2012 Registration Document

ANNUAL FINANCIAL REPORT

This Registration Document was filed with the French Financial Markets Authority (Autorité des marchés financiers or AMF) on 19 April 2013, in accordance with article 212-13 of the AMF's General Regulations. This document may be used in a financial transaction when accompanied by a prospectus approved by the AMF. This document has been prepared by the issuer and is binding upon its signatories.

This document also contains the 2012 Annual Financial Report.

INCORPORATED BY REFERENCE

Pursuant to article 28 of European regulation n°809/2004 of 29 April 2004, the following information is incorporated by reference into this Registration Document, which the reader is encouraged to consult:

For the financial year ended 31 December 2011: the management report, the consolidated and individual financial statements and the corresponding audit reports included in the Registration Document filed with the AMF on 19 April 2012 (file number D.12-0371);

For the financial year ended 31 December 2010: the management report, the consolidated and individual financial statements and the corresponding audit reports included in the Registration Document filed with the AMF on 26 April 2011 (file number D.11-0366).

Copies of this Registration Document are available upon request and free of charge at the Company's registered office located at 19 rue du Quatre-Septembre, 75002 Paris, France or on its website www.groupe-gorge.com or on the AMF's website www.amf-france.org

PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr Raphaël Gorgé, Chairman and Chief Executive Officer of Groupe Gorgé SA.

1.2 CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"After taking all reasonable measures for this purpose, I hereby certify that all the information contained in this Registration Document is, to my knowledge, in accordance with the facts and that no information liable to affect its significance has been omitted.

I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial situation and results of the Company and all the companies included in the scope of consolidation, and that the management report included as Annex 1 to this Registration Document (see pages 103 et seq.) presents a true image of the business trends, results and financial situation of the Company and all the companies included in the scope of consolidation as well as a description of the risks and uncertainties facing them.

I have received a completion letter from the auditors stating that they have verified the information regarding the financial situation and the financial statements included in this Registration Document and that they have read this Registration Document in its entirety.

Reports of the Statutory Auditors for the financial information set forth in this Registration Document are found beginning on page 89.

The report on the consolidated financial statements contains observations. The Auditors bring to your attention the following points which are also set forth in the related note in the notes to the consolidated financial statements:

the impact on the financial statements for the year ended 31 December 2012 of the conviction by the court of first instance of one of the Group's subsidiaries in an intellectual property dispute, described in Note 1.3 "Significant Events" in the notes to the consolidated financial statements;

the change to opening equity in the amount of €568K as a result of an adjustment made for an error and described in Note 2.1 "Reconciliation of the 2011 published financial statements and the financial statements presented for comparative purposes" in the notes to the consolidated financial statements;

the change to the presentation of the financial statements which occurred during the financial year and described in Note 2.1 "Reconciliation of the 2011 published financial statements and the financial statements presented for comparative purposes" consisting of adding a specific line item "Non-recurring items in operating income" representing a net charge of €11,224K in 2012 and €1,104K in 2011.

The Statutory Auditors have issued reports for the financial information incorporated by reference into this Registration Document for the 2011 and 2010 financial years and are found on pages 88 and 89 and pages 62 and 64 of the respective registration documents. The reports on the consolidated financial statements contained observations."

Paris, 18 April 2013

Chairman and Chief Executive Officer

STATUTORY AUDITORS

2.1 PRINCIPAL STATUTORY AUDITORS

COREVISE

3 rue Scheffer

75016 Paris, France

Statutory Auditor of the Company appointed by the combined Shareholders' Meeting of 30 June 2009 for a term of six years to expire at the end of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2014 (second appointment).

MAZARS

61 rue Henri-Régnault

92400 Courbevoie, France

Statutory Auditor of the Company appointed by the combined Shareholders' Meeting of 8 June 2012 for a term of six years to expire at the end of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2017 (third appointment).

2.2 ALTERNATE AUDITORS

FIDINTER

3 rue Scheffer

75016 Paris, France

Alternate Auditor of the Company appointed by the combined Shareholders' Meeting of 30 June 2009 for a term of six years to expire at the end of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2014 (second appointment).

Mr David CHAUDAT

61 rue Henri-Régnault

92400 Courbevoie, France

Alternate Auditor of the Company appointed by the combined Shareholders' Meeting of 8 June 2012 for a term of six years to expire at the end of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2017 (first appointment).

2.3 TABLE OF AUDITORS' FEES

	MAZARS	%	COREVISE	%	MAZARS	%	COREVISE	%
(in thousands of euros)	2012		2012		2011		2011	
Statutory audit and certification of the financial statements	298	93%	177	100%	317	100%	176	100%
of the parent company	88	28%	85	48%	88	28%	85	48%
of which subsidiaries	210	66%	92	52%	229	72%	90	52%
other services	22	7%	-	-	1	0%	-	-
TOTAL					318	100%	176	100%

SELECTED FINANCIAL INFORMATION

3.1 SELECTED HISTORICAL FINANCIAL INFORMATION

The financial information has been derived from the consolidated financial statements. The 2011 financial statements have been restated, without affecting operating income, in the manner described in Note 2.1 to the consolidated financial statements "Reconciliation between the published 2011 financial statements and the comparative financial statements".

REVENUE GROWTH

(millions of euros)	2012	2011
Industrial Projects and Services	76.3	72.3
Protection in Nuclear Environments	33.5	30.6
Smart Safety Systems	99.0	129.1
Corporate and Eliminations	(0.2)	(3.25)
CONSOLIDATED		228.8

OPERATING INCOME GROWTH

(millions of euros)	2012	2011
Industrial Projects and Services	2.66	3.72
Protection in Nuclear Environments	3.99	3.53
Smart Safety Systems	(6.07)	6.63
Corporate	(0.36)	(0.48)
CONSOLIDATED		13.40

CONDENSED INCOME STATEMENT

(millions of euros)	2012	2011
Revenue	208.63	228.78
Operating income from ordinary activities	11.44	13.67
Operating income	0.22	13.40
Net income from continuing operations	1.75	10.48
Net income from discontinued operations	(1.50)	(1.99)
NET INCOME		8.49
Net income attributable to equity holders of the parent	1.46	6.43

KEY FINANCIAL DATA

(millions of euros)	2012	2011
Equity [1]	70.53	77.40
Available cash and cash equivalents	49.57	41.90
Borrowings	(60.98)	(38.19)
Net cash and cash equivalents / (Net debt)	(11.42)	3.71

(1) Including non-controlling interests.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets *(millions of euros)*	2012	2011
Fixed assets	42.39	45.60
Other non-current assets	32.86	22.00
Current assets (excluding cash and cash equivalents)	153.17	154.91
Cash and cash equivalents	49.57	41.90
TOTAL		264.42

Equity & Liabilities *(millions of euros)*	2012	2011
Equity	70.53	77.40
Non-current liabilities	49.00	28.30
Current liabilities	158.46	158.72
TOTAL		264.42

HEADCOUNT

	2012	2011
Total headcount	1,290	1,258

3.2 SELECTED INTERIM FINANCIAL INFORMATION

None.

RISK FACTORS

The Company has reviewed the risks that could materially adversely affect its business, financial position or results and is not aware of any other significant risk not presented herein. For a proper understanding of the risks to which the Group is exposed, this chapter should be read in conjunction with the full consolidated financial statements and the management report.

4.1 LEGAL RISKS

REGULATORY COMPLIANCE

In order to mitigate the legal risks inherent in their businesses, Group companies typically have recourse to the Group's legal department and to external advisers (lawyers, labour law experts and intellectual property experts).

REGULATORY OR ADMINISTRATIVE AUTHORISATIONS

The Group's businesses are not dependent on regulatory or administrative authorisations but may require accreditations or professional recognitions.

CLF-SATREM is APSAD certified for the installation and inspection of sprinkler systems. This certification is issued by CNPP, a certifying body recognised by the insurance industry. The Company needs it for the purposes of its routine maintenance activities and some new installations, at the request of customers and their insurers. The certification would only be lost were the company to fail to satisfy the technical recommendations in the APSAD reference framework.

The Group's business activities in the nuclear sector require professional certification by CEFRI (Comité français de certification des Entreprises pour la Formation et le suivi du personnel travaillant sous Rayonnements Ionisants - Companies' French certification committee for training and follow-up of employees working in ionising radiation) or EDF (EDF-UTO certification). In order to obtain such certification, suitable structures, special procedures and staff training must be put in place. This certification would only be lost were the companies in question to fail to respect the required standards and procedures.

RESEARCH AND DEVELOPMENT

Given the size of its R&D budget, the Group uses the research tax credit system. Any scaling back of this system in the future would adversely affect the amount of R&D expenditure that the Group could reasonably fund.

The Group has an active policy of patenting in order to protect its inventions. To this end, it has recourse to intellectual property experts.

When filing a patent relating to K-Ster C, ECA SA found a patent by BAE Systems plc for a submersible designed to clear mines but had concluded together with its advisers that not only did K-Ster C not infringe that patent but in fact that the patent belonging to BAE Systems plc did not involve a new invention. ECA SA was nevertheless found guilty of infringing that patent at first instance. It has appealed this conviction.

LITIGATION

The Group may be involved in litigation and disputes with third parties. Ongoing litigation is reviewed and provisions funded in the financial statements or disclosures made in the notes to the consolidated financial statements (Note 5.2 "Exceptional events and disputes") in Section 20.3.1 and in Section 20.8 "Legal and arbitration proceedings" below.

4.2 INDUSTRIAL AND ENVIRONMENTAL RISKS

In the course of its business activities, the Group does not use or handle hazardous materials (asbestos, radioactive materials, etc.) or release toxic or hazardous substances into the air or water. Nevertheless, until June 2009 NTC Technologies, a subsidiary of Nucléaction, operated a facility that had a lead melter classified under ICPE regulations. This facility was closed and the Company no longer uses any lead melters. The ICPE classification is in the process of being removed, with the tests carried out by APAVE as part of this process concluding that NTC Nucléaction (formerly NTC Technologies) had not caused any lead pollution. The Baumert facility in Dreux (formerly SCM-Verboom) also has a lead melter but it had already been out of use for a number of years by the time of the Group's acquisition of the company.

The Group is not exposed to any other specific risk.

4.3 CREDIT AND/OR COUNTERPARTY RISK

Given the diversity of the Group's business activities and markets, the profile of its customers (primarily institutionals and major buyers) and its ability to obtain a growing number of new contracts, it is not exposed to a specific customer risk.

The Group as a whole is not overly reliant on any one customer, as can be seen from the percentage of consolidated revenue contributed by each of the top five customers:

Customer A: 8.9%;

Customer B: 5.6%;

Customer C: 5.0%;

Customer D: 5.0%;

Customer E: 3.7%.

In 2011, the top five customers accounted for 38% of revenue, versus only 28% in 2012. The top 20 Group customers accounted for 52% of consolidated revenue (58% in 2011). It can, however, happen that a particular Group subsidiary receives a substantial deal flow from a particular customer: for example ECA CNAI from Airbus, Baumert from EDF. The contacts and number of transactions done with these customers make it possible to avoid concentrating the risk on too few deals.

The quality of the Group's customers and the credit management and collection procedures mean that customer credit risk can be controlled. Provisions for impaired trade receivables represented 2.6% of trade receivables, versus 2.0% in 2011. Past-due trade receivables are disclosed in the notes to the consolidated financial statements (Note 4.11 "Trade receivables") in Section 20.3.1 below.

The Group's business activities are primarily concentrated in Western Europe. Internationally, the Group primarily deals with major buyers or public buyers. Aside from Ai Group, there is no exposure to significant country risk.

Ai Group, which became part of the Group at end-2011, has business ties with Iran. The Group made sure that Ai Group's exports complied with European Union rules whilst also ensuring the proper filing of the requests for approval by the French Treasury (Direction Générale du Trésor - DGT) required for every order. Furthermore, in order to safeguard against a possible tightening of sanctions against Iran, Ai Group only makes deliveries upon receipt of customer payments. Changes in European sanctions against Iran could nevertheless have an impact on Ai Group's sales.

The Group employs a range of sources to procure components or sub-assemblies. Given this high level of fragmentation, there is no dependence on any subcontractor or supplier.

4.4 OPERATING RISKS

RISKS ASSOCIATED WITH TECHNOLOGICAL DEVELOPMENTS

In some of its markets, the Group is required to continually monitor the state of the art technically and technologically. The subsidiaries in question have substantial R&D budgets for the purpose of developing new products or solutions that best meet the needs of customers or prospects.

RISKS ASSOCIATED WITH COMPETITION

Many Group buyers are increasingly looking to reduce their number of suppliers and build strong, enduring partnerships, with suppliers assisting them with their plans, and are exerting a great deal of pressure on product and service pricing. This difficulty is compounded by the economic climate, with competitors generally being inclined to accept price cuts that might be considered unreasonable in order to win orders.

In this regard, the Group's expertise, and the quality of its products and services are key success factors. The Group thus endeavours to keep quality levels extremely high across all its businesses and to obtain certification for them. The stock market listing of Groupe Gorgé and ECA, the Group's financial strength and low debt, the diversity of its businesses and markets, and its international footprint raise the Group's profile compared with its competitors.

RISKS ASSOCIATED WITH MARKET CHANGES

The Group as a whole is positioned in a range of different markets, which can develop independently. A sharp slowdown in investment plans in one market may adversely affect the business of the subsidiary or subsidiaries in question whilst having limited consequences at group level.

There has been substantial growth in the "Protection in Nuclear Environments" core business. The potential hazards of nuclear energy are often a matter of public debate, and this has an influence on the approval and timing of plans to build new nuclear power stations. The growth of this core business could be affected. Difficulties managing growth could also come about, whether in the commercial, technical or administrative realms. This growth means that it is necessary to regularly strengthen the core business's management structures, to successfully bring on board the necessary qualified staff and to exploit all possible synergies within the Group.

KEY PERSON RISKS

The Group's success and development are dependent on the work and experience of key employees and of the management team. The departure or loss of a key person could adversely affect the business, financial position and results of a subsidiary or of the Group.

Group employees are naturally motivated by the commercial or technical appeal of the projects on which they work. The introduction of profit-sharing and shareholding plans may also serve as additional motivation.

The Groupe Gorgé management team also endeavours to ensure that a company's success is not built around an overly small group of people and that managers at subsidiaries consider drawing up succession plans for key people.

RISKS ASSOCIATED WITH CONFIDENTIALITY

A substantial amount of documentation provided to the Group by its customers is covered by confidentiality agreements. The techniques and processes used by the Group must also be kept confidential, particularly vis-à-vis the competition. There is, however, a risk that confidential information may be disclosed. The Group has drawn up rules and procedures to avoid this risk.

INSURING OPERATING RISKS

The insurance taken out by the Group to insure against possible risks encompasses:

civil liability;

property, plant and equipment;

leased facilities.

All these policies have been taken out with reputable insurance companies.

RISKS OF FAILURE TO MEET PERFORMANCE OBLIGATIONS

The Group cannot totally discount the risk that it might have problems meeting a performance obligation it has contractually promised a customer. The Group has long experience managing this risk and applies controls when approving contracts. Such a risk may, nevertheless, occur and adversely impact the margin on the contract in question.

4.5 LIQUIDITY RISK

Liquidity risk is discussed in the notes to the consolidated financial statements (Note 4.16 "Management of financial risk") in Section 20.3.1 below. The Group's low net debt and its financial position give it access to substantial financing, notably enabling it to fund acquisitions.

The Company specifically reviewed its liquidity risk and believes it is in a position to meet all future maturities.

4.6 MARKET RISKS

The risks associated with interest rates, foreign exchange rates, equities and other financial instruments are discussed in the notes to the consolidated financial statements (Note 4.16 "Management of financial risk") in Section 20.3.1 below. Most international deals are denominated in euros. Foreign exchange risk is thus relatively easy to control. The risk associated with equities and other financial instruments is marginal in light of the Group's prudent policy, and is only significant with respect to treasury shares. Interest rate risk is discussed in detail in the notes to the consolidated financial statements.

The Group is not exposed to any particular commodity risk. When a customer order is likely to expose the subsidiary in question to a commodity risk (steel, lead), an escalator clause is typically included in the contract at the subsidiary’s request.

INFORMATION ABOUT THE ISSUER

5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1 COMPANY NAME

Groupe Gorgé SA.

The Company's former name was Finuchem SA until the combined Shareholders' Meeting of 30 June 2009.

5.1.2 PLACE OF REGISTRATION AND REGISTRATION NUMBER

RCS Paris 348 541 186

Code ISIN FR0000062671- GOE

5.1.3 DATE OF INCORPORATION AND TERM

The company Groupe Gorgé was created on 3 November 1988 for a period of 99 years expiring on 3 November 2087.

5.1.4 REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LAW

In 2012, the Company moved its registered office to 19 rue du Quatre Septembre, 75002 Paris, France. Telephone: +(33) 1 44 77 94 77.

The Company is a limited liability company under French law with a board of directors.

5.1.5 HISTORY

In 1988, Jean-Pierre Gorgé creates Finuchem (renamed the Groupe Gorgé in 2009). In 1992, the company moves into the field of robotics by acquiring the struggling ECA, a company specialising in the design of Smart Safety Systems. Further expanding into robotics, Finuchem acquires Polymatic Industries in 1996.

In 1998, the year of Finuchem's listing on the secondary market of the Paris stock exchange, it generates revenue of €49 million. The listing on the stock exchange enables the Group to further develop into Industrial Projects and Services, a rapidly expanding sector in the early 2000s. At that time, the Group is a strong player in industrial robotics implanted for the most part in automobile sector, which was very dynamic at the time.

In 2004, ECA is listed on the stock exchange and Raphaël Gorgé joins as Deputy CEO. Spearheaded by Raphaël Gorgé, Finuchem moves away from the automobile sector, a difficult and costly move over the short term, but necessary in redesigning and reshaping the Group over the long term. The exit from the automobile sector begins in 2005 and is completed during 2008.

In 2008, Raphaël Gorgé is appointed Chief Executive Officer and Jean-Pierre Gorgé as Chairman of the Board. The Group quadruples its size in ten years and generates revenue of €184 million. ECA is the world leader in underwater robotic mine disposal.

In 2009, the Group consolidates its position in industrial safety by merging Finuchem with the company Balisco, an industrial player in the field of nuclear protection and fire-hazard solutions and services. The entity is renamed "Groupe Gorgé" underscoring the managers' belief in a family-owned group. Groupe Gorgé has global revenue of €200 million, is deployed throughout the world and is managed by the Gorgé family, who owns the majority share.

Since 2009, the Group has been established in three areas of industrial expertise: Smart Safety Systems, Protection in Nuclear Environments and Industrial Project Services. These services can be deployed separately or in parallel with each other in the large sectors where the Group operates.

In September 2011, Raphaël Gorgé is appointed Chairman and Chief Executive Officer. In December 2011, the Fonds Stratégique d'Investissement (FSI), having recognised Groupe Gorgé as a competitive and innovative industrial player, acquires a stake of 8.4% in the Group to assist it in its future development.

5.2 INVESTMENTS

The Group invests primarily in its research and development programs, which are described in Chapter 11 "Research and development, patents and licenses" of this Registration Document.

5.2.1 MAJOR INVESTMENTS

In addition to research and development, the Group's ongoing investments include IT equipment, software, workshop tools and the fitting and installation of sites.

(millions of euros)	2012	2011
Research and development [1]	2.3	4.1
Other intangible assets [2]	1.1	0.9
Land and buildings	0.6	1.1
Technical installations, equipment	2.0	1.6
Other fixed assets [3]	0.2	1.1
TOTAL		8.9

(1) Only capitalised R&D.
(2) Primarily fixed assets in progress and ECA's ERP.
(3) Advance payments and fixed assets in progress.

5.2.2 MAJOR ONGOING INVESTMENTS

In addition to research and development, ongoing investments are essentially being made for asset renewal projects. The investments are self-financed for the most part.

As described in Chapter 11, the Group continues to invest in research and development.

5.2.3 MAJOR INVESTMENTS FOR WHICH THE GOVERNING BODIES HAVE ALREADY MADE FIRM COMMITMENTS

None.

BUSINESS OVERVIEW

6.1 PRINCIPAL ACTIVITIES

Groupe Gorgé is an independent industrial group specialising in three areas of industrial expertise: Smart Safety Systems, Protection in Nuclear Environments and Industrial Projects and Services. The Group is committed to ensuring its customers' complete safety and providing outstanding service.

6.1.1 SMART SAFETY SYSTEMS

ECA and its subsidiaries operate in this core business.

It designs smart safety systems with high added technological value to operate in hostile and restricted environments for both civil and military use.

Designed by a team of engineers, the Smart Safety Systems enable work to be carried out in environments considered inaccessible or hazardous to humans, by inspecting and securing zones in hostile or constrained territory and by training humans in dangerous situations.

The business provides:

robotics for harsh and constrained environments: underwater inspections, mine killers, manipulator arms and towed systems, systems for imagery and bathymetry, unmanned ground vehicles, pipeline and borehole inspection systems;

control command systems: mobility and steering of submarines, measurement and test systems (acoustic and magnetic), energy converters and special underwater engines, machines for handling and disposing of radioactive substances (nuclear);

naval, land and aeronautic simulators: naval warfare simulators, gateway simulators (surface vessels and submarines), driving simulators for land based vehicles, aeronautic simulators for piloting and maintenance.

