	330,550	322,157
Fixtures	3,138,669	3,440,874
Transportation equipment	5,513,567	806,644
Other assets	1,256,865	1,044,102
Assets in progress (1)	0	0
<b>TOTAL</b>	<b>10,239,651</b>	<b>5,613,777</b>

(1) manufacturing place rearrangement.

### Note n° 5 : Shares and Investments

	Sept-00	Sept-99
Shares (1)	0	0
Other investments	264,095	181,542
<b>TOTAL</b>	<b>264,095</b>	<b>181,542</b>
Depreciation	0	0
<b>TOTAL</b>	<b>264,095</b>	<b>181,542</b>

(1) 20 % interest in the limited company under Chinese law Beijing GEA Transportation System Co. Ltd (capital of 10 000 000 yuan). GEA contribution lies in a technical know-how. This company did not have any activity.

### Note n° 6 : Related Company Disclosures

No share in a related company appears in the assets.

### Note n° 7 : Inventory and Goods in Progress

	Sept-00	Sept-99
Raw materials and spare parts	12,288,597	15,215,484
Raw materials depreciation provision	0	-75,549
Goods in progress	17,390,641	29,630,190
<b>TOTAL</b>	<b>29,679,238</b>	<b>44,770,125</b>

### Note n° 8 : Trade and Other Debtors

	Sept-00	Sept-99
Trade debtors	66,741,489	91,852,238
Unrealised exchange gains	159,200	137,522
Other debtors	1,679,638	2,702,551
	68,580,327	94,692,311
Less : allowance for doubtful accounts:	<557,538>	<745,076>
	68,022,789	93,947,235
Prepaid expenses	388,141	2,689,866
<b>TOTAL</b>	<b>68,410,930</b>	<b>96,637,101</b>

### Note n° 9 : Investment Companies Shares

Investment companies shares are composed of 2 122 GEA shares. The sailing value as at September 30<sup>th</sup> 2000 is FF 272,820 for an accounting value of FF 274,986.

### Note n° 10 : Liquid Assets

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

	Sept-00	Sept-99
Securities	274,986	203,134
Cash and bank deposits	65,217,772	42,749,793
<b>TOTAL</b>	<b>65,492,758</b>	<b>42,952,927</b>

### Note n° 11 : Shareholder's Equity

The share capital is divided into 1,200,000 shares worth 2 Euros each.  
Shares held for over 4 years become double-voting.

### Note n° 12 : Estimated Liability

	Sept-00	Sept-99
Provisions for guarantee on domestic and export works	2,461,000	1,981,000
Provisions for foreign exchange risk	159,200	137,522
<b>TOTAL</b>	<b>2,620,200</b>	<b>2,118,522</b>

### Note n° 13 : Trade and Other Creditors due within one year

	Sept-00	Sept-99
Trade creditors	25,551,554	60,501,733
Other liabilities	494,860	352,630
Unrealised exchange losses	213,704	935,234
Other creditors including taxation and social security	21,779,048	17,695,887
<b>TOTAL</b>	<b>48,039,166</b>	<b>79,485,484</b>
Prepaid receivables	2,414,314	2,748,794

### Note n° 14 : Accrued Liabilities

	Sept-00	Sept-99
Trade creditors	6,019,664	12,118,892
Tax and payroll	11,461,479	10,346,829
Other creditors	494,860	352,630
<b>TOTAL</b>	<b>17,976,003</b>	<b>22,818,351</b>

### Note n° 15 : Commitments

Forward exchange coverage :

	U.S Dollars : 4,640,237	KF : 31,718
- Off-balance sheet assets : Bank guarantee :	46,924 KF	
- Pension obligations worth :	FF 2,646,213	

### Note n° 16: Information by Business Activity and Area

	France	Export	Turnover
Production	146,311,132	95,249,023	241,560,155
Services	254,711	/	254,711
<b>TOTAL</b>	<b>146,565,844</b>	<b>95,249,023</b>	<b>241,814,867</b>