Research and development programs as well as constant innovation are the keys to success. While the customers of this business are very diverse, both the technology and expertise are quite similar from one application to another.

6.1.2 INDUSTRIAL PROJECTS AND SERVICES

This core business carries out Industrial Projects for industrial companies and companies in the service sector and oversees their maintenance: creating production tools and turnkey operation areas – projects and services in industrial robotics, iron works, automation, electricity and fire safety.

Teams of specialists perform these services in adherence to strict quality, safety and environmental criteria.

Industrial and engineering services:

Installation and industrial maintenance;

industrial robotics;

electricity, automation, control system;

iron works, structural steelwork.

Fire safety systems and services:

designing, installing and maintaining:

- fixed automatic safety systems using sprinklers,
- fire hose reels,
- fixed systems for special risks (powder, foam, gas, water spray),

designing and providing fireproof and explosion-proof doors and walls.

This business serves a large number of different sectors: aeronautics, defence, naval, agri-food, automotive, water/environmental, electronics, energy, oil industry, petrochemical, nuclear plants, shopping centres and other public buildings, chemical, paper, pharmaceutical/cosmetics/health, transport/logistics, etc.

6.1.3 PROTECTION IN NUCLEAR ENVIRONMENTS

This core business develops safety shielding solutions for buildings in which radioactive materials are used (including nuclear power plants) as well as protection for those working in ionising environments.

The engineers in this core business also carry out engineering and specialised consultancy assignments on studies and research for the safety of nuclear installations, as well as of petrochemical sites and energy innovation industries.

These activities require the development of high-performance products and solutions allied to the high-level expertise of teams working in an extremely strict regulatory framework.

For high security shelters, the business develops the following types of doors: neutron, biological, blast deflector, noise-proof, burglar resistant, fire protection, activated security device, watertight and airtight.

The Group also offers fire protection shielding systems (fire-resistant glaze).

In terms of radiation protection, the business also provides mobile shielding for maintenance operations in nuclear power plants (lead blankets), designs and develops special safety appliances for the handling of high risk materials, and sells security and safety products for those working in ionising environments.

It also operates in the nuclear energy sector (EDF nuclear power stations, the Hague reprocessing plant, research centres of the French CEA (Atomic Energy Commission), third generation EPR power stations) as well as in the field of medical and industrial radiation protection (medicine, research, chemical and pharmaceutical).

6.2 MAJOR MARKETS

The Group's revenue is broken down by business and geographic area in the table below:

2012 FINANCIAL YEAR

(in thousands of euros)	France	%	Europe	%	Other	%	Total Revenue	%
Industrial Projects and Services	59,679	44%	2,899	14%	13,724	26%	76,303	37%
Smart Safety Systems	60,660	45%	12,262	58%	26,102	50%	99,024	47%
Protection in Nuclear Environments	15,303	11%	5,957	28%	12,277	24%	30,645	16%
Structure and revenue across core businesses	(236)	(0%)	-	-	-	-	(236)	(0%)
TOTAL	135,406	100%	21,118	100%	52,103	100%	208,627	100%
%	65%		10%		25%		100%	

2011 FINANCIAL YEAR

(in thousands of euros)	France	%	Europe	%	Other	%	Total Revenue	%
Industrial Projects and Services	63,306	36%	5,356	26%	3,651	11%	72,313	32%
Smart Safety Systems	98,612	56%	12,061	58%	18,405	55%	129,077	56%
Protection in Nuclear Environments	15,927	9%	3,219	16%	11,500	34%	30,645	13%
Structure and revenue across core businesses	(3,253)	(2%)	-	-	-	-	(3,253)	(1%)
TOTAL	174,592	100%	20,636	100%	33,555	100%	228,782	100%
%	76%		9%		15%		100%	

6.3 EXCEPTIONAL EVENTS THAT COULD HAVE HAD AN IMPACT ON THE COMPANY'S ACTIVITIES OR MARKETS

The Group's activities are diversified both technically and by sector, allowing it to take advantage of the counter-cyclical nature of the markets in which it operates. However, each subsidiary taken on its own cannot benefit from such advantage.

In 2010 and 2011, the activity level of the core business Smart Safety Systems was boosted by large orders from the aeronautic sector, which were exceptional in size. Orders of such amounts are not common.

To the management's knowledge, there was no exceptional event in 2012 that would have influenced the Company's activities or markets during the previous financial year or as of the filing date of this Registration Document.

6.4 THE COMPANY'S DEPENDENCY ON PATENTS, LICENSES OR OTHER SIMILAR RIGHTS

The Group has patents for various types of products. However, most of the Group's revenue does not depend on any specific patent or license.

In June 2012, the subsidiary ECA was convicted in the court of first instance of infringing a patent of BAE Systems. It is challenging this conviction and has filed an appeal while also requesting that the allegedly infringed patent be invalidated. Given that the amount of the related revenue generated by the Group is immaterial, these legal proceedings have no significant impact on the Group's long-term business prospects.

6.5 INFORMATION ON WHICH THE ISSUER HAS BASED ANY STATEMENTS REGARDING ITS COMPETITIVE POSITION

None.

ORGANISATIONAL CHART

7.1 SUMMARY DESCRIPTION OF THE GROUP

The major moves that have taken place are as follows:

	Acquisitions	Disposals
2012	SERES TECHNOLOGIES VAN DAM BV	
2011	AI GROUP	ALMITEC FAURE QEI
2010		N'SERV
2009	Absorption of BALISCO (companies BAUMERT, NTC NUCLÉACTION, CLF-SATREM) SCM-VERBOOM TRITON IMAGING FAURE QEI	RECIF TECHNOLOGIES SINTERS Canada CIMLEC Slovakia CNA and M SYSTEMS
2008	ALMEITA (1)	LOTUS TECHNOLOGIES FTS
2007	NTS	

(1) ALMEITA is a subsidiary of ALMITEC.

The organisation of the Group is as follows:

Groupe Gorgé SA is a holding company, whose assets are made up of the stakes in its subsidiaries. The Company does not carry out any industrial activities, and it is purpose is to:

implement the Group's strategy defined with Pélican Venture, its parent company;

supervise the management of subsidiaries (human resources, communication, operations, etc.);

liaise with the financial community (banks, stock market, etc.);

provide technical assistance (management control, legal, etc.);

develop and maintain common procedures (reporting, management control, accounting, etc.).

Its funding is guaranteed by the dividends that it receives and a contract for the provision of services based on the invoicing of actual costs concluded between Groupe Gorgé SA and its subsidiaries (ECA, Cimlec Industrie, Nucléation, CLF-Satrem, Ai Group, Seres Technologies).

Groupe Gorgé SA and its subsidiaries have also concluded a contract for the provision of services with Pélican Venture (holding company of the Gorgé family and majority shareholder of Groupe Gorgé) .

On account of this contract, Pélican Venture defines the general policy and strategy of the companies of the Group in terms of organisation, external growth, recruitment policy, financial communication and funding policy.

For this, Pélican Venture gets paid by invoicing each company, through Groupe Gorgé, on the basis of actual costs. This agreement, in force since 2006, is concluded for an indefinite period. Since 2006, both Jean-Pierre Gorgé (Director and former Chairman of Groupe Gorgé) and Raphaël Gorgé (CEO) are remunerated only by Pélican Venture.

Pélican Venture is an SAS (Simplified Joint-Stock Company) with a capital of €3,309,778.08. Its consolidated shareholder's equity (2011) was €115 million, with its main asset being its stake in Groupe Gorgé. Its other assets in 2012 included:

Sopromec SA, private equity-owned company, managing approximately €14 million of the capital;

an FCPI and FIP fund management company, Promelys Participations SA;

stakes of approximately 10% in Auplate and Columbus Gold (mining companies listed on ALTERNEXT and in Toronto respectively);

a majority stake in Recif Technologies (company designing and assembling robots for the semi-conductor industry);

FrancEole SAS (company owning FrancEole Creusot) and Céole (recently renamed FrancEole Dijon) (manufacturers of windmills);

as well as real estate and financial assets.

7.2 LIST OF IMPORTANT SUBSIDIARIES

The list of the Group companies, grouped by core business, can be found in Note 3 "Scope of consolidation" of the notes to the consolidated financial statements in Section 20.3.1 of this document.

PROPERTY, PLANT AND EQUIPMENT

8.1 FIXED ASSETS

The Group's fixed assets comprise of certain real estate assets as described below, fittings and installations and IT equipment. The vehicle fleet is for the most part leased from specialised agencies. The Group only has a limited amount of production machinery as its business is not one of large-scale industrial production. However, it does have tooling for which it has not measured the usage rate.

With respect to real estate, the Group mainly leases its sites under standard leasing agreements. The sites that are currently being leased do not present any risk in terms of their extended availability or that of other similar operating sites.

The Group owns certain sites used for its activities in La Garde (near Toulon in the French department 83, ECA's principal site) in Lannion (French department 22, ECA Faros' site) and in Schaeffersheim (French department 67, principal site of the Protection in Nuclear Environments business). Other sites are under lease: Gênes (Italy, ECA Sindel's site) and in Les Mureaux (French department 78, Cimlec Industrie, Tenwhil, NTS and CLF-Satrem site). In addition to these operating sites, the Group also owns a vacant building in Les Mureaux.

8.2 ENVIRONMENTAL ISSUES THAT MAY HAVE AN IMPACT ON THE USE OF FIXED ASSETS

The Group does not have any industrial equipment or machinery that could have a significant impact on the environment.

REVIEW OF FINANCIAL POSITION AND RESULTS

9.1 FINANCIAL POSITION

The Company's and Group's financial position is discussed in the management report included in Appendix 1 to this document, Section 7 "Group financial position".

9.2 OPERATING INCOME

The Company's and Group's operating income is discussed in the management report included in Appendix 1 to this document, Sections 4 "Group's business and results during the financial year" and 11 "Presentation of the annual financial statements of the parent company".

LIQUIDITY AND CAPITAL RESOURCES

10.1 EQUITY

Detailed information on the equity and cash flow can be found in Chapter 20 "Financial information concerning the issuer's assets and liabilities, financial position and profits and losses" herein.

10.2 SOURCES AND AMOUNTS OF CASH FLOWS

Detailed information on the equity and cash flow can be found in Chapter 20 "Financial information concerning the issuer's assets and liabilities, financial position and profits and losses" herein.

10.3 BORROWING REQUIREMENTS AND FUNDING STRUCTURE

Borrowings are discussed in Notes 4.15 "Borrowings" and 4.16 "Management of financial risk" to the consolidated financial statements, in Chapter 20 "Financial information concerning the issuer's assets and liabilities, financial position and profits and losses" herein.

10.4 RESTRICTIONS ON THE USE OF CAPITAL RESOURCES

The main financial covenants are described in Note 4.16 "Management of financial risk" to the consolidated financial statements, found in Chapter 20.3.1 herein.

10.5 ANTICIPATED SOURCES OF FUNDS NEEDED TO MAKE INVESTMENTS

No planned Group investment is conditional on receipt of anticipated significant funding.

RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Group invests significantly in research and development to maintain and further develop its competitive edge. The Group files patent applications when necessary in protecting a technical, technological or commercial breakthrough.

In 2012, the Group's research and development was mainly focused on the following areas:

adapting special doors for AP1000 nuclear power plants;

radiation protection and cells to improve power plant safety;

expanding the AUV (Autonomous Underwater Vehicle) program: energy management system, launch and recovery system in heavy sea states, high performance modular electric propulsion system;

moving ahead with the Inspector USV (Unmanned Surface Vehicle) program: system to automatically place and recover the robot underwater via a land drone;

land robots: developing autonomy and endurance.

The Group consistently seeks external financing to cover these investments (French Defence Procurement, OSEO (France's National Agency for Industrial Innovation), FUI (French Single Inter-Ministry Fund), Europe, Regional, etc.) and uses its French tax credit for research.

R&D expenditures have been estimated at approximately €7.6 million, including €2.3 million in fixed costs in the consolidated financial statements. R&D expenditures financed by clients (upstream studies) amount to €1.4 million and relate exclusively to Smart Safety Systems (ECA and subsidiaries), which accounted for most of the total expenditures (€6.5 million out of €7.6 million and €1.5 million of capitalised costs out of a total of €2.3 million).

R&D expenditures are for the most part internal costs and it is very rare that R&D work is sub-contracted. The tax credit for research for the financial year amounts to €2.2 million, of which €1.7 million recognised in income and €0.5 million as deferred income. Out of €2.2 million in tax credits for research, €1.8 million was utilised by the Smart Safety Systems business.

INFORMATION ON TRENDS

12.1 RECENT TRENDS

The Group publishes its first quarter financial results at the end of April.

The financial results for the first quarter are normally relatively low compared to the annual results. There has been no significant trend reversal compared to the end of 2012.

12.2 TRENDS FOR 2013

At the beginning of 2013, the orders for our three core businesses have been at a satisfactory level. The orders for Smart Safety Systems have increased on a year-to-year basis and the volume of tenders is high, especially for export. For Industrial Projects and Services, the level of orders is down but it represents five months of activity, which is a solid level for activities with a shorter tenders and production cycle compared to the other core businesses. However, there are disparities within this core business; the subsidiary Cimlec Industrie has less thriving prospects (number of tenders) than the fire protection activities. Protection in Nuclear Environments is continually growing its business and gaining more tenders. The Group is closely following the current economic situation to which Industrial Projects and Services is the most exposed.

PROFIT FORECASTS OR ESTIMATES

Groupe Gorgé has chosen not to disclose any profit forecasts or estimates.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.1 MEMBERS OF ADMINISTRATIVE BODIES AND SENIOR MANAGEMENT

The Board of Directors of Group Gorgé had the following six members as of 31 December 2012: Mr Michel Baulé, Ms Catherine Gorgé, Mr Jean-Pierre Gorgé, Mr Raphaël Gorgé (Chairman & CEO), Ms Martine Griffon-Fouco and Ms Sylvie Lucot.

The Board of Directors appointed Sacha Talmon (representing the FSI [Fonds stratégique d'investissement - France's strategic investment fund]) as an observer. The latter participates in meetings of the Board of Directors but isn't entitled to vote.

The other offices and positions held by the members of the Board of Directors can be found in Section 17.2 "List of offices" in the management report included in Appendix 1. It also details the family ties between Mr Jean-Pierre Gorgé, Mr Raphaël Gorgé and Ms Catherine Gorgé.

As far as the Company is aware, no member of the Board of Directors or corporate officer has, over the past five years, been convicted of fraud, been involved in his/her capacity as a member of the Board of Directors or manager in a bankruptcy, receivership or liquidation, been charged and/or officially sanctioned by a legal or regulatory authority, or been barred by court order from serving on an administrative, management or supervisory board of an issuer or from being involved in the management or running of an issuer.

14.2 CONFLICTS OF INTERESTS

As far as Groupe Gorgé is aware there are no conflicts of interest between the personal interests of members of the administrative bodies and their duties to the Company.

The Fonds stratégique d'investissement (FSI), Jean-Pierre Gorgé, Raphaël Gorgé and Pélican Venture signed a shareholders' agreement on 12 December 2011 pursuant to which the Gorgé family undertakes: to retain control of Groupe Gorgé for a period of 36 months from the capital increase of 27 December 2011; that Pélican Venture continues to be controlled by Jean-Pierre Gorgé and Raphaël Gorgé; and to retain control of ECA. Furthermore, the Gorgé family and FSI undertook not to carry out any capital increase at Groupe Gorgé that would result in the concert party exceeding any threshold that would require it to file a tender offer for Groupe Gorgé shares.

On 3 January 2012, the AMF (Autorité des marchés financiers - French financial markets authority) published on its website the main provisions of the shareholders' agreement (AMF Decision and Notification no. 212C0011).

As far as Groupe Gorgé is aware, the directors and executive corporate officers have not agreed to any restrictions regarding the free transferability of any interests they may have.

REMUNERATION AND BENEFITS

15.1 REMUNERATION PAID TO DIRECTORS AND EXECUTIVE CORPORATE OFFICERS

Please see tables 1 to 10 in Section 17.3 "Remuneration and benefits-in-kind paid to corporate officers" in the management report included in Appendix 1.

15.2 PENSION, RETIREMENT OR SIMILAR BENEFITS

Please see tables 1 to 10 in Section 17.3 "Remuneration and benefits-in-kind paid to corporate officers" in the management report included in Appendix 1.

PRACTICES OF ADMINISTRATIVE AND MANAGEMENT BODIES

16.1 DATE OF EXPIRY AND LENGTH OF TERMS OF OFFICE ON ADMINISTRATIVE AND MANAGEMENT BODIES

Please see Sections 17.1 "Proposal to reappoint Michel Baulé to the Board of Directors" and 17.2 "List of offices" in the management report in Appendix 1.

16.2 SERVICE CONTRACTS BETWEEN CORPORATE OFFICERS AND THE COMPANY OR ITS SUBSIDIARIES

No corporate officer has any service contract with the Company or its subsidiaries.

Pélican Venture, the family holding company of the Gorgé family and the main shareholder in Groupe Gorgé, entered into service agreements with Groupe Gorgé and the subsidiaries of Groupe Gorgé, as described in Chapter 7.1 herein.

16.3 AUDIT COMMITTEE AND REMUNERATION COMMITTEE

Up to end-2012 and to reflect the entry into force of Order 2008-1278 of 8 December 2008 transposing into French law EC Directive 2006/43, the Company's Board of Directors had decided to assign Audit Committee duties to the Board of Directors. Ms Sylvie Lucot, independent director, chaired the meetings of the Board of Directors when it met as the Audit Committee.

Three committees (audit, remuneration and strategy) were established in the fourth quarter of 2012:

the members of the Appointments and Remuneration Committee are: Ms Martine Griffon-Fouco (Chairwoman), Mr Michel Baulé and Ms Catherine Gorgé;

the members of the Audit Committee are: Ms Sylvie Lucot (Chairwoman) and Mr Sacha Talmon (Observer on the Board of Directors);

the members of the Strategy Committee are: Mr Raphaël Gorgé (Chairman), Mr Michel Baulé and Ms Martine Griffon-Fouco.

16.4 COMPLIANCE WITH THE CORPORATE GOVERNANCE RULES

At its meeting of 7 April 2010, the Board of Directors of Groupe Gorgé resolved to adopt the MIDDLENEXT corporate governance code for small and medium-sized companies. The application of the recommendations in this report is discussed in the report on the work of the board and internal control included in Chapter 16.5.

16.5 CHAIRMAN'S REPORT ON THE WORK OF THE BOARD AND INTERNAL CONTROL

"Dear Shareholders,

Pursuant to the provisions of Article L. 225-37 paragraphs 6 to 10 of the French Commercial Code, I hereby report to you on:

Board membership and the application of the principle of gender balance;

the conditions of preparation and organisation of the work of the Board of Directors during the financial year ended 31 December 2012;

the internal control and risk management procedures established by the Company;

the extent of the powers of the CEO;

the Company's reference to a corporate governance code and its application by the Company;

any special arrangements regarding shareholder participation in Shareholders' Meetings;

the principles and rules established by the Board of Directors to determine the remuneration and benefits-in-kind of corporate officers.

The disclosures required pursuant to Article L. 225-100-3 of the French Commercial Code (factors likely to have an effect in the event of a public offer) can be found in the management report.

1. MEMBERS OF THE BOARD OF DIRECTORS, CONDITIONS OF PREPARATION AND ORGANISATION OF THE BOARD'S WORK

1.1 Board members

The Board of Directors has six directors and one observer. The current list of members is as follows:

Mr Michel Baulé, independent director;

Ms Catherine Gorgé, director;

Mr Raphaël Gorgé, Chairman & CEO and director;

Mr Jean-Pierre Gorgé, director;

Ms Martine Griffon-Fouco, director representing Fonds Stratégique d'Investissement;

Ms Sylvie Lucot, independent director;

Mr Sacha Talmon, observer representing Fonds Stratégique d'Investissement.

The rules governing the operation of the Board of Directors can be found in the bylaws and are set out in detail in the Board's Internal Regulations.

With respect to the application of the principle of gender balance on the Board, it should be noted that both sexes are already equally represented (only counting the directors and not the observer).

1.2 Frequency of meetings – Attendance record of directors

Over the past year, the Board of Directors met nine times. Directors have a very strong attendance record.

1.3 Calling board meetings

In accordance with article 15 of the bylaws, Board meetings may be called by any means, including verbally.

In 2012, Board meetings were called by email.

In accordance with Article L. 225-238 of the French Commercial Code, the Statutory Auditors were invited to the Board meetings that discussed and approved the interim (half-yearly) financial statements and the annual financial statements.

1.4 Provision of information to directors

Directors were provided with all the papers, technical dossiers and information required to carry out their duties either when meetings were called or prior to Board meetings.

1.5 Holding of meetings

Meetings of the Board of Directors are held at the registered office. The Internal Regulations approved by the Company's Board of Directors allow for video-conferencing or other telecommunications technologies to be used subject to the regulatory requirements for holding the meetings of the Board of Directors.

1.6 Board committees

In accordance with Article L. 823-19 of the French Commercial Code, the Company established an Audit Committee in 2010. In light of the size of the Company and of the Board of Directors at that time, and as permitted by law, in 2010 the Board of Directors decided to assign Audit Committee duties to the Board of Directors. The expansion of the Board in 2012 made possible the creation of three Board committees in the fourth quarter of 2012:

an Appointments and Remuneration Committee;

an Audit Committee;

a Strategy Committee.

In the course of preparing the interim and annual financial statements, the Audit Committee met with the Company's Statutory Auditors to prepare the closing of accounts and to get updates from the Statutory Auditors on their work. The Committee started mapping the Group's risks as part of its work on the internal control and risk management systems.

1.7 Decisions taken

In the course of the past year, the Board of Directors took routine decisions that were in the Company's best interests.

1.8 Meeting minutes

Minutes of Board of Director meetings are drawn up following each meeting and sent to all directors without delay.

2. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

"Internal control is a process effected by an entity's Board of Directors, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

Effectiveness and efficiency of operations;

Reliability of financial reporting;

Compliance with applicable laws and regulations."

(Committee of Sponsoring Organizations of the Treadway Commission – COSO)

For AFEP and Medef, internal control procedures *"are designed to:*

a) ensure that the management and performance of operations together with employee conduct comply with the framework governing the company's activities as defined by its management, applicable laws and regulations and the company's values, standards and internal rules; and

b) check that the accounting, financial and management information provided to the Company's management fairly reflects the Company's position."

The company has developed internal control procedures with a view to achieving, to the extent possible, strict financial management and risk control, and preparing the information provided to shareholders on the financial position and financial statements.

The main risks facing the Group are discussed in the management report and the Registration Document published by the Company and filed with the AMF ("Risk Factors").

The internal control system is built around the following organisation and methodologies:

2.1 General organisation of internal control

The Chairman & CEO, assisted by the Chief Financial Officer and Chief Operating Officer, established the Company's internal control system with a view to ensuring:

the safeguarding and integrity of assets; and

the reliability of information flows;

This internal control system primarily encompasses:

oversight of the Group's business by means of the introduction of a procedure for monthly reporting of sales, profit (loss) and cash flow;

the organisation of accounting closes by means of a procedure for twice yearly accounting closes and the production of consolidated financial statements;

the quarterly preparation of consolidated revenue numbers by means of a special reporting procedure and satisfaction of legal disclosure requirements.

2.2 Group organisation

Groupe Gorgé SA does not carry on any industrial activities and its purpose is to:

define and implement the Group's strategy;

supervise the management of subsidiaries (human resources, communication, procurement, etc.);

liaise with the financial community (banks, stock market, etc.);

develop and maintain common procedures (reporting, management control, accounting, etc.).

The Group is split into three core businesses: Smart Safety Systems, Protection in Nuclear Environments, Industrial Projects and Services. Each division is independent and has its own operational structures (senior management, finance department, management control, etc.).

Management at the Group's main operating subsidiaries reports directly to the Group's senior management.

2.3 Implementing internal control

2.3.1 Business reporting

All direct and indirect subsidiaries of Groupe Gorgé send in scorecards, the format of which has been defined by HQ, which include the following business indicators:

monthly and year-to-date sales;

monthly order intake;

total order book;

highlights.

These scorecards, once approved by the finance chiefs and senior management in the division, are sent to HQ on the 5th of each month together with any notes or commentary required to analyse and understand them.

2.3.2 Performance reporting

All direct and indirect subsidiaries of Groupe Gorgé prepare a monthly income statement in the format defined by HQ with a comparison against the budget. The cash flow position and a three-month cash flow forecast are also included. These reports also include a section on human resources and risks/litigation.

This information, together with any commentary required to understand it and following approval by management, is sent to HQ on the twentieth of each month.

Monthly meetings are held between Group management and management of subsidiaries to discuss the information sent and to consider any corrective measures taken or to be taken and to update forecasts.

These monthly reports are accompanied by an end-of-year income statement, which is updated a number of times during the year.

These reports are discussed with the subsidiaries at monthly meetings.

2.3.3 Accounting closes

All Group companies share the same annual reporting date of 31 December and interim reporting date of 30 June (except for Redhall Group, which is accounted for under the equity method and which uses 30 September as its annual reporting date and 31 March as its interim reporting date).

A decentralised consolidation data input system is used. An internal manual details the principles and policies applied by the Group for the purposes of preparing the consolidation reporting.

The interim and annual financial statements as well as the consolidation reporting are audited by the Statutory Auditors.

A review meeting between Group management and core business management is held at each accounting close in order to agree the relevant options for said accounting closes.

The Group's consolidated financial statements are prepared internally in accordance with applicable principles and are audited by the Statutory Auditors. The consolidation software used is REFLEX v 12 (from Lefebvre Software).

Following these accounting closes, all legal disclosure requirements are satisfied.

2.3.4 Quarterly business reports

The Group publishes its quarterly consolidated revenue numbers in line with the official calendar. These numbers are prepared in the same way as for the preparation of the consolidated financial statements. The quarterly reports are prepared on the basis of the business and profit (loss) reports and discussions with management at subsidiaries.

2.3.5 Assessment of internal control

In 2009, the Group, in consultation with its Statutory Auditors, drew up an internal control self-assessment procedure. A self-assessment questionnaire prepared by Group management was sent out to the main subsidiaries. Filled in by the managing director and finance director of each recipient subsidiary, the questionnaire is designed to highlight those aspects of internal control that could be improved. The responses, which are provided to the Statutory Auditors, can result in corrective actions and are used to assess year-on-year progress.

The initial responses to the self-assessment questionnaires did not show up any serious internal control deficiencies. The risk mapping done in 2011 used these responses as general background.

Further internal control self-assessment may be done in the future.

In the second half of 2012, ECA Robotics, a subsidiary of ECA SA, installed a new ERP system, Microsoft Dynamics AX. Before considering rolling out the ERP system in other ECA subsidiaries, and even if no major problems occur, the system's overall level of control and reliability need to be enhanced. The internal control procedures pertaining to procurement and cash management are in need of corrective actions. Relevant action plans have been drawn up.

2.4 Preparation and control of accounting and financial information for shareholders

The Chairman and CEO, assisted by the Chief Financial Officer, establishes the financial communications policy.

SFAF information sessions are organised twice a year to mark the presentation of the interim and annual financial statements.

Accounting and financial information is only released following the approval, where appropriate, by the Group's Statutory Auditors and Board of Directors.

2.5 Legal and regulatory compliance

In order to ensure that their businesses are in compliance with applicable regulations, Group companies have recourse to the Group's legal department and to external advisers (lawyers, labour law experts and intellectual property experts).

2.6 Deadline for the publication of the interim report

In 2012, the Group published its interim report on 13 September 2012 (on 16 September 2011 the previous year). The 2013 interim report will be published within a similar time-frame.

The Group supports calls for an extension to the deadline for the publication of interim reports by medium-sized issuers. Indeed, despite changes to the accounting close processes of subsidiaries and a significant shortening of the time required compared to previous years, it isn't possible for the process of consolidating the financial statements, auditing them and holding a meeting of the Group's Board of Directors to be completed before 31 August.

3. POWERS OF THE CEO

At its 14 September 2011 meeting, the Board of Directors resolved that the positions of Chairman of the Board of Directors and of CEO would be held by a single person.

It should be noted that, when he was appointed, no restrictions were placed on the powers of the CEO. Subsequently, the investment agreement entered into with the FSI did restrict some of the CEO's powers.

4. THE COMPANY'S REFERENCE TO A CORPORATE GOVERNANCE CODE AND ITS APPLICATION BY THE COMPANY

In December 2009, MIDDLENEXT published a corporate governance code for small and medium-sized companies and at the 7 April 2010 meeting of the Board of Directors the Company resolved to adhere to this new code. Thus, the Company referred to the MIDDLENEXT governance code for the purpose of drawing up this report. This code can be consulted on the MIDDLENEXT website (www.middlenext.com).

The Board of Directors took note of the items in the "Items requiring careful attention" section. Its recommendations are respected:

Recommendation 1 (combination of employment contract and corporate office): corporate officers do not combine an employment contract with their corporate office within Groupe Gorgé or its subsidiaries;

Recommendation 2 (definition and transparency of executive remuneration): the various components of the remuneration packages enjoyed by corporate officers are detailed in the management report;

Recommendation 3 (severance pay): corporate officers do not enjoy any severance pay or any benefit likely to be triggered by their departure or change in position or under a non-compete clause;

Recommendation 4 (supplementary pension schemes): corporate officers benefit from a supplementary pension scheme, as indicated in the management report;

Recommendation 5 (stock options and free share awards): managers weren't in receipt of any stock options or free share awards in 2012;

Recommendation 6 (introduction of the Board's Internal Regulations): in order to comply with this recommendation, on 17 February 2012, the Board adopted new Internal Regulations, specifically detailing the Board's role, independence criteria for directors, the duties of directors and the operation of the Board;

Recommendation 7 (Code of Ethics for Board members): on 17 February 2012, the Board adopted Internal Regulations that specified, amongst other things, the ethical obligations of its members. In particular, every director must inform the board in the event of a conflict of interest, and as the case may be, either refrain from voting on the matter at hand, not attend the Board meeting, or resign as director;

Recommendation 8 (Board members - presence of independent board members): the Board has two independent members (namely Ms Sylvie Lucot and Mr Michel Baulé);

Recommendation 9 (choice of directors): details of the experience and expertise of directors must be provided when they are put forward for appointment or reappointment. The appointment of each director must be the subject of a separate resolution;

Recommendation 10 (length of the terms of office of Board members): the length of the terms of office of directors is set at six years, as permitted by law. This gives enough time to gain an understanding of the Group's various businesses;

Recommendation 11 (provision of information to Board members): to the extent possible, notices of Board meetings are accompanied by draft minutes and any papers that may be required to prepare for the Board meeting. Particularly sensitive or urgent matters may be discussed without papers first being distributed or with prior notification being given shortly before the date of the Board meeting. Directors may also be informed of any major event or plan outside of Board meetings;

Recommendation 12 (establishment of committees): 2012 saw the establishment of three committees: an Audit Committee (separate from the full Board), a Strategy Committee (primarily tasked with reviewing any planned acquisition by the Company) and an Appointments and Remuneration Committee (primarily tasked with reviewing the membership of the Board of Directors, including of its committees, and the remuneration and benefits of corporate officers);

Recommendation 13 (meetings of the Board and of its committees): as indicated earlier in this report, the Board of Directors meets on average seven to eight times a year, with directors having a strong attendance record. Minutes are drafted for each meeting;

Recommendation 14 (allocation of directors' fees on the basis of director attendance records): since directors have a very strong attendance record at Board meetings, meeting attendance was not a determining factor in 2012 for the purposes of allocating directors' fees;

Recommendation 15 (assessment of the work of the Board): once a year, the Chairman of the Board invites directors to give their views on how the Board is run and its work prepared.

5. ANY SPECIAL ARRANGEMENTS REGARDING SHAREHOLDER PARTICIPATION IN SHAREHOLDERS' MEETINGS

The bylaws do not contain any provision derogating from ordinary law regarding the arrangements for shareholder participation in Shareholders' Meetings (see article 22 of the Bylaws inserted in the "General information" section of the Company's Registration Document).

6. THE PRINCIPLES AND RULES ESTABLISHED BY THE BOARD OF DIRECTORS TO DETERMINE THE REMUNERATION AND BENEFITS-IN-KIND OF CORPORATE OFFICERS

The remuneration and benefits-in-kind received by corporate officers are detailed in the management report.

This report was approved by the Board of Directors on 5 April 2013.

Paris, 5 April 2013

The Chairman of the Board of Directors

16.6 STATUTORY AUDITORS' REPORT PREPARED PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF GROUPE GORGÉ

Dear Shareholders,

In our capacity as Statutory Auditors of Groupe Gorgé and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by your Company's Chairman in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the financial year ended 31 December 2012.

It is the Chairman's responsibility to prepare and submit to the Board of Directors for approval a report detailing the internal control and risk management procedures implemented by the company and providing the other information required under Articles L. 225-37 of the French Commercial Code, and in particular relating to corporate governance.

It is our responsibility:

to report to you on our observations on the information set out in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and

to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this other information.

We conducted our work in accordance with the professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Professional standards require that we carry out our work in such a way as to assess the fairness of the information on the internal control and risk management procedures relating to the preparation and processing of the financial and accounting information set out in the Chairman's report. This work primarily consisted of:

obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;

obtaining an understanding of the work done to prepare this information and the existing documentation;

obtaining an understanding of the evaluation process put in place to assess the quality and completeness of its documentation, regarding the information relating to the evaluation of internal control and risk management procedures;

determining if any material weaknesses in the internal control and risk management procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information provided on the Company's internal control and risk management procedures relating to the preparation and processing of financial and accounting information which are set out in the report of the Chairman of the Board of Directors, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We attest that the report of the Chairman of the Board of Directors sets out the other information required under Article L. 225-37 of the French Commercial Code.

Courbevoie and Paris, 18 April 2013

MAZARS	COREVISE
Bernard España	Stéphane Marie
Statutory Auditors	
Members of the *Compagnies Régionales de Versailles et Paris*	

EMPLOYEES

17.1 NUMBER OF EMPLOYEES AND BREAKDOWN

At 31 December 2012, the Group had 1,290 employees broken down as follows:

	Industrial Projects and Services	Smart Safety Systems	Protection in Nuclear Environments	Registered office	Total
Executives and engineers	168	307	75	6	556
Technicians and supervisors	83	141	36	2	262
Employees	76	83	12	-	171
Workers	181	54	67	-	302
TOTAL	507	585	190	8	1,290

17.2 HOLDINGS AND STOCK OPTIONS OF CORPORATE OFFICERS

See tables 4 to 9 in section 17.3 "Compensation and benefits-in-kind of the corporate officers" in the management report found in Annex 1.

17.3 EMPLOYEE SHAREHOLDING IN THE ISSUER'S SHARE CAPITAL

The Group's option plans to subscribe or purchase shares, grant free shares or grant warrants on issued shares are described in Note 4.19 of the notes to the consolidated financial statements in Chapter 20.3.1 "The consolidated financial statements at 31 December 2012" of this Registration Document.

MAJOR SHAREHOLDERS

18.1 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

Pélican Venture is the majority shareholder of Groupe Gorgé (61.51% of the share capital). Jean-Pierre Gorgé and Raphael Gorgé directly hold 0.90% and 2.88%, respectively. These three shareholders together own 65.29% of the share capital. Le Fonds Stratégique d'Investissement holds 8.4% of the share capital. The company Eximum, controlled by Mr Michel Baulé, holds 5.61%.

To the Company's knowledge, there is no other shareholder holding more than 5% of the share capital or voting rights. A table showing the breakdown of share capital and voting rights is included in section 15 "Shareholder Base" in the management report found in Annex 1.

18.2 VOTING RIGHTS OF THE MAJOR SHAREHOLDERS

In accordance with the Company's bylaws, Groupe Gorgé shares that have been held in registered form for more than four years carry double voting rights. Pélican Venture therefore holds a considerable number of shares with double voting rights.

18.3 CONTROLLING SHAREHOLDERS

A shareholders' agreement was signed in December 2011 between Fonds Stratégique d'Investissment and Pélican Venture, Raphaël Gorgé and Jean-Pierre Gorgé.

Two Independent Directors sit on Groupe Gorgé's Board of Directors. Having two Independent Directors (a person who has no association with the Company, its group or its management that is such to influence his or her free judgement) ensures that there is no abuse or misuse of power as these Independent Directors could take the appropriate action if they discovered any such abuse.

18.4 AGREEMENT THAT COULD BRING ABOUT A CHANGE OF CONTROL

None.

RELATED-PARTY TRANSACTIONS

Related-party transactions are described in Note 4.24 "Related Parties" of the notes to the consolidated financial statements found in Chapter 20.3.1 of this Registration Document.

FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

20.1 HISTORICAL FINANCIAL INFORMATION

Please refer to:

for the year ended 31 December 2011: the management report, the consolidated and individual financial statements and the related reports of the Statutory Auditors, which are included in the Registration Document filed with the French Financial Markets Authority (AMF) on 19 April 2012 (under registration no. D.12-0371);

for the year ended 31 December 2010: the management report, the consolidated and individual financial statements and the related reports of the Statutory Auditors, which are included in the Registration Document filed with the French Financial Markets Authority (AMF) on 26 April 2011 (under registration no. D.11-0366).

20.2 PRO FORMA FINANCIAL INFORMATION

Not applicable

20.3 FINANCIAL STATEMENTS

20.3.1 CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2012

Assets

(in thousands of euros)	Notes	31/12/2012	31/12/2011
NON-CURRENT ASSETS		75,253	67,600
Goodwill	4.8	21,479	18,336
Intangible assets	4.8	26,376	28,723
Property, plant and equipment	4.7	15,716	15,443
Investment property	4.7	298	298
Financial assets: loans and receivables	4.9	1,402	973
Financial assets: equity interests in non-consolidated companies	3.2	156	156
Equity interests reported using the equity method	4.9	6,566	5
Deferred tax assets	4.23	3,256	2,595
Other non-current assets	4.12	7	1,073
CURRENT ASSETS		202,738	196,817
Inventory and work in progress	4.10	22,245	18,042
Trade receivables	4.11	110,820	120,100
Other current assets	4.12	14,486	13,819
Tax receivables	4.23	5,619	2,951
Cash and cash equivalents	4.14	49,567	41,904
ASSETS HELD FOR SALE		-	-
TOTAL ASSETS			264,417

Liabilities

(in thousands of euros)	Notes	31/12/2012	31/12/2011*
EQUITY (GROUP SHARE)		49,857	53,968
Share capital[1]	4.18	12,732	12,732
Share premiums[1]		17,199	18,485
Retained earnings and other reserves[2]		19,926	23,050
NON-CONTROLLING INTERESTS		20,675	22,751
NON-CURRENT LIABILITIES		48,996	28,296
Long-term provisions	4.20	4,732	3,334
Non-current financial debt	4.15	40,157	17,705
Financial instruments and derivatives	4.17	1,081	-
Deferred tax liabilities	4.23	1,868	6,091
Other non-current liabilities	4.13	1,157	1,167
CURRENT LIABILITIES		158,464	159,289
Short-term provisions	4.21	13,485	8,017
Current borrowings and financial debt	4.15	20,827	20,485
Financial instruments and derivatives	4.17	68	35
Trade payables	4.13	38,503	48,922
Other current liabilities	4.13	85,023	81,347
Tax payable	4.13	558	482
Liabilities held for sale		-	-
TOTAL LIABILITIES			264,417

** 2011 column restated to reflect the items described in Note 2.1*
(1) Of the consolidating parent company
(2) Including income (loss) for the year

Consolidated income statement

(in thousands of euros)	Notes	2012	2011*
REVENUE	4.1	208,627	228,782
Capitalised production		2,979	4,150
Inventories and work in progress		1,036	2,524
Other income from operations		4,086	3,284
Purchases consumed		(122,507)	(145,431)
Personnel expenses		(72,901)	(69,279)
Tax and duties		(3,068)	(2,870)
Depreciation, amortisation and provisions (net of reversals)	4.2	(6,305)	(6,638)
Negative goodwill		-	18
Other operating expense (net of income)		(507)	(36)
CURRENT OPERATING INCOME		11,440	14,503
Non-recurring items in operating income	4.3	(11,224)	(1,104)
OPERATING INCOME		216	13,399
Interest on gross debt		(1,301)	(1,123)
Interest on cash and cash equivalents		225	284
COST OF NET DEBT (a)	4.4	(1,076)	(839)
Other financial income (b)		273	563
Other financial expense (c)		(350)	(437)
FINANCIAL INCOME AND EXPENSE (d = a + b + c)	4.4	(1,153)	(713)
INCOME FROM CONTINUING OPERATIONS BEFORE TAX		(937)	12,686
Income tax	4.23	2,682	(2,191)
Group share of the earnings of equity-accounted companies		1	(10)
INCOME FROM CONTINUING ACTIVITIES AFTER TAX		1,745	10,485
Net income from discontinued activities	4.25	(1,497)	(1,993)
NET INCOME		249	8,492
Net income attributable to non-controlling interests		(1,213)	2,066
NET INCOME - GROUP SHARE			6,426
Average no. of shares	4.5	12,714,924	11,372,459
Net income from continuing operations per share (in euros)	4.5	0.233	0.740
Net income per share (in euros)	4.5	0.115	0.565

** 2011 column restated to reflect the items described in Note 2.1*

Income statement - gains and losses recognised directly in equity

(in thousands of euros)	2012	2011*
NET INCOME	249	8,492
Currency translation adjustments	30	66
Revaluation of hedging derivatives	(33)	(35)
Revaluation of hedging derivatives - liabilities	(1,081)	-
Revaluation of available-for-sale financial assets	-	-
Revaluation of property, plant and equipment	-	-
Actuarial gains and losses on defined benefit plans	(1,086)	(116)
Group share of gains and losses recognised directly in equity of equity-accounted companies	-	-
Tax	373	29
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	(1,797)	(57)
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY		8,435
of which Group share	(147)	6,385
of which non-controlling interests	(1,402)	2,050