### Note n° 17 : Information on Staff

	Sept-00	Sept-99
Wages and salaries	33,205,433	28,470,663
Social security	15,075,259	12,462,457
<b>TOTAL</b>	<b>48,280,692</b>	<b>40,933,120</b>

Number of employees:

	Sept-00	Sept-99
Management	53	52
Employees	82	72
<b>TOTAL</b>	<b>135</b>	<b>124</b>

### Note n° 18 : Income Tax

	Income	Income Tax
Operating income	30,102,548	8,190,080 (1)
Profit sharing	2,921,312	
Extraordinary items	33,638	13,455
<b>Net income</b>	<b>27,214,875</b>	<b>8,203,535</b>

(1) after credit deduction

The tax expense includes the additional 10 % contribution tax on corporate tax and the social contribution of 3,3 % (for a total of 1 073 174 francs).

### Note n° 19 : Operating Expenses

Operating expenses include the following:

	Sept-00	Sept-99
Cost of sales	120,378,972	101,176,528
Payroll	48,280,692	40,933,120
Tax expenses	3,751,413	6,523,292
Other operating expenses	23,419,457	21,889,273
<b>TOTAL</b>	<b>195,830,534</b>	<b>170,522,213</b>

## Note n° 20 : Depreciation Expenses

	Sept-00	Sept-99
Depreciation on tangible assets	175,015	105,867
Depreciation on tangible assets	1,726,516	1,643,529
<b>TOTAL</b>	<b>1,901,531</b>	<b>1,749,397</b>

## Note n° 21 : Extraordinary Items

Extraordinary items (profit)	203,040
Extraordinary items (loss)	-215,851
Net loss on tangible assets sale	46,450
<b>TOTAL</b>	<b>33,639</b>

## Note n° 22 : Other informations

- Change to Y2K : The change to Y2K did not engender any difficulty for the company.
- Change to 35 hours : The whole of the employees decreased their weekly time to 35 hours at the beginning of the year 2000.
- Change to the Euro : The company took measures by adapting its data processing system to the Euro.

## Note n° 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 in necessary.

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

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

## KEY FIGURES IN FRENCH FRANCS AND EUROS

For the years ended September 30<sup>th</sup>, 2000 and 1999

	30/09/2000		30/09/999	
	FRENCH FRANCS	EUROS	FRENCH FRANCS	EUROS
<b>INCOME STATEMENT</b>				
Turnover	241,814,867	36,864,439	178,493,083	27,211,095
Operating income	32,336,670	4,929,694	25,697,196	3,917,512
Result before tax	30,102,549	4,589,104	25,648,097	3,910,027
Net income	19,011,341	2,898,260	14,313,822	2,182,128
Dividends	4,722,890	720,000	2,880,000	439,053
Dividends per share without tax credit	3.94	0.60	2.4	0.37
Net income per share	15.84	2.42	11.93	1.82
<b>BALANCE SHEET</b>				
Assets				
Total fixed assets	10,535,089	1,606,064	5,854,506	892,514
Inventory	29,679,238	4,524,571	44,770,125	6,825,162
Trade debtors and related accounts	66,183,951	10,089,678	91,294,699	13,917,787
Total assets	174,118,015	26,544,120	190,214,660	28,998,038
Liabilities and shareholder's equity				
Registered capital	15,742,967	2,400,000	15,742,967	2,400,000
Total shareholder's equity	120,748,147	18,407,936	104,612,263	15,948,037
Financial debts	121,220	18,480	386,293	58,890

# **AUDITOR'S SPECIAL REPORT ON TRANSACTIONS WITH CONNECTED PERSONS**

(Financial year ended as at September 30<sup>th</sup>, 2000)

Dear Sir or Madam,

In pursuance of article L.225-38 of the Commerce Code, we bring to your knowledge the transactions mentioned in article 101 of the same law.