** 2011 column restated to reflect the items described in Note 2.1*

Cash flow statement

(in thousands of euros)	Notes	2012	2011
NET INCOME FROM CONTINUING OPERATIONS		1,745	10,485
Accruals	4.6	14,752	6,685
Capital gains and losses on disposals		(306)	716
Group share of income of equity-accounted companies		(1)	10
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	4.6	16,190	17,896
Cost of net debt	4.4	1,076	839
Tax expense	4.23	(2,682)	2,191
CASH FLOW FROM OPERATING ACTIVITIES (AFTER ELIMINATION OF NET BORROWING COSTS AND TAXES)		14,584	20,926
Tax paid	4.23	(1,802)	(3,417)
Change in working capital requirements	4.6	(3,461)	(7,710)
NET CASH FLOW FROM OPERATING ACTIVITIES (a)		9,322	9,799
Investing activities			
Payments/acquisition of intangible assets		(3,378)	(5,083)
Payments/acquisition of property, plant and equipment		(2,346)	(3,886)
Proceeds/disposal of property, plant and equipment and intangible assets		102	280
Payments/acquisition of long-term investments		(496)	(91)
Proceeds/disposal of long-term investments		99	244
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	4.6	(9,645)	751
NET CASH (USED IN)/ GENERATED BY INVESTING ACTIVITIES (b)		(15,664)	(7,785)
Financing activities			
Capital increase or contributions		-	8,880
Dividends paid to parent company shareholders		(3,814)	(2,958)
Dividends paid to non-controlling interests		(1,238)	(1,817)
Proceeds from borrowings		32,125	13,529
Repayment of borrowings		(4,221)	(5,058)
Cost of net debt	4.4	(1,076)	(839)
NET CASH (USED IN)/ GENERATED BY FINANCING ACTIVITIES (c)		21,777	11,738
CASH GENERATED BY CONTINUING OPERATIONS (d=a+b+c)		15,434	13,752
CASH GENERATED BY DISCONTINUED OPERATIONS		(2,117)	(364)
CHANGE IN CASH AND CASH EQUIVALENTS		13,318	13,388
Effects of exchange rate changes		*(14)*	*(1)*
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4.14	34,706	19,204
Restatement of cash and cash equivalents[(1)]		(2,402)	1,751
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4.14	47,724	34,706

(1) Restatement of cash and cash equivalents (2012): treasury shares (-€0.3 million) and contribution to discontinued activities (-€2.12 million)

Presentation of cash flow with separation of continuing and discontinued activities

(in thousands of euros)	Continuing operations	Discontinued operations
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	34,706	-
Treasury shares	(285)	-
Changes during the year	15,434	(2,117)
Contribution of cash to discontinued operations	(2,117)	2,117
Change	(14)	-
Discontinued operations (restatement/derecognition)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	47,724	-

Statement of changes in equity

(in thousands of euros)	Share capital	Reserves	Income	Group	Non-controlling interests	Total
31/12/2011 published	12,732	35,109	6,426	54,267	23,133	77,400
Adjustment at the beginning of the year	-	(299)	-	(299)	(269)	(568)
31/12/2011 adjusted(1)	12,732	34,810	6,426	53,968	22,864	76,832
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	-	(1,609)	1,462	(147)	(1,402)	(1,549)
Capital increase	-	-	-	-	-	-
Appropriation of income	-	6,426	(6,426)	-	-	-
Effect of IFRS on stock options	-	130	-	130	18	148
Dividends	-	(3,804)	-	(3,804)	(1,494)	(5,298)
Effect of bond component	-	3	-	3	3	6
Effect of IFRS on the change in treasury shares over the period	-	(196)	-	(196)	(109)	(305)
Effect of IFRS on capital gains on treasury shares	-	20	-	20	9	30
Changes in scope	-	(118)	-	(118)	786	669
Other effects	-	-	-	-	-	-
31/12/2012	12,732	35,663	1,462	49,857	20,675	70,532

(1) Equity at the beginning of the year restated to reflect the items described in Note 2.1

(in thousands of euros)	Share capital	Reserves	Income	Group	Non-controlling interests	Total
31/12/2010	11,575	25,567	2,584	39,728	24,474	64,202
Adjustment at the beginning of the year	-	(299)	-	(299)	(269)	(568)
31/12/2010 adjusted(1)	11,575	25,268	2,584	39,429	24,205	63,634
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	-	(41)	6,426	6,385	2,050	8,435
Capital increase	1,158	7,500	-	8,658	83	8,741
Appropriation of income	-	2,584	(2,584)	-	-	-
Effect of IFRS on stock options	-	192	-	192	72	264
Dividends	-	(2,902)	-	(2,902)	(1,873)	(4,775)
Effect of IFRS on the change in treasury shares over the period	-	2,027	-	2,027	(3)	2,024
Effect of IFRS on capital gains on treasury shares	-	6	-	6	4	10

Changes in scope	-	215	-	215	(1,713)	(1,497)
Other effects	-	(42)	-	(42)	40	(3)
31/12/2011 adjusted(1)	12,732	34,810	6,426	53,968	22,864	76,832

(1) Equity at the beginning of the year restated to reflect the items described in Note 2.1

Notes to the consolidated financial statements

The consolidated financial statements of Groupe Gorgé were approved by the Board of Directors on 5 April 2013; the notes form an integral part of the consolidated financial statements.

The Group's financial year covers the 12 months from 1 January to 31 December. The income statement is presented according to the nature of items, and the cash flow statement is prepared according to the model provided by CNC recommendation 2009-R03 of 2 July 2009 relating to the format of company financial statements under international financial reporting standards.

The balance sheet is prepared in the current/non-current format. Current assets meet one of the following criteria:

they are

produced, sold or consumed within the business cycle;

they are held for trading purposes or on a short-term basis (12 months);

they consist of cash or cash equivalents.

The other assets are non-current assets.

Current liabilities are expected to be settled within the business cycle or must be settled in the 12 months following the end of the previous financial year.

Unless otherwise indicated, all figures are shown in thousands of euros.

NOTE 1 SIGNIFICANT EVENTS

The figures shown here for comparison purposes in relation to 2011 differ from those previously published. The adjustments made concern the correction of an error relating to the company ECA CSIP and changes arising from the restatement of income statement items. A reconciliation is shown in Note 2.1.

1) Acquisition of 60% of Seres Technologies in May 2012

This company, which was established three years ago, performs studies on the safety of nuclear sites. In 2011, it recorded revenue of €1.3 million. The backing from Groupe Gorgé in the Protection in Nuclear Environments business will enable it to accelerate its development by facilitating its recruitments and providing it with access to the most important markets. This acquisition, worth €0.95 million, was financed by debt. The Group and the non-controlling shareholders have call or put options on the remaining shares held by the company's two founders. The company has been consolidated since 1 May 2012.

2) Acquisition of an equity interest in Redhall Group (UK)

Redhall Group is an engineering group based in the UK, which specialises in engineering and services in niche sectors, mainly in hostile environments or environments subject to strict security and safety constraints. This group mainly operates in the defence and nuclear sectors.

A commercial agreement was signed by Redhall Group and Groupe Gorgé envisaging cooperation on the market for doors and partitions systems for the UK's future nuclear power plants. This partnership will bring together the unique experience of Groupe Gorgé in doors for use in third-generation nuclear plants and Redhall Group's human resources and knowledge of the UK nuclear market.

On 1 March 2012, Groupe Gorgé acquired shares on London's AIM market that took its holding to 15.15% (4,522,000 shares at an average price of £97.40 per share). This stake was boosted through the acquisition of new shares on the market in 2012. With a 19.46% stake in the capital of Redhall Group, the Group is now the principal shareholder. Redhall Group is consolidated using the equity method.

3) Judgement against ECA in a patent infringement case

In a decision handed down on 29 June 2012, the Paris Regional Court (*Tribunal de grande instance*) dismissed ECA's request to invalidate a BAE patent and consequently ruled that ECA had infringed the claims of this patent (see press release of 3 July 2012). ECA has lodged an appeal against this ruling. After paying €2 million, ECA received permission from the enforcement judge (*Juge de l'Exécution*) to stagger payment of the balance of the provisional compensation over 24 months from December 2012.

ECA recorded a €6.2 million provision in its financial statements corresponding to the provisional compensation and the ancillary charges determined by the court, classified on the income statement under "non-recurring items in operating income". ECA contests the amount of compensation.

4) Acquisition of 90% of Van Dam in the Netherlands

On 31 December 2012, Groupe Gorgé acquired a 90% stake in Van Dam, in the Netherlands, through two holding companies. This company specialises in fire and blast resistant walls and doors, particularly for off-shore platforms, defence or off-shore wind power. In 2012, 100% of the company's revenue of €7.9 million was recorded outside France. In view of the acquisition date (31 December 2012), Van Dam was consolidated in the 2012 financial statements, but without contributing to the profit for the year.

NOTE 2 ACCOUNTING PRINCIPLES

2.1 Reconciliation between the financial statements published in 2011 and those provided for the purposes of comparison

A correction was made to the financial statements published previously, concerning the company ECA CSIP (UK). Following a late claim by a client, it was discovered that the amount of £474 thousand had been invoiced twice, a number of years ago. The financial statements were corrected at the beginning of the comparative period, i.e. 1 January 2011, by the amount of €568 thousand.

The balance sheet items that were adjusted are as follows:

(in thousands of euros)	2011 published	Correction amount	2011 corrected
EQUITY (GROUP SHARE)	54,267	(299)	53,968
NON-CONTROLLING INTERESTS	23,133	(269)	22,864
CURRENT LIABILITIES	158,721	568	159,289
Trade payables	48,354	568	48,922

Moreover, the Group uses the concept of "Current operating income" in order to facilitate the comparison of its financial statements and the measurement of its operating performance. Adjustments were made to the 2011 income statement in order to adopt the same classification as used in 2012 for the same type of expenses. These adjustments, as shown in the table below, have no impact on operating income. The breakdown of non-recurring items in operating income is shown in Note 4.3.

(in thousands of euros)	2011 published	Amount of adjustment	2011 restated
REVENUE	228,782	-	228,782
Capitalised production	4,150	-	4,150
Inventories and work in progress	2,524	-	2,524
Other operating income	3,284	-	3,284
Purchases consumed	(145,431)	-	(145,431)
Personnel expenses	(69,279)	-	(69,279)
Tax and duties	(2,870)	-	(2,870)
Depreciation, amortisation and provisions (net of reversals)	(7,469)	831	(6,638)
Negative goodwill	18	-	18
Other operating expense (net of income)	(36)	-	(36)
CURRENT OPERATING INCOME	13,672	831	14,503
Restructuring costs	(273)	273	-
Non-recurring items in operating income	-	(1,104)	(1,104)
OPERATING INCOME	13,399	-	13,399
Interest on gross debt	(1,123)	-	(1,123)
Interest on cash and cash equivalents	284	-	284
COST OF NET DEBT (a)	(839)	-	(839)
Other financial income (b)	563	-	563
Other financial expense (c)	(437)	-	(437)
FINANCIAL INCOME AND EXPENSE (d = a + b + c)	(713)	-	(713)
INCOME FROM CONTINUING OPERATIONS BEFORE TAX	12,686	-	12,686
Income tax	(2,191)	-	(2,191)
Group share of the earnings of equity-accounted companies	(10)	-	(10)
INCOME FROM CONTINUING ACTIVITIES AFTER TAX	10,485	-	10,485
Net income from discontinued activities	(1,993)	-	(1,993)

NET INCOME	8,492	-	8,492
Net income attributable to non-controlling interests	2,066	-	2,066
NET INCOME - GROUP SHARE	6,426	-	6,426

2.2 Accounting standards

The accounting standards used to prepare the consolidated financial statements comply with the regulations and interpretations of the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 31 December 2012. These accounting standards are consistent with those used to prepare the annual consolidated financial statements for the year ended 31 December 2011, with the exception of the new standards, revised standards and interpretations applicable from 1 January 2012:

IFRS 7 – *Financial Instruments: Disclosures – Transfers of Financial Assets*. This amendment has a dual objective: to improve the understanding of the relationship between transfers of financial assets that have not been fully derecognised and their related liabilities, and to evaluate the nature of the continued involvement of the entity in the derecognised financial assets and of the associated risks.

These principles, applied by Groupe Gorgé as of 31 December 2012, are unchanged from the IFRS as published by the IASB; the application of the amendments and interpretations, which is mandatory for financial years starting on or after 1 January 2012 in the standards published by the IASB, but not yet mandatory in terms of the standards adopted by the European Union, would not have a material impact.

Lastly, the Group has not applied the standards and interpretations that had not been adopted by the European Union as of 31 December 2012 or for which application is mandatory after 31 December 2012.

The Group does not expect these standards or interpretations to have a material impact on its consolidated financial statements.

The summary financial statements reflect the financial statements prepared according to IFRS as of 31 December 2012 and 31 December 2011. The 2010 financial statements, included in the Registration Document filed with the AMF on 26 April 2011 under no. D 10-0365, are included for reference purposes.

2.3 Consolidation principles

Consolidation method

The companies that are either directly or indirectly controlled by the Group are fully consolidated. Companies over which the Group exercises significant influence are accounted for using the equity method. Significant influence is assumed to exist when the Group holds more than 20% of the voting rights.

Acquisitions (or disposals) of companies during the year are recognised in the consolidated financial statements from the date on which the Group took direct or indirect control or gained significant influence (or until the date on which control or significant influence was lost).

The consolidation is carried out with reference to the financial statements or positions as of 31 December, except in the case of the Redhall Group, which was consolidated using the equity method, based on the financial statements as of 30 September.

The list of consolidated subsidiaries and equity interests is shown in Note 3.1. Certain subsidiaries, which are not significant in terms of the Group, may not be consolidated.

Translation of the financial statements of foreign companies

The currency in which the consolidated financial statements are prepared is the euro.

The financial statements of subsidiaries that have a different functional currency are translated into euros using:

the official exchange rate on the reporting date, in the case of assets and liabilities;

the average exchange rate for the year, in the case of income statement and cash flow statement items.

The average exchange rates for the year may be calculated using monthly exchange rates prorated in relation to revenue.

Translation differences arising from the application of these exchange rates are recognised under the item "Cumulative translation reserves" in consolidated equity.

Business combinations

Business combinations that are not under common control are recognised using the acquisition method, in accordance with IFRS 3R – *Business Combinations*.

The assets, liabilities and contingent liabilities of the acquired entity are recognised at their fair value at the end of a measurement period that may not exceed 12 months from the acquisition date. Any difference between the acquisition cost and the Group's share of the fair value of the assets and liabilities on the acquisition date is recognised as goodwill. Where the acquisition cost is lower than the fair value of the identifiable assets and liabilities acquired, the difference is immediately recognised in profit or loss.

The non-controlling interests are recognised on the basis of the fair value of the net assets acquired. Additional purchases of non-controlling interests after the date on which control is acquired do not require the remeasurement of the identifiable assets and liabilities. The difference between the acquisition cost and the additional share of the net assets acquired is recognised as a balancing entry in equity.

2.4 Valuation methods and rules

The financial statements have been prepared under the historical cost convention, except in the case of derivatives and available-for-sale financial assets, which are measured at fair value. Financial liabilities are measured at amortised cost. The carrying amount of hedged assets and liabilities and the related hedging instruments corresponds to their fair value.

The preparation of the financial statements requires that Group management or the subsidiaries' management make estimates and assumptions that affect the reported amounts of assets and liabilities on the consolidated balance sheet, the reported amounts of income and expense items on the income statement and the commitments relating to the period under review. The actual results may differ.

The above-mentioned assumptions mainly concern:

the calculation of the recoverable amounts of assets;

the calculation of provisions for risks and charges;

the calculation of income upon completion of work in progress;

the calculation of pension and other post-employment benefit obligations (assumptions set out in Note 4.20).

As the Group's consolidated companies operate in different sectors, the valuation and impairment methods used for certain items may vary according to the sector.

Intangible assets acquired separately or in a business combination

Intangible assets acquired separately are recognised in the balance sheet at their acquisition cost. They are subsequently measured at amortised cost, as recommended by IAS 38 – *Intangible Assets*. Intangible assets acquired in a business combination are recognised in the balance sheet at their fair value, determined on the basis of external valuations. These valuations are performed using generally accepted methods, based on future inflows. The value of intangible assets is tested on a regular basis for impairment.

With the exception of brands, intangible assets are amortised on a straight-line basis over their useful life, taking into account the period of legal protection, if applicable.

The value of amortised intangible assets is tested when there is any indication that their recoverable amount may be less than their carrying amount. Any impairment identified as a result of these tests is recognised under "Other operating income and expense".

Intangible assets acquired in a business combination are amortised when their useful life cannot be determined. The criteria for ascertaining whether or not the useful life of an intangible asset can be determined, and the length of useful life, if applicable, are as follows:

the reputation of the asset;

the period over which the asset is expected to be used in the Group's operations.

The value of intangible assets with an indefinite useful life is tested for impairment at least once a year and whenever there is an indication of impairment. An impairment loss is recognised whenever the recoverable amount of an asset is found to be below its carrying amount.

Internally-generated intangible assets

Development costs for new projects are capitalised if, and only if, the following criteria are met:

the project is clearly identified and the related costs are separately identified and reliably tracked;

the project's technical feasibility has been demonstrated and the Group has the intention and financial resources to complete the project and to use or sell the resulting products;

it is probable that the future economic benefits attributable to the project will flow to the Group.

Development costs that do not meet these criteria are expensed in the period in which they are incurred. This is notably the case for research and development work that may be carried out in connection with customer orders where the costs cannot be separated from the costs involved in fulfilling the order.

Capitalised development projects are amortised over the lifespan of the underlying technology, which generally ranges from 3 to 15 years from their date of completion, or in accordance with the number of products delivered as part of the project, with, in this case, an amortisation schedule beginning at the time the first product is sold.

Development costs are subject to impairment tests whenever there is an indication of impairment.

Goodwill

Goodwill corresponds to the difference between the cost of an acquisition and the fair value of the Group's share in the identifiable net assets acquired. Positive differences are recognised under "Goodwill" on the assets side of the balance sheet, while negative differences are recognised directly in the income statement. Income from the disposal of an entity includes the carrying amount of goodwill relating to the entity *sold.* The essential elements of the business (clientele, lease transfer rights, movable assets, etc.) are treated in the same way as goodwill.

Goodwill may be adjusted in the 12 months following the acquisition date to reflect the final calculation of the fair value of the assets and liabilities acquired.

Property, plant and equipment

Property, plant and equipment primarily comprises land, buildings and production equipment, and is recognised at purchase cost, less accumulated depreciation and any impairment losses, as recommended by IAS 16 – *Property, Plant and Equipment.*

Each component of an item of property, plant and equipment with a useful life that differs from that of the item as a whole, is depreciated separately on a straight-line basis, without taking into account the residual values. The useful lives of items of property, plant and equipment are generally considered to be the following:

buildings: 10 to 35 years;

plant, machinery and equipment: 3 to 10 years;

other: 3 to 12 years.

The useful life of items of property, plant and equipment used in operating activities reflect the estimated life cycles of the products. The useful life of items of property, plant and equipment are reviewed periodically, and may be adjusted prospectively, if appropriate.

Depreciation is expensed in the year incurred.

Items of property, plant and equipment are tested for impairment when there is an indication that they may be impaired. If applicable, a provision will be made on the income statement in current operating income under "Depreciation, amortisation and provisions (net of reversals)".

Financial assets

Non-consolidated equity interests are initially recognised in the balance sheet at their acquisition cost, and subsequently at fair value if this can be reliably measured. Where the fair value cannot be reliably measured, the equity interests are maintained at their acquisition cost, less any recognition of impairment that is deemed to be necessary.

In particular, an impairment loss is recognised when the value of an equity interest falls below the Company's stake in its equity, unless the results and outlook suggest that the situation could be reversed in the short or medium term.

Loans and receivables listed among non-current financial assets are recognised at amortised cost and are subject to impairment if there is an objective indication of a loss of value. Long-term financial receivables are discounted where the effect of discounting is deemed to be significant.

Impairment of non-current assets

Open-ended non-current assets are not amortised and are tested for impairment at each reporting date. These assets consist primarily of goodwill and open-ended intangible assets.

Amortised assets are tested for impairment when, due to special events or circumstances, the probability of recovering their carrying amount comes into question.

For the purposes of measuring impairment, assets are grouped into Cash-Generating Units (CGUs), which represent the lowest level of unit generating separate cash flow.

Impairment is accounted for to match the surplus of the carrying amount over the recoverable amount of a CGU. In the absence of market value, the recoverable amount of a CGU is its value after tax, calculated using discounted future cash flows.

The main CGUs used in the current configuration and organisation of the Group are: ECA EN, ECA CNAI, ECA Robotics, Ai Group, Baumert, Seres, Triton Imaging, Van Dam, CLF-Satrem, SSI.

Moreover, in some cases, the appearance of loss factors specific to certain assets other than goodwill may be grounds for testing and justify an impairment of these assets regardless of an impairment test on the CGU to which they were previously attached. These impairment factors may be related either to internal factors (e.g., changes in the assessment of management's ability to bring an R&D project to a conclusion) or external events (e.g., changing commercial outlook).

For non-financial assets other than goodwill that are impaired, the possible recovery of the impairment is reviewed on each reporting date. Goodwill impairment losses are irreversible.

Inventories and work in progress

Inventories of raw materials and semi-finished and finished goods are valued at the lower of their acquisition cost or their estimated net realisable value. The cost price is calculated using the FIFO or weighted average cost method.

The methods for valuing and impairing work in progress are tailored to the context of each consolidated company. However, the valuation principles generally accepted in the field are followed, including:

work in progress is valued at direct and indirect production costs, excluding all sales and financial costs;

hourly production rates are based on normal activity excluding any sub-activity cost;

when, based on the forecast revenue and cost estimates, a termination loss is probable, said loss is covered by an impairment provision for the portion included in work in progress and a provision for risks and charges for the part of costs yet to be committed.

How to take into account projects outstanding at the end of the year

Where companies are able to assess overall results with sufficient certainty, the method used is the recognition of revenue and income as projects progress. This method correctly translates the company's level of activity and income.

The progress rate used results from the relationship between the cost of production at the end of the year and the overall cost of the project. Progress-related revenue assessments are drawn up in accordance with the principle of prudence. Long-term contracts involving adaptations of an existing technology to customer needs and delivery of successive batches are assessed as and when batches are delivered in proportion to the costs. For supplies of spare parts and production equipment, margins are generated upon delivery and supplies and internal production costs are recognised as work in progress. For companies building special equipment, revenue and probable income are not recognised before the first stage of acceptance of the degree of progress by the customer.

When a termination loss is predictable, a provision is made.

Receivables and payables

Receivables and payables in euros are valued at their nominal value.

Provisions for impairment of bad debts are recognised when it becomes probable that the receivable will not be collected and it is possible to make a reasonable estimate of the amount of the loss.

Identification of bad debts and the amount of the corresponding provisions is based on historical experience of final losses on receivables, analysis by age of accounts receivable and a detailed estimate of specific accounts receivable and the related credit risks.

Currency translation adjustments

Transactions in foreign currencies are recognised using the exchange rate applicable on the date the transactions are recognised or the hedging rate. At closing, payables or receivables denominated in foreign currencies are converted into euros at the closing exchange rate or at the hedging rate. Currency exchange rate differences on foreign currency transactions are recognised in financial income.

Cash and cash equivalents

Cash and cash equivalents presented in the balance sheet consist of cash in hand, bank accounts, term deposits of no more than three months and marketable securities meeting the criteria in IAS 7.

Accrued interest earned on term accounts is recorded as investment income. A provision for impairment is recognised when the net asset value is less than the acquisition cost.

Treasury shares

Treasury shares held by Groupe Gorgé SA and ECA SA are recognised at their acquisition cost and deducted from equity, and are held at their acquisition cost until such time as they are sold.

Gains (losses) on the sale of treasury shares are added to (deducted from) consolidated reserves net of tax.

Non-current assets (or asset groups) held for sale, discontinued operations and operations sold or being sold

The Group applies IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* that requires specific recognition and disclosure of assets (or asset groups) held for sale and of operations that have been discontinued, sold or being sold.

Non-current assets, or directly related groups of assets and liabilities, are classified as held for sale if their carrying amount will be recovered principally through a sale rather than through continued use. For this to be the case, the asset (or asset group) must be available for immediate sale and its sale must be highly probable. These assets are no longer amortised once they qualify as assets (or asset groups) held for sale. They are presented on a separate line in the Group's balance sheet, without restatement of prior periods.

An operation which has been discontinued or sold or is on sale is defined as a component of an entity with cash flows independent from the rest of the entity and which represents a main or distinct business line or region. The income from these activities is presented on a separate line in the income statement and is restated in the table of cash flows for all periods reported.

Leases

Properties used in the framework of a lease are capitalised, in consideration of a debt, when the effect of the lease is to transfer almost all the risks and benefits of the ownership of the properties to the Group.

Leases where the risks and benefits are not transferred to the Group are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the term of the lease.

Provisions for risks and charges

The Group recognises a provision if it has an obligation to a third party prior to the reporting date, where the loss or liability is probable and can be reasonably estimated. In cases where such loss or liability is neither probable nor reliably measurable, but still possible, the Group reports a contingent liability in commitments (excluding the posting of contingent liabilities in the event of acquisition, see Note 2.3). Provisions are estimated on a case by case basis or on a statistical basis.

Provisions are primarily intended to cover:

economic risks: these include tax risks identified during inspections carried out locally by tax authorities and financial risks arising primarily on guarantees given to third parties covering certain assets and liabilities;

risks and charges on projects; these provisions comprise:

- statistical guarantee provisions: Group subsidiaries provide for all guarantees which may be given on equipment sales on a statistical basis. Some guarantees may cover 24 months;
- provisions for losses on completion of pending projects;
- provisions for work outstanding on projects already delivered;

restructuring costs, if the restructuring was covered by a detailed plan and an announcement or project launch before the reporting date.

Liabilities and financial instruments, derivatives

Financial liabilities consist primarily of current and non-current financial debt contracted with credit institutions, as well as bonds. These liabilities are initially recognised at fair value, from which are deducted if need be any directly attributable transaction costs. They are then valued at amortised cost based on their actual interest rate.

Financial instruments such as convertible bonds are recognised in accordance with IAS 32, i.e. separate posting of the bond component recorded as debt at amortised cost and of the share component recognised as equity (similar to selling a stock purchase option), expenses related to the issue being recognised as equity and debt respectively in proportion to the proceeds of the issue.

The Group uses, if it deems it necessary, derivative financial instruments to hedge against foreign exchange risks associated with operations. These risks mainly arise from sales in USD and GBP. The corresponding future cash flows are partially hedged by firm or optional forward exchange transactions. On initial posting, derivatives are recorded in the balance sheet at their acquisition cost. They are then valued at their fair value calculated on the basis of market prices provided by the relevant financial institutions. The Group applies hedge accounting for foreign exchange transactions according to the criteria defined by IAS 39. This is macro-hedging, with changes in the fair value of the hedging instrument being recognised as income.

The Group uses "swap" agreements to manage and hedge changes in interest rates.

The derivative instruments used are backed economically by the maturities, rates and currencies of the hedged loans. These contracts involve fixed and floating exchange rates. The interest differential is recognised as financial income or expense in return for interest receivable or payable as appropriate. For these interest rate instruments, the Group applies hedge accounting in accordance with IAS 39: instruments are recognised at cost and subsequently revalued at their fair value as at the balance sheet date.

The Group's financial instruments are allocated to hedging future transactions (*Cash Flow Hedge*). Thus, measurement of the change in fair value is as follows:

the effective portion of changes in fair value is recognised in the hedging reserve until the proposed transaction is closed. When the proposed transaction is completed, the amount recognised in equity is reclassified in earnings, with the income or expense being adjusted by the actual portion of the gain or loss on the fair value of the hedging instrument;

the ineffective portion of the change in fair value is recognised as financial income.

The fair value of *swap* agreements is calculated using valuation techniques based on observable market data, pursuant to IFRS 7.

Other long-term liabilities

Other long-term liabilities cover conditional investment subsidies and advances from Government and Technological Networks granted mainly for research and development programmes.

As regards conditional advances, increases in their balance sheet amount result from funds collected under ongoing projects and decreases from repayment or failure of the programmes. The share of these advances representing technological acquisitions (always refundable) appears in non-current liabilities under "Borrowings and financial debt". The refundable or non-refundable balance, based on the technical and commercial success of the project, is found in non-current liabilities in the balance sheet under "Other long-term liabilities", based on the percentage generally recognised on projects funded by these organisations (about 70%); this difference is recognised in the income statement when the company becomes aware that the programme has failed.

These debts would be discounted with lengthy payment deferral and no interest if the discounting were significant.

Payments in shares (stock options, share subscription warrants, allocation of free shares)

ECA, a Groupe Gorgé subsidiary, has established a stock option plan (for subscription or purchase of shares) and has issued subscription warrants to some employees. Stock purchase or subscription option prices are set on the date the Board of Directors grants the options. They cannot be less than 80% of the average opening price over the 20 trading days preceding that date. The price of stock options may not be less than 80% of the average purchase price of the shares held by the Company. The fair value of options and warrants is calculated using the Black-Scholes model.

ECA, Groupe Gorgé and Nucléaction have also set up free share allocation plans. Under the terms of these plans, the vesting period is at least two years and the obligation to retain any acquired shares is also at least two years. The final allocation is always subject to presence and performance conditions. The vesting periods ended in March 2012 (ECA), June 2012 (Nucléaction) and June 2013 (Groupe Gorgé). The fair value of free shares is calculated using the CNC valuation model, corrected by the IFRIC observations.

Changes in value subsequent to the grant date values do not affect initial option valuations, the number of options taken into account in valuing the plans being adjusted on each reporting date to reflect the probability of the beneficiaries being present at the end of the vesting period.

The valued benefit equates to a remuneration of the beneficiaries which is therefore recognised in payroll expenses, on a straight line basis over the vesting period in exchange for a corresponding adjustment in equity.

Company Savings Plan

In late 2009, ECA set up an ECA share purchase plan for its employees at a discount compared with the average market and subscription price. The fair value of this share plan is assessed in accordance with CNC (National Accounting Council) recommendation of 21 December 2004, taking into account the restriction of five years for the employee.

The valued benefit equates to a remuneration of the beneficiaries which is therefore recognised in payroll expenses in consideration of a corresponding adjustment to equity in the consolidated financial statements as at 31 December 2009, the operative event taking place in December.

Deferred taxes and underlying tax position

Deferred taxes corresponding to time differences between the tax and accounting bases of consolidated assets and liabilities are recognised using the liability method. Deferred tax assets are recognised when their future realisation seems likely on a date which can be reasonably determined.

Future income tax breaks arising from the use of tax loss carry-forwards (including unlimited carry-forward) are recognised only when they can be reasonably anticipated.

Deferred tax assets and liabilities are not discounted and are offset if they relate to the same taxable entity and have identical repayment maturities.

Definition of income tax

In accordance with standard practice and with IAS 12 and IAS 20, as the research tax credit is neither an element of taxable income, nor computed on the basis of taxable income, and as it is neither a tax liquidation component nor limited to the amount of tax liquidated, it is classified as operating income. Research tax credits for subsidiaries are recognised in current operating income rather than as a decrease in tax expense, if they are not generated by research and development expenses included in the consolidated balance sheet. If they are generated by research and development expenses recognised in the consolidated balance sheet, research tax credits are recognised as deferred income in liabilities and recognised in income at the rate of future amortisation.

Contributions on Corporate Added Value (CVAE) are recognised in income tax accounts, this tax being based on value added. The Group's analysis is based in particular on the definition of income tax as defined in IAS 12 and on an IFRIC position from 2006 that states that the term "taxable income" implies a notion of a net rather than a gross amount, although not necessarily identical to the accounting income. IRAP (Italian tax, also based on value added) is measured the same way.

Potential assets and liabilities

Assets and liabilities arising from past events, but whose existence will be confirmed only by the occurrence of uncertain future events. Contingent liabilities also include obligations not recognised because the amount cannot be measured with sufficient reliability.

Contingent assets and liabilities are disclosed in the notes to the consolidated financial statements, with the exception of contingent liabilities transferred to a consortium, which are recognised in accordance with the criteria defined by IFRS 3R.

Non-recurring items in operating income

To improve comparability among financial years, the Group has decided to isolate the non-recurring items in operating income and show a "current operating income".

Non-current items include restructuring costs, recognised or fully provisioned if they are liabilities arising from a Group obligation to third parties, which stem from a decision taken by a competent body, and which materialise before the reporting date through the announcement of said decision to third parties and provided the Group no longer expects consideration for these costs. These costs consist primarily of compensation for termination of employment contracts, severance pay, as well as miscellaneous expenses.

Other non-recurring items of operating income concern the acquisition costs of companies, amortisation of intangible assets recognised under acquisitions, impairment of goodwill and all unusual items by their occurrence or amount. A separate note reconciles current operating income and operating income.

Earnings per share

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders by the weighted average number of shares outstanding during the year calculated on a *pro rata* basis, net of treasury shares, in compliance with IAS 33.

The diluted earnings per share take into account dilutive instruments. It is calculated from the weighted average on a *pro rata* basis for the number of shares equivalent to shares outstanding during the year. The dilutive effect of share subscription or purchase options is calculated using the treasury stock method, taking into account the average over the period concerned.

Retirement commitments

The Group makes provisions for post-employment benefits (retirement pay) and long term employee benefit plans (awards). The cost of retirement and related benefits (awards) is provisioned for the remaining obligations. It is estimated for the entire workforce on the basis of accrued rights and a projection of current salaries, taking into account the risk of mortality, staff turnover and a discounting assumption. Actuarial gains and losses are now recognised fully as equity in the period in which they are incurred (the so-called SORIE method).

The provision for claims is updated annually on the basis of fee schedules in effect, changes to the assessment base, staff and mortality assumptions and discount rates (parameters are detailed in Note 4.20).

NOTE 3 SCOPE OF CONSOLIDATION

Companies included in the Group's consolidation scope are also included in that for Pélican Venture SAS.

3.1 List of consolidated companies

Companies	Parent company	% control		% interest		Method	
	to 31/12/2012	2012	2011	2012	2011	2012	2011
Consolidating company							
GROUPE GORGÉ SA		Top	Top	Top	Top	IG	IG
Structure							
FINU 4[1]	GROUPE GORGÉ SA	100	100	100	100	IG	IG
GORGÉ EUROPE INVESTMENT (Netherlands)	GROUPE GORGÉ SA	100	-	100	-	IG	-
GORGÉ NETHERLANDS (Netherlands)	GORGÉ EUROPE INVESTMENT	90	-	90	-	IG	-
SCI DES CARRIÈRES	GROUPE GORGÉ SA	100	100	100	100	IG	IG
Smart Safety Systems							
ECA[2]	GROUPE GORGÉ SA	69.73	69.51	53.48	52.65	IG	IG
ECA AMERICA LATINA (Brazil)	ECA SA	99.74	99.74	53.34	52.51	IG	IG
ECA CNAI	ECA SA	100	100	53.48	52.65	IG	IG
ECA CSIP Ltd (UK)[3]	ECA SA	-	100	-	52.65	-	IG
ECA DÉVELOPPEMENT[1]	ECA SA	100	100	53.48	52.65	IG	IG
ECA EN	ECA SA	100	100	53.48	52.65	IG	IG
ECA FAROS	ECA SA	98	98	52.41	51.59	IG	IG
ECA ROBOTICS	ECA SA	100	100	53.48	52.65	IG	IG
ECA SINDEL (Italy)	ECA SA	96.02	96.02	51.36	50.55	IG	IG
ECA SINDEL BRASIL (Brazil)	ECA SINDEL	100	-	51.25	-	IG	
ECA SINTERS	ECA SA	100	100	53.48	52.65	IG	IG
ESFE (Singapore)	ECA SA	100	100	53.48	52.65	IG	IG
OD ECA (Turkey)	ECA SA	60	60	32.09	31.59	IG	IG
SSI (United States)	ECA SA	100	100	53.48	52.65	IG	IG
TRITON IMAGING (United States)	ECA SA	100	100	53.48	52.65	IG	IG
1ROBOTICS (United States)	ECA SA	29.89	29.89	43.32	42.64	MEQ	MEQ
Industrial Projects and Services							
AI GROUP	GROUPE GORGÉ SA	51	51	51	51	IG	IG
AIGX (Dubai)	AI GROUP	100	-	51	-	IG	-
CIMLEC IBERICA (Spain)	CIMLEC Industrie SAS	100	100	100	100	IG	IG
CIMLEC INDUSTRIAL (Romania)	CIMLEC Industrie SAS	100	100	100	100	IG	IG
CIMLEC INDUSTRIE	GROUPE GORGÉ SA/CLF	100	100	100	100	IG	IG
CLF-SATREM	GROUPE GORGÉ SA	100	100	100	100	IG	IG
FAURE QEI[4]	-	-	100	-	100	IG	IG
MFG DEUTSCHLAND[1] (Germany)	CIMLEC Industrie SAS	100	100	100	100	IG	IG
NTS France	CIMLEC Industrie SAS	100	100	100	100	IG	IG
NTS IBERICA (Spain)	NTS France SAS	100	100	100	100	IG	IG
REDHALL GROUP	GORGÉ EUROPE INVESTMENT	19.46	-	19.46	-	MEQ	-
ROBOKEEP	CIMLEC Industrie SAS	100	100	100	100	IG	IG
SAS STONI	GROUPE GORGÉ SA	100	100	100	100	IG	IG
TENWHIL	CIMLEC Industrie SAS	100	100	100	100	IG	IG
VAN DAM	GORGÉ NETHERLANDS	100	-	90	-	IG	-
Protection in Nuclear Environments							
BAUMERT	NUCLÉACTION SAS	100	100	98.81	100	IG	IG
NTC NUCLÉACTION	NUCLÉACTION SAS	100	100	98.81	100	IG	IG
NUCLÉACTION	GROUPE GORGÉ SA	98.81	100	98.81	100	IG	IG
SCI DES PORTES	GROUPE GORGÉ SA	100	100	100	100	IG	IG

SERES TECHNOLOGIES	GROUPE GORGÉ SA	60	-	60	-	IG	-

(1) Companies with no operating activities.
(2) Control percentages for ECA reflect double voting rights
(3) Company deconsolidated on 1 July 2012.
(4) Company deconsolidated on 30 September 2011.

3.2 List of non-consolidated companies

(in thousands of euros) Non-consolidated companies	% control	Capital ***Equity***	Gross value of securities ***Net value of securities***	Revenue***Net income***	Comments
CEDETI	10.07%	56 *220*	60 *60*	1,344 *1*	No significant influence
MARINE INTERIM[1]	34%	100 *17*	34 *34*	1,795 *(25)*	No significant influence
FAURE QEI[1]	12%	500 *882*	210 *45*	563 *(22)*	No significant influence
Other	n/a	n/a	16 *16*	n/a	No significant influence

(1) 2011 data.

3.3 Changes in scope

Changes in scope over the period are as follows:

creation of ECA Sindel Brasil;

deconsolidation of ECA CSIP on 1 July 2012;

consolidation of Seres Technologies as from 1 May 2012;

consolidation of Redhall Group (by the equity method) as from 1 October 2012;

change to Groupe Gorgé's Nucléaction holding by creation of new shares. Groupe Gorgé holds 98.81% of Nucléaction, compared with 100% on 31 December 2011;

change to Groupe Gorgé's ECA holding by creation of new shares. Groupe Gorgé holds 53.48% of ECA, compared with 52.65% on 31 December 2011;

The Redhall Group holding at 19.46% is consolidated by the equity method due to the Group's significant influence.

A 60% holding in Seres Technologies was acquired in May 2012. This acquisition is measured under IFRS 3R. The fair value assessment of the Seres Technologies assets, liabilities and contingent liabilities acquired is not finalised and may still be adjusted in the next accounting period. There are selling options granted to the founders, exercisable in 2017 and 2021, and a purchase option granted to Groupe Gorgé starting in 2017. These options have been valued in the consolidated financial statements in consideration of equity (see Note 4.17).

A 90% holding in Van Dam (Netherlands) was acquired at the end of December 2012 through two holding companies created for the purpose. This acquisition is measured under IFRS 3R. The Van Dam balance sheet is part of the consolidated balance sheet, but Van Dam contributes nothing to the consolidated income statement. The fair value assessment of the Van Dam assets, liabilities and contingent liabilities acquired is not finalised and may still be adjusted in the next accounting period.

CONTRIBUTION BY CONSORTIA TO THE CONSOLIDATED INCOME FOR 2012

	SERES TECHNOLOGIES	VAN DAM
1 - Contributions from the acquisition date		
Revenue	1,037	-
Operating income	(49)	-
Net income	(51)	-
2- Contributions from the start of the period[1]		
Revenue	1,509	7,895
Operating income	(34)	996
Net income	(44)	843

(1) Profit and income made by the consortia as if they had taken effect on 1 January 2012, start date for the Seres Technologies and Van Dam financial years.

GOODWILL RELATED TO THE FIRST-TIME CONSOLIDATION OF SERES TECHNOLOGIES

Purchase price	950
Non-controlling interests	96
TOTAL (a)	1,046
Net assets (b)	240
GOODWILL (a) - (b)	806

The assets and liabilities acquired break down as follows:

(in thousands of euros)	Carrying amount	Revaluation at fair value	First consolidation
Intangible, tangible and non-trading assets	131	-	131
Receivables and prepaid expenses	242	-	242
Cash and cash equivalents	761	-	761
Financial debt	(594)	-	(594)
Payables	(298)	-	(298)
Provisions for retirement benefits (IFC)	-	(4)	(4)
Deferred tax/revaluations at fair value	-	1	1
TOTAL	243	(3)	240

GOODWILL RELATED TO THE VAN DAM ACQUISITION

Purchase price	4,050
Non-controlling interests	190
TOTAL (a)	4,240
Net assets (b)	1,904
GOODWILL (a) - (b)	2,337

The assets and liabilities acquired break down as follows:

(in thousands of euros)	Carrying amount	Revaluation at fair value	First consolidation
Intangible, tangible and non-trading assets	255	-	255
Inventories	571	-	571
Receivables and prepaid expenses	1,181	-	1,181
Cash and cash equivalents	1,543	-	1,543
Payables	(883)	-	(883)
Prepaid expenses and deferred income	(1,424)	-	(1,424)
Provisions for risks and charges	(222)	-	(222)
TOTAL	1,904	-	1,904

4.1 Segment analysis

Breakdown by business segment:

(in thousands of euros)	Industrial Projects and Services		Smart Safety Systems		Protection in Nuclear Environments		Structure		Disposals		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	76,303	72,313	99,024	129,077	33,536	30,646	2,230	2,283	(2,466)	(5,536)	208,626	228,782
Current operating income	3,400	3,797	4,009	7,439	4,020	3,751	11	(484)	-	-	11,440	14,503
Operating income	2,657	3,723	(6,068)	6,633	3,985	3,526	(358)	(484)	-	-	216	13,399

Revenue, shown by core business, includes revenue made with other core businesses.