These transactions, concluded during this financial year and previously or during previous financial years and that have continued during 2000, are shown in charts 1 and 2 of the present report :

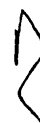
- chart 1 shows advances and loans,
- chart 2 shows other transactions.

The persons concerned by the transactions (directors, general manager, permanent proxy of a legal entity, general partner, partner) are shown in chart 3 of the present report.

Lyon, January 24<sup>th</sup>, 2001

The Auditor,  
FIDULOR

a member of Moores Rowland International



Thierry CHAUTANT

### CHART I : ADVANCES AND LOANS

Transactions concluded during previous financial years for which performing went on during the financial year.

Advances or loans		Amount at 30/09/2000 in francs	Conditions	Revenue or (expenses) in French francs
Extended by	to			
Serge ZASLAVOGLOU	GEA	12 754	Current account paid at the maximum rate tax deductible.	<2 924>

### CHART II : TRANSACTIONS OTHER THAN ADVANCES AND LOANS

A - Transactions concluded during previous financial years for which performing went on during the financial year

Concerned companies	Nature, matter, forms of the transactions	Revenue or (expenses) in French francs
SCI KALISTE	<p>-a) commercial lease concerning the premises located in Meylan, on :</p> <ul style="list-style-type: none"> <li>• Annual lease : 122 312 francs duty free with the undertaking of the property tax.</li> </ul> <p>Amount recognised :</p> <ul style="list-style-type: none"> <li>• Security deposit : it is fixed to 30 578 francs corresponding to 3 months of lease,</li> <li>• Lease reappraisal : restatement on building cost index,</li> <li>• Length : 9 years from 01/06/1999.</li> </ul> <p>-b) commercial lease concerning the premises located in Meylan, on :</p> <ul style="list-style-type: none"> <li>• Annual lease : 360 000 francs duty free with the undertaking of the property tax.</li> </ul> <p>Amount recognised :</p> <ul style="list-style-type: none"> <li>• Security deposit : it is fixed to 90 000 francs corresponding to 3 months of lease,</li> <li>• Lease reappraisal : restatement on building cost index,</li> <li>• Length : 9 years from 01/12/1996.</li> </ul>	<p>&lt;124 063&gt;</p> <p>&lt;377 475&gt;</p>

**CHART II : TRANSACTIONS OTHER THAN ADVANTAGES OR LOANS  
(continue)**

Concerned companies	Nature, matter, forms of the transactions	Revenue or (expenses) in French francs
SCI DE CANASTEL	-Commercial leases concerning premises located in Meylan : <ul style="list-style-type: none"> <li>• Annual lease : 396 000 francs duty free with the undertaking of the property tax.</li> </ul> Amount recognised : <ul style="list-style-type: none"> <li>• Lease reappraisal : restatement on building cost index,</li> <li>• Length : 9 years from 01/10/1996.</li> </ul>	<415 149>
SCI EPSILON	-Commercial leases concerning premises located in Meylan : <ul style="list-style-type: none"> <li>• Annual lease : 180 000 francs duty free with the undertaking of the property tax.</li> </ul> Amount recognised : <ul style="list-style-type: none"> <li>• Security deposit : it is fixed to 45 000 francs corresponding to 3 months of lease,</li> <li>• Lease reappraisal : restatement on building cost index,</li> <li>• Length : 9 years from 14/06/1993.</li> </ul>	<194 833>
SARL DEA	- Commercial transactions made between your company and the Company DIOISE D'ELECTRONIQUE ET D'AUTOMATISME : <ul style="list-style-type: none"> <li>- Invoices sent to the company D.E.A. for technical and administrative assistance :</li> <li>- Invoices received by the company D.E.A. for work of cabling and assembling :</li> </ul>	246 000  <2 613 829>

**CHART III : PERSONS CONCERNED BY THE TRANSACTIONS**

	GEA	DEA	SCI KALISTE	SCI DE CANASTEL	SCI EPSILON
Serge ZASLAVOGLU	Chairman of the Board	General partner	Partner	Partner	Partner
Serge Alexis ZASLAVOGLU	Director		Partner		Partner
Grigori ZASLAVOGLU	Director		Partner		Partner
Jeannine ZASLAVOGLU	Director			Partner	