(in thousands of euros)	Industrial Projects and Services		Smart Safety Systems		Protection in Nuclear Environments		Structure*		Disposals		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Intangible assets	5,766	3,327	34,060	36,979	8,024	6,748	5	5	-	-	47,854	47,059
Other segment assets(1)	40,292	36,893	92,683	99,571	31,937	29,800	15,412	2,185	(14,185)	(2,814)	166,139	165,636
Unallocated assets	-	-	-	-	-	-	-	-	-	-	63,998	51,721
TOTAL CONSOLIDATED ASSETS	-	-	-	-	-	-	-	-	-	-		264,417
Segment liabilities(2)	27,607	30,445	62,122	64,566	27,535	24,474	2,426	3,668	(872)	(2,906)	118,818	120,247
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	88,641	66,770
TOTAL CONSOLIDATED LIABILITIES(4)	-	-	-	-	-	-	-	-	-	-		187,017
Investments	960	821	2,862	5,990	2,253	2,117	188	8	-	-	6,263	8,936
Depreciation and amortisation	943	743	4,427	4,094	845	722	33	50	-	-	6,248	5,610
Net expenses without cash consideration other than depreciation and amortisation(5)	(773)	178	568	1,175	(200)	38	-	51	-	-	(405)	1,442

* *For 2012, segment assets consist primarily of debt related to bonds issued by ECA SA in the amount of €13.3 million.*

(1) *Segment assets refer to current assets used in operating activities (inventories, receivables, advances to suppliers, other overheads), tangible assets.*

(2) *Segment liabilities refer to supplier and other operating liabilities, accrued liabilities, customer advances, warranty provisions and costs related to goods and services sold.*

(4) *Total liabilities less shareholders' equity and non-controlling interests.*

(5) *Allowances for (+) and reversals of (-) provisions for impairment and for risks and charges, net of provisions for retirement benefits.*

Analysis of revenue by geographical area

2012 Financial Year

(in thousands of euros)	France	%	Europe	%	Other	%	Total	%
Industrial Projects and Services	59,679	44%	2,899	14%	13,724	26%	76,303	37%
Smart Safety Systems	60,660	45%	12,262	58%	26,102	50%	99,024	47%
Protection in Nuclear Environments	15,303	11%	5,957	28%	12,277	24%	30,645	16%
Structure and disposals	(236)	(0%)	-	-	-	-	(236)	(0%)
TOTAL								
%	65%		10%		25%		100%	

2011 Financial Year

(in thousands of euros)	France	*%*	Europe	*%*	Other	*%*	Total	*%*
Industrial Projects and Services	63,306	36%	5,356	26%	3,651	11%	72,313	32%
Smart Safety Systems	98,612	56%	12,061	58%	18,405	55%	129,077	56%
Protection in Nuclear Environments	15,927	9%	3,219	16%	11,500	34%	30,645	13%
Structure and disposals	(3,253)	-2%	-	-	-	-	(3,253)	-1%
TOTAL	174,592	100%	20,636	100%	33,555	100%	228,782	100%
%	76%		9%		15%		100%	

4.2 Allowances for/reversals of depreciation, amortisation and provisions

(in thousands of euros)	2012	2011*
DEPRECIATION, AMORTISATION AND PROVISIONS		
intangible assets	3,303	2,923
property, plant and equipment	1,863	1,606
capital leases	272	249
SUB-TOTAL		4,778
CHARGES TO PROVISIONS, NET OF REVERSALS		
inventory and work in process	747	498
current assets	(372)	120
risks and charges	492	1,241
SUB-TOTAL		1,850
TOTAL DEPRECIATION, AMORTISATION AND PROVISIONS (NET OF REVERSALS)		6,638

* *The 2011 column has been restated (see Note 2.1).*

4.3 Non-recurring items in operating income

(in thousands of euros)	2012	2011
Restructuring costs	1,666	273
Acquisition costs	307	-
Amortisation of intangible assets recognised at fair value during the acquisitions	693	831
Provision for litigation (ECA/BAE dispute)	6,200	-
Unusual provisions for impairment of asset values(1)	2,414	-
Other	(54)	-
TOTAL		1,104

(1) These provisions relate mainly to impairments of intangible assets totalling €1,735 thousand.

4.4 Financial income and expense

(in thousands of euros)	2012	2011
Interest expense	(1,301)	(1,123)
Income from other securities	113	170
Net income on sales of marketable securities	112	114
COST OF NET DEBT	(1,076)	(839)
Other interest income	127	138
Net exchange gain or loss	(193)	(10)
Financial allowances net of reversals	(11)	(2)
TOTAL FINANCIAL INCOME AND EXPENSE		(713)

4.5 Earnings per share

	2012	2011
Weighted average number of shares	12,714,924	11,372,459
Dividend per share paid during the year *(in euros)*	NA	0.30
EARNINGS PER SHARE *(in euros)*	0.115	0.565
EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*	0.233	0.740
Dilutive potential ordinary shares	49,000	49,000
Diluted weighted average number of shares	12,763,924	11,421,459
DILUTED EARNINGS PER SHARE *(in euros)*	0.115	0.563
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*		0.737

4.6 Notes to the cash flow table

CALCULATION OF CASH FLOW

NET INCOME FROM CONTINUING OPERATIONS	1,745
Allowances for/reversals of depreciation, amortisation and provisions	15,058
Cancellation of capital gains and losses on treasury shares	(89)
Other	(365)
Calculated expense related to stock options and similar items	148
Income of equity-accounted companies	(1)
Capital gains and losses on disposals	(306)
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	16,190

CALCULATION OF NET CASH ON ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

(in thousands of euros)	SERES TECH.	ECA CSIP*	VAN DAM	REDHALL GR.	Total
Payments	(950)	-	(4,050)	(6,561)	(11,561)
Cash and cash equivalents	761	(388)	1,543	-	1,916
TOTAL	(189)	(388)	(2,507)	(6,561)	(9,645)

*	Deconsolidation of ECA CSIP cash, without disposal.

CALCULATION OF WORKING CAPITAL REQUIREMENT

(in thousands of euros)	Note	Opening	Changes in scope	Change over the year	Other changes (2)	Currency translation adjustments	Closing
Net inventories		18,042	245	3,982	-	(24)	22,245
Net receivables		120,100	1,811	(11,068)	-	(23)	110,820
Advances and down-payments		4,197	30	(1,068)	-	-	3,159
Social and tax receivables		9,373	65	2,024	(3)	(2)	11,397
Current accounts		1,090	28	(111)	(880)	-	187
Other receivables		2,019	53	1,919	(89)	-	3,901
Prepaid expenses		1,163	(44)	350	-	(1)	1,467
SUB-TOTAL	[1]	155,985	2,189	(3,973)	(973)	(51)	153,177
Trade payables(1)		48,516	867	(10,956)	(167)	(1)	38,259
Tax and social security liabilities		29,299	578	(784)	6	(6)	29,093
Advances and down-payments		35,466	-	1,675	-	-	37,141
Accrued interest		39	-	154	8	-	201
Other payables and derivative instruments		3,403	(299)	881	918	(6)	4,897
Current accounts		10	302	(309)	-	-	3
Deferred income		14,852	-	1,906	-	(4)	16,754
SUB-TOTAL	[2]	131,585	1,448	(7,434)	765	(17)	126,348
WORKING CAPITAL REQUIREMENT	[1] - [2]	24,400	741	3,461	(1,738)	(34)	26,830

(1) The opening "Trade payables" have been restated (see Note 2.1).
(2) The "Other changes" column refers to flows that have not affected the income from continuing operations nor generated cash flow, notably the valuation of the Seres purchase option for €1,081 thousand and the Faure QEI current income provision for €880 thousand.

4.7 Property, plant and equipment and investment property

(in thousands of euros)	Land and buildings	Fixtures and equipment	Land and buildings held under finance leases	Equipment held under finance leases	Property, plant and equipment under construction	Advances and down-payments	Investment property	Total
Gross value								
On 1 January 2012	10,110	15,555	7,619	-	169	74	298	33,824
Acquisitions	631	1,795	-	238	63	159	-	2,885
Changes in scope	(122)	(203)	-	-	-	-	-	(325)
Departures	(59)	(591)	-	-	-	(226)	-	(876)
Other changes	-	118	-	-	(118)	-	-	-
Impact of changes in exchange rates	(2)	32	-	-	-	-	-	31
As at 31 December 2012	10,557	16,706	7,619	238	114	7	298	35,538
Depreciation and amortisation, and impairment								

On 1 January 2012	4,257	10,958	2,869	-	-	-	-	18,084
Depreciation and amortisation	383	1,482	249	23	-	-	-	2,137
Changes in scope	(107)	(239)	-	-	-	-	-	(345)
Impairment losses	-	-	-	-	-	-	-	-
Departures	(21)	(323)	-	-	-	-	-	(344)
Other changes	-	1	-	-	-	-	-	1
Impact of changes in exchange rates	(1)	(5)	-	-	-	-	-	(7)
As at 31 December 2012	4,511	11,873	3,119	23	-	-	-	19,524
Net value								
On 1 January 2012	5,853	4,597	4,749	-	169	74	298	15,740
As at 31 December 2012	6,047	4,833	4,500	215	114	7	298	16,013

4.8 Intangible assets

(in thousands of euros)	Goodwill	Development projects	Other intangible assets	Property, plant and equipment under construction	Total
Gross value					
On 1 January 2012	18,336	34,813	7,284	1,246	61,679
Acquisitions	-	2,297	451	630	3,378
Changes in scope	3,143	1,690	137	-	4,969
Departures	-	(84)	(48)	-	(133)
Other changes	-	17	(6)	(162)	(152)
Impact of changes in exchange rates	-	(15)	23	-	8
As at 31 December 2012	21,479	38,716	7,840	1,715	69,750
Depreciation and impairment					
On 1 January 2012	-	9,423	5,196	-	14,620
Depreciation and amortisation	-	3,315	798	-	4,112
Changes in scope	-	1,492	11	-	1,502
Impairment losses	-	1,694	-	-	1,694
Departures	-	(8)	(22)	-	(31)
Other changes	-	11	-	-	11
Impact of changes in exchange rates	-	(11)	(2)	-	(14)
As at 31 December 2012	-	15,915	5,980	-	21,895
Net value					
On 1 January 2012	18,336	25,390	2,087	1,246	47,059
As at 31 December 2012	21,479	22,801	1,860	1,715	47,854

On 31 December 2012, carrying out impairment tests on all intangible assets led to the recognition of impairment losses on development projects for a total amount of €1,735 thousand. These impairments are non-recurring items in operating income. No impairment of goodwill was observed.

The recoverable value of a CGU is determined using the discounted future cash flows. The discount rate used is the weighted average cost of capital (WACC), calculated using the 10-year OAT (risk-free rate 2.62%) rate, a market risk premium and ßeta calculated based on the share price of the company (ECA or Groupe Gorgé) and the performance of the CAC 40 index. Flows after taxes are projected conservatively over the forecast period of the relevant activity (five years) and may include a terminal value with a growth assumption (0 to 2% maximum, depending on the CGU). The discount rates used in 2012 are 7.2% to 8.2%, depending on the CGU. The tests made include a measurement of the sensitivity of assumptions (discount rate of +/-1 point and projected cash flow of +/-20%).

Management does not believe that any reasonably possible change in the key assumptions used to calculate the recoverable value might lead to the carrying amount of a CGU being considerably higher than its recoverable value.

Goodwill is distributed as follows:

Smart Safety Systems:	56%;
Industrial Projects and Services:	23%;
Protection in Nuclear Environments:	21%.

Development projects and other intangible asset line items are as follows:

Net values *(in thousands of euros)*	Industrial Projects and Services	Protection in Nuclear Environments	Smart Safety Systems	2012 total
Special doors for EPR	-	2,611	-	2,611
AUV programme	-	-	7,920	7,920
Mine Killer programme	-	-	2,448	2,448
Flight simulation(1)	-	-	2,602	2,602
Naval systems	-	-	2,122	2,122
Naval simulation(2)	-	-	860	860
Imaging(3)	-	-	1,726	1,726
Other	685	754	1,074	2,512
DEVELOPMENT PROJECTS SUB-TOTAL	685	3,365	18,751	22,801
EPR contract for neutron doors(4)	-	29	-	29
ECA sinters(5) customer relations	-	-	1,000	1,000
Other(6)	199	155	2,192	2,546
TOTAL INTANGIBLE ASSETS	883	3,549	21,943	

(1) Including revaluation of assets at fair value through acquisitions, €833K.
(2) Including revaluation of assets at fair value through acquisitions, €875K.
(3) Including revaluation of assets at fair value through acquisitions, €1,400K.
(4) Including revaluation of assets at fair value through acquisitions, €29K.
(5) Including revaluation of assets at fair value through acquisitions, €1,000K.
(6) Including costs and purchases of licences for ECA's new ERP for €1,715K (direct costs).

4.9 Capital assets

Equity investments in associates

This item concerns 1Robotics, in which ECA has a 29.89% holding (with an 81% interest) and Redhall Group, with a 19.46% holding.

Movements during the year are as follows:

(in thousands of euros)	Opening	In	Income	Fair value	Closing
1ROBOTICS	5	-	1	-	6
REDHALL GROUP	-	6,561	-	-	6,561
TOTAL	5	6,561	1	-	6,566

Other non-current financial assets

Net values *(in thousands of euros)*	2012	2011
Loans	72	46
Deposits and guarantees	1,040	904
Other long-term investments	289	23
TOTAL OTHER NON-CURRENT ASSETS		973

4.10 Inventory and work in process

Movements in inventories in the consolidated balance sheet is as follows:

(in thousands of euros)	2012			2011		
	Gross values	Impairment losses	Net values	Gross values	Impairment losses	Net values
Raw materials	14,519	(4,261)	10,259	10,736	(2,835)	7,901
Work in progress	7,551	(7)	7,545	5,809	(39)	5,770
Semi-finished and finished goods	5,189	(1,272)	3,917	5,846	(1,630)	4,216
Goods	525	-	525	156	-	156
TOTAL INVENTORY AND WORK IN PROGRESS				22,546	(4,504)	18,042

Over the period, net impairment on reversals recognised in the income statement was €1,035 thousand, including €288 thousand reclassified as non-recurring items in operating income.

4.11 Trade receivables

(in thousands of euros)	2012	2011
Trade receivables	56,718	62,039
Invoices to be drawn up	57,060	60,515
CUSTOMERS, GROSS VALUES	113,777	122,554
Impairment losses	(2,957)	(2,454)
TOTAL CUSTOMERS		120,100

The risk of customer default is the main credit risk to which the Group is exposed. The Group has implemented a policy of monitoring its credit risk at all of its subsidiaries.

Overdue trade receivables for which there is no provision were €16.6 million, including €8.2 million for the core business Smart Safety Systems, and break down as follows:

Overdue	0 to 30 days	30 to 60 days	Over 60 days	Total
Overdue receivables for which there is no provision	8,620	2,750	5,221	16,591

Of all these accounts, approximately €6.5 million was paid on 15 March 2013. The Group is not aware of additional difficulties which might justify a provision.

4.12 Other current and non-current assets

(in thousands of euros)	2012			2011
	Gross values	Impairment	Net values	Net values
Current accounts receivable	11,330	(11,323)	7	1,073
TOTAL OTHER NON-CURRENT RECEIVABLES				1,073
Advances and down-payments made	3,159	-	3,159	4,197
Other receivables(1)	4,252	(351)	3,901	2,019
Social and tax receivables	5,778	-	5,778	6,423
Current accounts receivable	180	-	180	18
Prepaid expenses	1,467	-	1,467	1,163
TOTAL OTHER CURRENT RECEIVABLES				13,819

(1) Including payments made by ECA to BAE for €2,200 thousand as part of the ongoing litigation and outstanding subsidies receivable of €500,000.

4.13 Other current and non-current liabilities

(in thousands of euros)	2012	2011*
Trade payables	38,259	48,515
Fixed asset suppliers	243	407
TOTAL TRADE PAYABLES		48,922
Advances and down-payments received	37,141	35,466
Social security liabilities	14,585	14,366
Tax liabilities	13,950	14,451
Current accounts payable	3	10
Miscellaneous debts	2,590	2,201
Deferred income	16,754	14,852
TOTAL OTHER CURRENT LIABILITIES		81,347
Conditional advances	1,157	1,167
TOTAL OTHER NON-CURRENT LIABILITIES		1,167
TAX PAYABLE		482

**The 2011 column has been restated (see Note 2.1).*

Trade payables are paid on their normal due dates, provided the services from the suppliers are fully completed and in the absence of litigation.

Deferred income consists of €4.9 million in research tax credits or grants funding non-current assets not yet amortised.

4.14 Cash and cash equivalents

(in thousands of euros)	2012	2011
Marketable securities	31,200	23,595
Cash and cash equivalents	18,367	18,309
GROSS CASH (a)	49,567	41,904
Bank overdrafts (b)	1,843	7,198
Cash (c) = (a) - (b)	47,724	34,706
Financial debt (d)	59,141	30,992
NET CASH (NET DEBT) (c) - (d)	(11,417)	3,714
ECA treasury shares	1,380	2,200
Groupe Gorgé treasury shares	96	71
NET CASH (DEBT) WITHDRAWN		5,985

4.15 Borrowings and financial debt

CHANGES IN BORROWINGS AND FINANCIAL DEBT

	Opening	Changes in scope	Increase	Decrease	Other changes	Currency translation adjustments	Closing
Finance lease liabilities	6,261	-	238	(669)	-	-	5,830
Convertible bonds	-	-	183	-	-	-	183
Other bonds	-	-	15,253	-	-	-	15,253
Bank borrowings	23,741	190	16,131	(3,225)	-	-	36,838
Other borrowings	990	102	272	(327)	-	-	1,036
Bank overdrafts	7,198	-	1,843	(7,198)	-	-	1,843
TOTAL FINANCIAL DEBT	38,190	293	33,921	(11,419)	-	-	60,984

SCHEDULE OF BORROWINGS AND FINANCIAL DEBT

(in thousands of euros)	31/12/2012	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Restatement of finance leases	5,830	677	707	737	769	777	2,163
Convertible bonds	183	-	-	-	-	-	183
Other bonds	15,253	-	-	-	-	100	15,153
Bank borrowings[(1)]	36,838	17,971	1,667	2,355	1,609	11,292	1,944
Other borrowings	1,036	336	61	345	53	78	164
Bank overdrafts	1,843	1,843	-	-	-	-	-
TOTAL FINANCIAL DEBT		20,827	2,435	3,437	2,431	12,247	19,607

(1) Debts due within one year include a loan for €9,550K granted to ECA by a bank pool, which ECA repaid early on 31 January 2013.

The Group took out several new loans in 2012:

Giac bond for €2 million (July 2012), with a five year grace period and repayable in five years;

loan for €5 million from Oséo, with a 24 month grace period and then quarterly repayments for five years;

Private Micado bond placement for €4 million (October 2012), with *bullet repayment* at six years;

Private Féderis bond placement for €10 (November 2012), with *bullet repayment* at six years;

Schuldschein loan (private placement under German law) for €10 million (December 2012) with *bullet repayment* at five years.

The costs attributable to the implementation of private placement loans are amortised over the term of the debt (amortised cost method) based on their true interest rate.

In December 2012, ECA SA issued an Océane (bond with conversion option and/or exchangeable for new or existing shares), 99% subscribed by Groupe Gorgé. IFRS accounting shows an initial debt of €183 thousand and a share in equity of €10 thousand.

"Other borrowings" include repayable advances received by the Group in respect of research and development in particular. These advances cannot be repaid, or only repaid partially according to the success of the operations on the basis of which they were granted.

4.16 Financial risk management

Liquidity risk

Cash is provided at Groupe Gorgé's main subsidiaries. ECA subsidiaries are related to ECA SA by cash pooling agreements. Other subsidiaries of Groupe Gorgé SA (excluding ECA SA) have signed cash pooling agreements with their parent company. Bank financing negotiations are coordinated at ECA SA (Smart Safety Systems) and at Groupe Gorgé (rest of the Group).

On 31 December, the Group's net cash amounted to €47.8 million (€49.6 million in cash, minus €1.8 million in bank overdrafts).

The Group has the funding it needs and there are no loans essential to its activity being negotiated. The Group has no bank financing that depends on the Group's rating and no significant concentration of credit risk.

The arrangements for repaying the principal loans are as follows:

Borrowing	Rate	Amount	Outstanding capital	Maturity
SOGEBAIL (leasing)	TEC10 +0.55	€6,319,675	€3,876,006	48 quarterly instalments from June 2007
SG Leasing S.p.a. (leasing)	1.62% reviewable fixed-rate	€2,250,000	€1,738,490	179 monthly payments starting in 2007
BANK POOL (ECA SA)	E3M +1.2	€9,550,000	€9,550,000	Early repayment on 31 January 2013
LCL	E3M +1.2	€4,200,000	€2,100,000	5 instalments from January 2011
LCL	E3M +1.2	€1,400,000	€1,120,000	5 instalments from January 2012
LCL	E3M +1.2	€950,000	€950,000	5 instalments from January 2014
CIC	3.55%	€7,000,000	€7,000,000	*Bullet repayment* October 2013
BNP PARIBAS (SCI DES PORTES)	4.15%	€850,000	€822,351	144 monthly instalments from August 2012
Oséo loan	3.07%	€5,000,000	€5,000,000	20 quarterly instalments from October 2014
Giac 2022 bond	E3M +3.05%	€2,000,000	€2,000,000	20 quarterly instalments from October 2017
October 2018 bond	5.75%	€4,000,000	€4,000,000	*Bullet repayment* October 2018
December 2018 bond	5.40%	€10,000,000	€10,000,000	*Bullet repayment* December 2018
Schuldschein loan	E6M +4.0	€10,000,000	€10,000,000	*Bullet repayment* December 2017

Covenants associated with other loans, all honoured, are:

LCL loans:

- called in immediately in the event of non-compliance with covenants, in particular financial covenants related to debt, to equity, to EBITDA and consolidated Groupe Gorgé *cash flows*;

Schuldschein loan:

- Called in immediately in the event of non-compliance with two covenants, covering Groupe Gorgé's net debt/EBITDA ratio and the net debt, which must be less than equity.

Interest rate risk

Generally, the Group's policy for managing interest rate risk is to examine on a case by case basis credit agreements concluded on the basis of a variable interest rate and to consider, with the help of its external financial advisors, whether it is opportune to use *ad hoc* financial instruments to cover, where appropriate, identified rate risks. Liabilities and assets exposed to changes in interest rates are as follows, by maturity:

(in thousands of euros)	DD to 1 year	1 to 5 years	Beyond
Financial liabilities(1)	12,892	18,702	4,845
Financial assets(2)	-	72	-
Net position before hedging	12,892	18,630	4,845
Off-balance sheet	-	-	-
Net position after hedging	12,892	18,630	4,845

(1) Excluding funds that do not bear interest and including bank overdrafts amounting to €1.8M.
(2) Excludes marketable securities for €31.2M.

Overdrafts and short-term loans (financing of trading receivables) are concluded at variable rates and therefore expose the Group to fluctuations in interest rates.

Groupe Gorgé uses a hedging instrument, an interest rate swap, to hedge its exposure to fluctuations in interest rates from any of its variable rate borrowings (LCL).

Net debt exposed to interest rate fluctuations is approximately €5.2 million as at 31 December 2012. A rise or fall of 100 basis points (1%) of all rates would have an impact of about +/- €52 thousand on the Group's annual pre-tax financial expense, assuming strict stability of the debt.

Foreign exchange risk

Foreign currency transactions are concentrated in ECA (mainly sterling and US dollar). The share of revenue made in foreign currency by the Group's French companies remains limited, the Protection in Nuclear Environments division denominating all its export transactions in euros.

ECA has established a policy of monitoring foreign exchange risk by anticipating all the currency flows of the Group constituted by ECA and its subsidiaries (receipts and payments), measuring the Group's net exposure by maturity and, if necessary, using currency hedging if the net position with an identified deadline warrants it. This requires an assessment of the risk of currency changes, which is issued by the management of ECA advised by its banks. Due to the balanced nature of the currency flows in both directions, it was not considered necessary to use hedging in 2012. Financial debt in foreign currencies is marginal; only a few foreign subsidiaries having temporary bank overdrafts.

(in thousands of euros)	GBP	USD	Other
Assets	935	3,406	488
Liabilities	171	579	195
Net position before hedging	764	2,827	293
Off-balance sheet position	-	-	-
Net position after hedging	764	2,827	293

A uniform exchange rate with a rise or fall of 1 eurocent against the major currencies could have an impact of +/- €43 thousand on the net position, assuming a strict stability of assets and liabilities.

Market risk

Treasury shares are held by ECA (193,575 shares) and by Groupe Gorgé (15,918 shares). These shares were acquired under liquidity contracts or in order to deliver shares when exercising rights attached to securities giving access to capital through redemption, granting stock purchase options to employees, cancelling all or some of the shares thus redeemed, delivering securities in payment or exchange in the framework of external growth transactions, or regulating the share price on the stock market.

The carrying amount of treasury shares held outside provisions was €2.2 million, with the market value at 31 December 2012 of €1.5 million (including €0.1 million for treasury shares held by Groupe Gorgé and €1.4 million for those held by ECA).

A uniform change of 10% of share prices could have an impact on equity of €150 thousand compared with the position on 31 December 2012 (ECA and Groupe Gorgé shares).

The rest of the cash invested by the Group is in money market funds or deposits.

4.17 Financial instruments and derivatives

Groupe Gorgé uses a financial instrument, a "swap" rate, to manage its exposure to fluctuations in interest rates for any of its variable rate borrowings.

A swap was concluded in October 2011, with a notional value of €4,760 thousand and a final maturity date of 31 January 2016. The value recorded as at 31 December 2011 is the negative fair value of the financial instrument.

Seres' minority shareholders have put options exercisable from 2017 or 2021. Groupe Gorgé has a call option exercisable from 2017. These options have been valued at fair value through equity.

(in thousands of euros)	Opening	In	2012 income	Equity effect	Other	Closing
Rate swaps	35	-	-	33	-	68
CURRENT TOTAL	35	-	-	33	-	68
SERES purchase option	-	-	-	1,081	-	1,081
NON-CURRENT TOTAL	-	-	-	1,081	-	1,081

4.18 Equity

As at 31 December 2012, the share capital of Groupe Gorgé SA was €12,731,843, consisting of 12,731,843 shares, each with a nominal value of €1, fully paid-up and of which 2,748,940 shares have double voting rights.

Changes in capital

	Cumulative number of shares	Amount of capital *(in euros)*
Capital on 31/12/2010	11,574,403	11,574,403
Capital on 31/12/2011	12,731,843	12,731,843
Capital on 31/12/2012	12,731,843	12,731,843

On 27 December 2011, the Board of Directors recorded the completion of a capital increase of 1,157,440 shares, each with a nominal value of €1, subscribed in cash by seven investors. The share capital was thus increased from €11,574,403 to €12,731,843 and an issue of €7,500,211.20 was recorded.

Purchases by the issuer of its treasury shares

Share purchases made in 2012 were under the authorisation granted by the Shareholders' Meetings of 28 June 2011 and 8 June 2012.

On 31 December 2012, Groupe Gorgé SA held 15,918 treasury shares under a liquidity contract. On 31 December 2011, it held 8,766 treasury shares. The purpose of these shares can be:

transferring shares at the time of exercising the rights attached to securities that give access to the capital by reimbursement;

granting share purchase options to employees;

cancelling all or part of the shares thus repurchased;

transferring securities as a means of payment or exchange for external growth operations;

stabilising the share's market price.

4.19 Staff remuneration based on shares

Stock options and share subscription warrants	ECA €20 stock warrants	Option 10.92
Number of recipients	5	17
Support share	ECA	ECA
Potential number of shares	150,000	105,000
Number of options exercised/cancelled during the year	-	61,500
Potential share balance	150,000	58,500
Date of establishment	April 2006	December 2009
Start of the exercise period	April 2010	April 2012
End of the exercise period	April 2012	March 2015
Subscription price	€20	€10.92
Potential value of the shares *(in thousands of euros)*	173	166

Free share allocation plans	Groupe Gorgé 2011 Shareholders' Meeting	Groupe Gorgé 2008 Shareholders' Meeting	ECA 2009 Shareholders' Meeting	Nucléaction 2010 Shareholders' Meeting
Number of recipients	3	4	17	2
Support share	GROUPE GORGÉ	GROUPE GORGÉ	ECA	NUCLÉACTION
Potential number of shares	49,000	-	30,000	8,100
Final allocations in the year/cancellations	-	-	30,000	-
Potential share balance	49,000	-	-	8,100
Date of establishment	June 2011	February 2008	December 2009	May 2010
Start of the acquisition period	June 2011	February 2008	December 2009	May 2010
End of the acquisition period	June 2013	April 2010	March 2012	June 2012
Potential value of the shares *(in thousands of euros)*	198	-	358	134

The free share allocation plans set up by Groupe Gorgé, ECA and Nucléaction concern the executive managers of these entities or of the CA and Nucléaction subsidiaries. Shares are allocated according to performance criteria over 2010, 2011 and 2012.

4.20 Retirement and other post-employment benefits

The main parameters used for the year are as follows, it being noted that the national inter-professional agreement of July 2008 was not taken into account due to the uncertainty that may still weigh on its application:

departure at the employee's behest (voluntary departure);

calculation of compensation under the collective agreement in force in each of the companies (metallurgy, Syntec, etc.).

assumed retirement age 65;

discount rate 1.98%:

loading rate 50%;

turnover: 10% up to 34, 7% 35-45, 2% 46-55, 0% thereafter;

revaluation rate for basis of calculation 1.91%, including inflation;

Insee mortality table 2003-2005.

Change in the obligation *(in thousands of euros)*	2012	2011
OPENING DISCOUNTED VALUE OF THE OBLIGATION	3,721	3,307
Cost of services provided for the period	268	267
Interest on discounting	133	122
Cost of services provided	-	(50)
Acquisition/Disposal	4	102
Actuarial losses and (gains) generated on the obligation	1,086	120
Benefits paid	(148)	(147)
CLOSING DISCOUNTED VALUE OF THE OBLIGATION		3,721

Financial hedging	2012	2011
Financial hedging	(5,066)	(3,721)
Unrecognised cost of services provided	334	387
RECOGNISED PROVISION		(3,334)

Cost for the period	2012	2011
Cost of services provided for the period	268	267
Interest on discounting	133	122
Amortisation of the cost of services provided	53	53
COST FOR THE PERIOD		443

4.21 Other provisions for risks and charges

Provisions *(in thousands of euros)*	Litigation	Customer warranties	Termination losses	Fines and Penalties	Foreign exchange losses	Other	Total
On 1 January 2012	1,790	538	436	1,768	-	3,484	8,017
Appropriations	6,451	287	764	806	-	901	9,208
Provisions used	(362)	(132)	(328)	(324)	-	(1,849)	(2,995)
Reversals	-	-	-	(877)	-	-	(877)
Impact on income for the period	6,089	155	436	(395)	-	(948)	5,335
Changes in scope	-	-	209	-	-	14	222
Other changes	-	-	-	-	-	(89)	(89)
Impact of changes in exchange rates	-	-	-	-	-	-	-
As at 31 December 2012	7,879	693	1,081	892	-	2,940	13,485

4.22 Commitments and contingent liabilities

Off-balance sheet commitments related to ordinary activities

(in millions of euros)	2012	2011
Advance payment guarantees	22.6	28.1
Endorsements, security deposits and guarantees given	15.5	13.3
Other commitments given	9.4	9.0
TOTAL		50.4

Complex commitments

In 2005 Groupe Gorgé granted AD Industrie an assets and liabilities guarantee in connection with the sale of the company MS Composites. This guarantee is capped at €1.3 million. A dispute has been ongoing since 2007 concerning compensation under this guarantee (see Note 5.2 "Exceptional events and disputes").

The sale of Recif Technologies to Pélican Venture in December 2009 is subject to a clawback clause and an earnout clause in favour of Groupe Gorgé. These clauses will apply if ever Recif Technologies is sold on by Pélican Venture (€1 repurchase option for Groupe Gorgé or retrospective payment to Groupe Gorgé of the entire capital gain made in four years), if dividends are paid by Recif Technologies (repayment to Groupe Gorgé of the full amount for three years and of 75% in the fourth year), or if current account repayments are made for over €2 million (repayment to Groupe Gorgé of the entire surplus for three years and of 75% in the fourth year). If no dividends are paid and the debt is paid back, and provided that cash and equity reach contractual thresholds, an earnout will be due to Groupe Gorgé (the full amount of cash in excess of the threshold for three years and then 75% in the fourth year).

In 2011 Groupe Gorgé granted Ingenox an assets and liabilities guarantee in connection with the sale of Faure QEI. This guarantee is limited to €0.15 million, except for an industrial tribunal claim for which in 2012 Groupe Gorgé had to indemnify the purchaser the amount of the sentence (€106 thousand).

Groupe Gorgé, which holds a 51% stake in the capital of Ai Group, is bound by a unilateral purchase promise upon the occurrence of certain events, notably before the end of 2012. Moreover, Groupe Gorgé has a mutual commitment with the other shareholders under a "buy or sell" clause. The "buy or sell" clause can be exercised during three one-month windows in 2015, 2017 and 2019.

Groupe Gorgé has an assets and liabilities guarantee granted by the selling shareholders of Seres Technologies in which a 60% stake was acquired on 31 December 2012, capped at €0.3 million.

Groupe Gorgé benefits from an assets and liabilities guarantee granted by Hollandia, former shareholder of Van Dam, which was acquired on 31 December 2012. This guarantee is capped at €1.5 million for six months, and then at €1 million.

Other contractual obligations

Contractual obligations (in thousands of euros)	Total	Payments due per period		
		Under 1 year	from 1 to 5 years	Over five years
Long-term debt	53.3	18.3	17.5	17.5
Finance lease obligations	5.8	0.7	2.9	2.2
Irrevocable purchase obligations	-	-	-	-
Other long-term obligations	-	-	-	-
TOTAL	59.1	19.0	20.4	19.7

Commitments received

(in millions of euros)	2012	2011
Cross-guarantees on contracts	24.1	16.3
Other commitments received	-	-

Pledges, guarantees and sureties

Pledging of the issuer's shares

To the company's knowledge, the pledges of Groupe Gorgé shares outstanding at the balance sheet date are as follows. These pledges were issued in favour of financial institutions holding claims on Pélican Venture.

Pledge start date	Pledge expiry date	Number of shares pledged
02/2008	02/2014	291,667
02/2009	02/2014	103,000
05/2010	06/2014	370,942
03/2011	04/2014	224,719
06/2011	06/2013	314,508

Pledges of the issuer's assets

Equity securities of companies included in the scope of consolidation are pledged to financial institutions as collateral for loans:

Equity securities	Pledge start date	Pledge expiry date	Number of shares pledged	% capital pledged	Debt initially guaranteed	Outstanding capital
ECA	10/2011	10/2013	1,300,000	19.6%	€7,000K	€7,000K
SERES TECHNOLOGIES	05/2012	05/2018	480	60%	€950K	€950K

There is no other collateral, guarantee or security at the end of the 2012 financial year.

4.23 Corporation tax and deferred tax

Two tax consolidations were carried out within Groupe Gorgé: one for Groupe Gorgé and one for ECA SA with, for both companies, all the French companies for which the prescribed conditions are met.

RECONCILIATION OF THEORETICAL AND ACTUAL TAX EXPENSE

NET INCOME FROM CONTINUING OPERATIONS	1,745
Group share of the earnings of equity-accounted companies	(1)
Net income using the equity method	1,744
Tax expense	(2,682)
Earnings before tax	(937)
Tax rate	33.33%
THEORETICAL TAX CHARGE	(312)
Differential on permanent differences	(179)
Deficits activated	(2,174)
Carry-forward of deficits	1,364
Tax credits	(782)(1)
CVAE	947
Untaxed restatements	(839)
Use of non-activated deficit carry-forwards	(780)
CVAE deferred tax impact	(27)
France/foreign tax differential	100
Reduced rate corporation tax differential	39
Other	(39)
TAX EXPENSE ACTUALLY RECORDED	(2,682)

(1) Essentially linked to the research tax credit included in earnings before tax.

The additional contribution of 3% to corporation tax in respect of amounts distributed ("dividend tax") is not recognised in income but rather under distributions. The income achieved in 2012 and beforehand could therefore justify the application of this tax if they were distributed.

BREAKDOWN OF TAX EXPENSE

(in thousands of euros)	2012	2011
Deferred tax liabilities	4,484	1,226
Taxes payable	(1,802)	(3,417)
TAX EXPENSE		(2,191)

Tax expense does not include the research tax credits, classified as other income (see Note 2.4), however it does include CVAE and IRAP (Italy) in the amount of €1,507 thousand in 2012 and €1,417 thousand in 2011.

UNDERLYING TAX POSITION

Bases *(in millions of euros)*	2012	2011
Ordinary deficits	13.2	18.1
TOTAL		18.1

Shown here are only the ordinary deficits carried forward not activated in the financial statements.

BREAKDOWN OF DEFERRED TAXES BY TYPE

(in thousands of euros)	2012	2011
Temporary differences	1,135	2,582
Deficits carried forward	2,121	13
TOTAL DEFERRED TAX ASSETS		2,595
Temporary differences	4,326	6,091
Deficits carried forward	(2,458)	-
TOTAL DEFERRED TAX LIABILITIES		6,091

Deficits carried forward are capitalised due to opportunities for rapid posting of these deficits. Some deferred tax assets resulting from these capitalisations were charged to tax liabilities because of the net deferred tax liability position of the companies concerned.

TAX RECEIVABLES AND PAYABLE

(in thousands of euros)	2012	2011
Tax receivables	5,619	2,951
Tax payable	(558)	(482)
NET TAX RECEIVABLE/(DUE)		2,469

Tax receivables consist mainly of research tax credits.

4.24 Related parties

Related-party transactions

Related parties are persons (directors, managers of Groupe Gorgé or of its principal subsidiaries) or companies owned or managed by such persons (except for subsidiaries of Groupe Gorgé). The following transactions with related parties conducted during the year have been identified in the Groupe Gorgé financial statements :

(in thousands of euros)	PÉLICAN VENTURE	FONDELIA	SOPROMEC
2012 INCOME STATEMENT			
Revenue	150	-	-
Other income	83	2	39
Purchases and other external charges	269	-	-
Financial income	-	-	-
Income from discontinued operations	-	-	-
2012 BALANCE SHEET			
Customers	147	2	10
Debtors	-	-	-
Suppliers	145	-	-
Creditors	-	-	-
Deposits and guarantees received	24	-	10

Pélican Venture is a holding company, and the main shareholder of Groupe Gorgé. Its Chairman is Mr Jean-Pierre Gorgé. Sopromec is a subsidiary of Pélican Venture. Fondelia is a subsidiary of Sopromec.

Management remuneration

The members of the Board of Directors of Groupe Gorgé received director's fees for a total amount of €10,000.

The executive corporate officers did not receive any other remuneration from Groupe Gorgé for the 2012 financial year. They are paid by the company Pélican Venture which is linked to Groupe Gorgé by a services provision agreement. Pélican Venture paid them a total gross remuneration of €140,000 and €8,665 in benefits in kind, part of which corresponds to the provision of services to Groupe Gorgé.

4.25 Assets held for sale, discontinued business

Faure QEI business activities (clean rooms) were classified as discontinued operations in the financial statements as at 31 December 2011. These activities were sold in the second half of 2011.

In 2012, only the expenses of Groupe Gorgé SA related to prior disposals and concerning activities not previously conducted were recognised (fees for €161 thousand, debt provisions of €880 thousand, compensation for a liability guarantee for €106 thousand and a balance for litigation of €350 thousand).

Effect on the financial statements

The income statement and the cash flow table from discontinued operations are presented as shown below:

(in thousands of euros)	2012	2011
Revenue	-	1,252
Current operating income	-	(2,261)
Operating income	(1,497)	(2,261)
Income from continuing operations before tax	(1,497)	(2,291)
Tax	-	84
Net income	(1,497)	(2,208)
Income from disposals(1)	-	214
NET OPERATING INCOME		(1,993)
of which Group share	*(1,497)*	*(1,993)*
of which non-controlling interests	-	-

(1) Including reversals and allocations to provisions for €748K in 2011.

(in thousands of euros)	2012	2011
Net cash flow related to operating activities	(2,117)	361
Net cash flow related to investing activities	-	(704)
Net cash flow related to financing activities	-	(21)
NET CASH FLOW		(364)

NOTE 5 OTHER NOTES

5.1 Workforce

	31/12/2012	31/12/2011
Total workforce	1,290	1,258

As at 31 December 2012, approximately 80 people are based abroad.

5.2 Exceptional events and disputes

The Group is involved in various legal proceedings. After reviewing each case and seeking counsel, the provisions considered necessary have, as applicable, been recorded in the financial statements.

The company AD Industrie contacted Groupe Gorgé in December 2006 regarding the assets and liabilities guarantee which was granted in 2005 when Groupe Gorgé sold MS Composites. AD Industrie claims it should be compensated for costs borne by MS Composites to fulfil a contract entered into before the sale date by the Dutch army which MS Composites allegedly failed to perform. AD claims it was technically impossible to fulfil the contract. A court appointed expert called in to determine the feasibility of the contract tabled his report in July 2009. Despite this expert opinion AD Industrie sued Groupe Gorgé in October 2010 for €1.1 million. In December 2011, AD Industrie filed additional claims without providing new evidence and sought to recover €2.5 million. In any event, the indemnification obligation specified in the guarantee is limited to €1.3 million.