# TEXT OF THE RESOLUTIONS PUT FORWARD TO THE ANNUAL ORDINARY GENERAL MEETING held on 21 March 2001

## FIRST RESOLUTION

The General Meeting, after listening to the reading of the board's and auditors' reports, approve the annual accounts closed on 30 September 2000, as they were presented, as well as the operations mentioned in these accounts or summarised in these reports.

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 a total sum of 74,142 French Francs. Consequently, it gives the directors complete and unreserved final discharge for the execution of their mission for the said financial year.

## SECOND RESOLUTION

At the proposal of the Board of Directors, the shareholders resolve to attribute the profit for the year of ..... FF 19,011,340  
and the retained earnings for 1998/99 of ..... FF 4,543  
giving a total of ..... FF 19,015,883  
as follows :

- Distributable income ..... FF 4,722,890.40  
(720,000 Euros).

to be paid in the form of dividends, with the proviso that, in the event where the company holds any of its own shares at the date for payment of dividends, the unpaid dividend payments corresponding to these shares will be allocated to "retainedearnings"

- And the surplus, i.e. .... FF 14,292,992.60  
will be transferred to the ordinary reserve.

The dividend paid per share will thus be fixed at ..... FF 0.60  
representing, taking into account a tax credit of ..... FF 0.30  
a real return of ..... FF 0.90

This dividend will be paid at N.S.M.D. Bank in PARIS, after the end of the meeting.

The General Meeting acknowledges that a reminder has been made that the dividend distributed for each share and the corresponding tax credit for the three previous financial years have been as follows:

FINANCIAL YEARS	NUMBER OF SHARES	DIVIDENDS (FF)	TAX CREDIT (FF)	REAL RETURN (FF)
1996/1997	1 200 000	1,40	0,70	2,10
1997/1998	1 200 000	1,60	0,80	2,40
1998/1999	1 200 000	2,40	1,20	3,60

### **THIRD RESOLUTION**

The General Meeting approves the nature and composition of the agreements, in application of articles L.225-38 and followings, as they figured in the reading out of the special report of the auditor.

### **FOURTH RESOLUTION**

The General Meeting fixes the sum of one hundred and twenty five thousand (125,000) French Francs as the annual overall sum allocated for the Directors' fees for the Board of Directors.

This decision, which is applicable for the financial year that is running, will be maintained until there is a decision to the contrary.

### **FIFTH RESOLUTION**

After due consideration of the report of the Board of Directors, and the information note prescribed by regulation number 98-02 of the Stock Exchange Commission, by reason of the visa prescribed by this regulation, and taking advantage of the rights conferred by article L.225-209 of the Commerce Code, the General Meeting authorises the Board of Directors to purchase shares in the Company, subject to a limit of 10 % of the share capital, with a view to regularise the market price of the Company's share on the stock exchange.

The General Meeting decides that the shares purchased under the present authorisation cannot be cancelled except following a contrary decision taken at 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 purchase of Company shares to twelve million French Francs (FF 12,000,000) or its equivalent in Euros.
- the maximum price, at which the shares may be purchased, to 500 French Francs or its equivalent in Euros and the minimum price, at which the stated shares may be sold, to 50 French francs or its equivalent in Euros.

The General Meeting decides that the purchase or sale of the shares may be performed in any way or by any means, subject to regulations and that the maximum proportion of share capital which can be purchased at one time cannot exceed one third of the total share purchase programme.

The present authorisation is granted to the Board of Directors for a period of eighteen months with effect from the date of the present General Meeting ; it cancels and replaces the authorisation which was granted by the Ordinary General Meeting dated 24 March 2000.

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

The General Meeting confers to the Board of Directors, among other matters, all powers relating to informing the Workers Council of the present decision.