The Laser 89 company sued Groupe Gorgé SA in September 2011 to seek to extend the court-supervised liquidation proceedings of Laser Technologies against Groupe Gorgé SA. Laser Technologies was a subsidiary of Groupe Gorgé SA which had ceased operations for more than eight years. It had been involved in litigation with Laser 89 resulting in a €0.8 million sentence in favour of Laser 89. All of Laser 89's claims were dismissed in October 2012 but the company appealed this decision. After consulting with its counsel, the Group does not believe this situation will have any accounting impact.

ECA EN and ECA are involved in a dispute with ENT, a former shareholder of ECA EN. In parallel with this dispute, ENT blocked payment on claims that are not directly related. ECA EN considered ENT's demands to be completely unfounded and did not record any provisions for the dispute itself or for claims that are not directly related. In October 2012, the court of first instance ruled in ECA EN's favour. ENT nevertheless appealed this decision.

In a decision handed down on 29 June 2012, the Paris Regional Court (*tribunal de grande instance*) dismissed ECA's request to invalidate a BAé Systems patent and consequently ruled that ECA had infringed the claims of this patent (see press release of 3 July 2012). ECA appealed this decision. After paying €2 million, ECA received permission from the enforcement judge (*Juge de l'Exécution*) to stagger payment of the balance of the provisional compensation over 24 months from December 2012, i.e. of €4.2 million. ECA recorded a €6.2 million provision in its financial statements corresponding to the provisional compensation and the ancillary charges determined by the court, classified on the income statement under "non-recurring items in operating income". ECA is disputing the assessment of this compensation.

A solution was reached in the dispute between Groupe Gorgé and Alstom regarding the parties' liability in the difficulties Almitec has encountered, with all the parties involved agreeing to a settlement that was signed in July 2012. Groupe Gorgé paid a settlement fee of €1.85 million in July 2012 and made a reversal of provision of €1.5 million under "income from discontinued operations".

5.3 Subsequent events

In 2010, the lessor of ECA EN in Saint Herblain was ordered to remove asbestos from the premises rented by ECA EN, subject to penalty. Since depollution work had not been carried out within the given time frame, the executing judge ordered the liquidation of a portion of the penalty amounting to €3 million on 11 March 2013 and fixed a new penalty in the event of non-execution of the depollution work, still to be carried out. The actions undertaken by ECA EN to recover this amount have had varying success, to the extent that the lessor seems to be encountering difficulties. Moreover, the latter appealed this decision and requested as an interim measure a 24-month deferral of the penalty payment.

No other major event took place between 31 December 2012 and the date of the meeting of the Board of Directors which approved the consolidated financial statements.

20.3.2 INDIVIDUAL FINANCIAL STATEMENTS OF GROUPE GORGÉ SA AT 31 DECEMBER 2012

Assets

(in thousands of euros)	2012			2011
	Gross	Depreciation, amortisation & provisions	Net	
Intangible assets	19	14	5	5
Property, plant and equipment	285	80	205	85
Equity securities	32,105	6,550	25,555	22,216
Other long-term investments	14,712	1,034	13,678	63
FIXED ASSETS	47,121	7,678	39,443	22,370
Advances and down-payments made	8	-	8	5
Trade receivables	732	-	732	1,320
Other trade receivables	19,795	5,500	14,295	10,210
Marketable securities	21,530	9	21,521	18,939
Cash and cash equivalents	1,629	-	1,629	751
CURRENT ASSETS	43,694	5,508	38,186	31,225
Prepaid expenses	4	-	4	-
TOTAL ASSETS				53,595

Liabilities

(in thousands of euros)	2012	2011
Share capital	12,732	12,732
Share premiums	16,802	18,165
Legal reserve	1,273	1,157
Other reserves	290	290
Retained earnings	6	818
INCOME (LOSS) FOR THE PERIOD	(1,428)	1,754
EQUITY	29,675	34,917
PROVISIONS FOR RISKS AND CHARGES	1,345	2,845
Bonds	14,000	-
Bank borrowings	26,170	11,200
Other borrowings	903	48
Trade payables	863	405
Tax and social security liabilities	1,622	1,442
Other liabilities	3,055	2,739
TOTAL DEBT	46,613	15,834
TOTAL LIABILITIES		53,595

Income Statement

(in thousands of euros)	2012	2011
REVENUE	2,230	2,283
Reversals of provisions and expense transfers	717	487
TOTAL OPERATING INCOME	2,947	2,769
Other purchases and external charges	2,587	1,649
Taxes and similar payments	97	75
Payroll expense	1,613	1,477
Depreciation, amortisation and provisions	24	25
Other expenses	60	12
TOTAL OPERATING EXPENSES	4,382	3,237
OPERATING INCOME		(468)
FINANCIAL INCOME		2,277
INCOME FROM CONTINUING OPERATIONS BEFORE TAX		1,809
NON-RECURRING INCOME		(1,260)
Income tax	1,429	1,205
NET INCOME		1,754

Notes to the individual financial statements

The notes, tables and comments referenced below in the list of contents to the notes are an integral part of the annual financial statements.

The financial year covers the 12-month period from 1 January to 31 December 2012.

The financial statements (balance sheet, income statement) presented above are identified as follows:

the total net balance sheet amount for the financial year ended 31 December 2012 is €77,633,165.11;

the income statement presented in list form shows a loss of €1,427,999.69.

The Board of Directors approved the annual financial statements of Groupe Gorgé on 5 April 2013.

NOTE 1 SIGNIFICANT EVENTS

1) Acquisition of 60% stake of Seres Technologies in May 2012

Seres Technologies conducts nuclear facility safety studies. In 2012, it generated revenue of €1.5 million. Groupe Gorgé's backing will enable it to accelerate its development by facilitating hiring and giving it access to larger markets. This €0.95 million acquisition was financed through debt. The Group and the non-controlling shareholders have call or put options on the remaining shares held by the company's two founders.

2) Acquisition of an equity interest in Redhall Group (UK)

Redhall Group is an engineering group based in the UK, which specialises in engineering and services in niche sectors, mainly in hostile environments or environments subject to strict security and safety constraints. This group mainly operates in the defence and nuclear sectors.

A Redhall Group subsidiary and a Groupe Gorgé subsidiary signed a commercial agreement envisaging cooperation on the market for doors and partitions systems for the UK's future nuclear power plants. This partnership will bring together the unique experience of Groupe Gorgé in doors for use in third-generation nuclear plants and Redhall Group's human resources and knowledge of the UK nuclear market.

On 1 March 2012, Groupe Gorgé acquired a block of shares on the London AIM market, which increased its stake to 15.15% (4,522,000 shares at an average price of 97.40 pence per share). This stake was increased throughout 2012, with additional acquisitions of shares on the market, to stand at 19.46% of Redhall Group's capital. In December 2012, Groupe Gorgé sold this stake to its newly formed subsidiary Gorgé Europe Investment and recorded a capital loss of €1.5 million due to the poor performance of the Redhall Group share.

3) New long-term financing

Groupe Gorgé obtained new long-term financing during the year. This financing is not intended for any specific use. It may be used to finance the Group's subsidiaries or to make acquisitions. The financing amounts to €29 million: €5 million loan from Oséo with a seven-year term (two-year grace period); €4 million bullet bond maturing in October 2018; €10 million bullet bond maturing in December 2018; and €10 million bullet Schuldschein loan maturing in December 2017.

4) Payment of the ECA dividend in shares

Groupe Gorgé opted for the payment in shares of the dividend paid by its subsidiary ECA (€1,689 thousand).

Groupe Gorgé's ownership percentage thus rose from 52.65% in 2011 to 53.48%.

5) Subscription to Océane issued by ECA

In December 2012 ECA issued a €13.5 million convertible bond (Océane). The bonds issued mature on 1 January 2018, bear interest at 2.50% and offer holders the option of converting them into shares available to holders, as well as a variety of early redemption options (available to the issuer or the holders, under very specific circumstances). Groupe Gorgé subscribed to this Océane for €13.3 million.

6) Acquisition of 90% of Van Dam in the Netherlands

Groupe Gorgé created the wholly owned Gorgé Europe Investment company which owns 90% of the Gorgé Netherlands company. On 31 December 2012, Gorgé Netherlands acquired 100% of Van Dam for €4,050 thousand lent by Groupe Gorgé. Van Dam specialises in fire and blast resistant walls and doors, particularly for off-shore platforms, defence or off-shore wind power. In 2012, the company generated revenue of €7.9 million entirely outside France.

NOTE 2 ACCOUNTING RULES AND METHODS

The annual financial statements were prepared in accordance with the provisions of the French Commercial Code, the accounting decree of 29 November 1983 and *Comité de réglementation comptable* (CRC - French accounting regulation committee) regulation 99.03 of 29 April 1999 on the revised chart of accounts, using the following basic assumptions:

going concern;

consistency;

periodicity.

The recommendations of the *Conseil national de la comptabilité* (French national accounting board), the *Ordre des experts comptables* (French association of chartered accountants) and the *Compagnie nationale des Commissaires aux comptes* (French national institution of statutory auditors) have been applied.

The basic method used to value items in the financial statements is the historical cost method.

Generally accepted accounting principles have been applied in accordance with French legislation in effect on the reporting date.

The accounting rules and methods applied are identical to those used in the previous financial year.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are recorded at their acquisition cost.

Depreciation and amortisation is calculated on a straight-line basis using the following principal useful lives:

software	1-3 years;
office and computer equipment	3-5 years;
transportation equipment	5 years;
furniture	5-10 years.

Long-term investments

Equity securities are recognised on the balance sheet at their acquisition cost less any necessary provisions.

An impairment is recognised when the value of a holding is greater than the company's share in equity, unless the earnings and outlook suggest a short-term recovery.

Loans and other long-term investments are recognised at their original value less any necessary provisions.

Cash and cash equivalents, marketable securities and treasury shares

Marketable securities are recognised on the balance sheet at their acquisition cost. Accrued interest earned on term accounts is recorded under investment income. A provision for impairment is recognised when the net asset value is less than the acquisition cost.

Corporation tax

Groupe Gorgé is solely liable for corporation tax as the parent company of the tax consolidation group comprising Groupe Gorgé itself and the following subsidiaries:

Company	Date of inclusion
CIMLEC INDUSTRIE	1 January 2001
TENWHIL	1 January 2002
STONI	1 January 2005
NTS	1 January 2008
BAUMERT	1 January 2010
NUCLÉACTION	1 January 2010
NTC	1 January 2011
FINU4	1 January 2011
CLF-SATREM	1 January 2012

At 31 December 2012, taxable income for the consolidated group was €(2,362) thousand, and the prior tax loss carryforward was €17,120 thousand. Groupe Gorgé, as the parent company of the tax group, therefore paid no income tax but recorded €1,429 thousand in income as a result of the tax consolidation. No provision was recognised for losses transferred by subsidiaries. The remaining tax loss carryforward for the tax group is now €19,483 thousand.

Expense transfers

Expense transfers were €717 thousand and related mainly to costs borne by Groupe Gorgé and invoiced to its subsidiaries.

NOTE 3 NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

3.1 Statement of fixed assets

Gross values *(thousands of euros)*	Start of period	Increase	Decrease	End of period
INTANGIBLE ASSETS				
Other intangible assets	39	-	20	19
TOTAL	39	-	20	19
PROPERTY, PLANT AND EQUIPMENT				
Other property, plant and equipment	177	188	80	285
TOTAL	177	188	80	285
LONG-TERM INVESTMENTS				
Equity securities	28,767	9,899	6,561	32,105
Loans	1,034	-	-	1,034
Other long-term investments	63	13,615	-	13,678
TOTAL	29,864	23,514	6,561	46,817

Increases in securities correspond to the acquisition of shares of Seres Technologies (€950 thousand) and Redhall Group (€6,561 thousand), to the subscription of Gorgé Europe Investment's capital (€700 thousand), and to the ECA shares received as dividend payment (€1,687 thousand). Decreases correspond to the sale of Redhall Group securities (€6,561 thousand) to the new Gorgé Europe Investment subsidiary.

3.2 Statement of depreciation and amortisation

Depreciation and amortisation for the financial year was €24 thousand and related exclusively to the straight-line impairment of software, and of office and computer equipment.

Total depreciation and amortisation at 31 December 2012 was €94 thousand.

3.3 Statement of provisions

(in thousands of euros)	Start of period	Increase	Decrease	End of period
Provisions for risks and charges	2,845	-	1,500	1,345
TOTAL (1)	2,845	-	1,500	1,345
Impairments:				
equity securities	6,550	-	-	6,550
long-term investments	1,034	-	-	1,034
other receivables	4,619	880	-	5,500
TOTAL (2)	12,203	880	-	13,083
GRAND TOTAL (1) + (2)	15,048	880	1,500	14,428

Provisions for risks and charges are recognised for underlying tax relating to the tax consolidation and various disputes and litigation.

Provisions for equity securities and other long-term investments relate to:

the Laser Technologies securities €800 thousand;

the CNAi securities €3,655 thousand;

the SCI des Carrières securities €1,930 thousand; and

the Faure QEI securities €165 thousand.

A loan granted in 2005 to a former Romanian subsidiary of the Group (IRI) has been fully provisioned (€1,034 thousand) since 2006.

Another €880 thousand provision was recorded for a claim on the Faure QEI company which was sold in 2011 and for which the conditions for recovery do not appear to have been met.

The entirety of a €1,500 thousand provision recorded in 2011 for a dispute was reversed as a settlement has been reached.

3.4 Marketable securities

The "marketable securities" line on the assets side of the balance sheet, with a gross value of €21,530 thousand at 31 December 2012, comprises:

term deposits €21,425 thousand;

treasury shares €104 thousand.

Groupe Gorgé holds 15,918 treasury shares under a liquidity agreement managed by Gilbert Dupont.

The unrealised capital losses of €9 thousand relate to the treasury shares and have been fully provisioned.

3.5 Schedule of receivables and debts

Schedule of receivables:

(in thousands of euros)	Gross amount	Due within 1 year	Due in more than 1 year
Loans	1,034	-	1,034
Other long-term investments	13,678	-	13,678
Other trade receivables	732	732	-
Social security and other organisations	2	2	-
State and other government authorities			
Income tax	2,419	803	1,616
Value-added tax	75	75	-
Other taxes and similar payments	-	-	-
Group and associated companies	17,297	11,798	5,499
Other receivables	2	2	-
Prepaid expenses	4	4	-
TOTAL	35,243	13,416	21,827

Receivables due in more than one year relate mainly to receivables provisioned for former subsidiaries and research tax credit receivables for the tax consolidation group.

Accrued income: none.

Schedule of debts:

(in thousands of euros)	Gross amount	Due within 1 year	Due in more than 1 year
Bonds	14,109	109	14,000
Bank borrowings:			
originally due within one year	-	-	-
originally due in more than one year	26,229	8,039	18,190
Other borrowings and financial debt	-	-	-
Trade payables	863	863	-
Employees	153	153	-
Social security and other social services	300	300	-
State and other government authorities			
Income tax	371	371	-
Value-added tax	328	328	-
Other taxes and similar payments	468	468	-
Group and associated companies	3,682	3,682	-
Other liabilities	110	110	-
TOTAL	46,613	14,423	32,190

Accrued liabilities by balance sheet item

(in thousands of euros)	Amount
Bank borrowings	-
Other borrowings	168
Trade payables (pre tax)	175
Tax and social security liabilities	690
Other liabilities	110
TOTAL	1,143

3.6 Information on related undertakings

Related parties are persons (Directors, managers of Groupe Gorgé or of its principal subsidiaries) or companies owned or managed by these persons.

The net amounts for related undertakings included in Groupe Gorgé's balance sheet and income statement items for the year ended 31 December 2012 are as follows:

(in thousands of euros)	Subsidiaries	PÉLICAN VENTURE
Loan	13,313	-
Trade accounts receivable	585	147
Current accounts receivable	11,432	-
Other receivables	106	-
Deposits and guarantees received	10	24
Trade payables	37	145
Current accounts payable	2,686	-
Other liabilities	-	-
Revenue	2,080	150
Fees	-	-
Investment income	1,697	-
Other financial income	127	-
Purchases and external charges	15	269
Financial expense	22	-
Other income	614	83

3.7 Statement of changes in equity

(in thousands of euros)	Beginning of period	Increase or decrease in capital	Appropriation of income	Distribution of dividends	End of period
Share capital	12,732	-	-	-	12,732
Share premiums	18,165	-		(1,363)	16,802
Legal reserves	1,157	-	116	-	1,273
Other reserves	290	-	-	-	290
Retained earnings	818	-	1,638	(2,450)	6
N-1 income	1,754	-	(1,754)	-	-
TOTAL	34,916	-	-	(3,813)	31,103
Income (loss) for the period					(1,428)
TOTAL EQUITY AT END OF PERIOD					29,675

3.8 Breakdown of financial income

(in thousands of euros)	2012	2011
Investment income[1]	1,726	2,128
Net income from financial investments	400	367
Interest expense	(673)	(282)
FINANCIAL INCOME BEFORE PROVISIONS		2,213
Reversals of provisions	-	230
Provisions for impairment of equity securities[2]	-	(165)
Provisions for impairment of marketable securities	(9)	-
FINANCIAL INCOME		2,278

(1) Income from investments consists mainly of dividends received from ECA in 2012 and 2011.
(2) Relates to the Faure QEI securities in 2011.

3.9 Breakdown of non-recurring income

(in thousands of euros)	2012	2011
Capital gains and losses on asset disposals[1]	(1,488)	(1,983)
Non-recurring income from management operations[2]	(1,998)	(13)
NON-RECURRING INCOME BEFORE PROVISIONS		(1,996)
Reversals of provisions[3]	1,500	2,287
Provisions[4]	(880)	(1,551)
NON-RECURRING INCOME		(1,260)

(1) In 2012, relates to the capital loss on the sale of Redhall Group securities to Gorgé Europe Investment; in 2011, relates mainly to the capital losses on the Faure QEI and Almitec securities and the capital gain on the CIMLEC securities.
(2) €43 thousand for scrapping of property, plant and equipment; €105 thousand for compensation paid under a seller's guarantee given at the time of the Faure QEI disposal; and €1,850 thousand for compensation paid in a legal dispute.
(3) In 2012, reversal of a dispute for litigation; in 2011, reversal of a provision for the Almitec receivable.
(4) In 2012, relates to a provision for a Faure QEI receivable; in 2011 to provisions for disputes and litigation.

NOTE 4 OTHER INFORMATION

4.1 List of subsidiaries and equity interests

(in euros)	Share capital *Equity*	Share *Dividends*	Gross value of securities *Net value of securities*	Loans, advances[1] *Guarantees*	Revenue *Income*
CIMLEC INDUSTRIE	2,100,000	80%	981,816	1,546,303	25,764,519
	1,007,805	-	*981,816*	*3,200,000*	*(1,591,085)*
ECA	3,319,565	53.48%	14,401,077	9,734	3,561,276
	36,333,440	*1,688,661*	*14,401,077*	-	*93,051*
MARINE INTÉRIM[2]	100,000	34%	34,000	-	1,795,177
	16,534	-	*34,000*	-	*(24,686)*
FINU4	5,000	100%	5,000	-	-
	838	-	*5,000*	-	*(1,887)*
CLF-SATREM	660,000	100%	1,680,001	-	31,046,637
	3,064,811	-	*1,680,001*	*1,400,000*	*1,311,992*
NUCLÉACTION	273,240	100%	7,463	-	521,600
	1,114,520	-	*7,463*	-	*445,563*
FAURE QEI[3]	500,000	12%	210,000	880,000	562,700
	881,800	-	*45,000*	-	*(22,200)*
STONI	37,500	100%	5,690,000	-	781,991
	601,092	-	*5,690,000*	-	*371,834*
SCI CARRIÈRES	960	100%	2,844,000	548,997	-
	(124,226)	-	*914,000*	-	*(37,371)*
AI GROUP	285,715	51%	145,720	351,894	14,491,645
	(905,534)	-	*145,720*	-	*1,628,207*
SCI DES PORTES	1,000	99%	1,000	109,280	75,620
	(61,115)	-	*1,000*	-	*(58,228)*
SERES TECHNOLOGIES	80,000	60%	950,000	-	1,037,268
	209,185	-	*950,000*	-	*(33,533)*
GORGÉ EUROPE INVESTMENT BV	700,000	100%	700,000	5,073,220	-
	698,500	-	*700,000*	-	*(1,500)*

(1) Gross values.
(2) Financial statements at 31/12/2011.
(3) Financial statements at 31/12/2011, three-month reporting period.

4.2 Off-balance sheet items

4.2.1 Off-balance sheet commitments related to ordinary activities

€1,400 thousand in guarantees given to banking institutions for loans granted to CLF-Satrem.

€3,200 thousand in guarantees given to banking institutions for loans granted to CIMLEC.

€2,000 thousand in guarantees given to a financial institution to secure a Baumert bond.

Other guarantees totalling €50 thousand.

Assignment as collateral to a financial institution of a €2.1 million receivable on the Nucléaction subsidiary.

4.2.2 Complex items

In 2005 Groupe Gorgé granted AD Industrie an assets and liabilities guarantee in connection with the sale of the company MS Composites. This guarantee is capped at €1.3 million. A legal dispute has been ongoing since 2007 regarding potential compensation under this guarantee (see Note 4.6).

The sale of Recif Technologies to Pélican Venture in December 2009 is subject to a clawback clause and an earnout clause in favour of Groupe Gorgé. These clauses will apply if ever Recif Technologies is sold on by Pélican Venture (€1 repurchase option for Groupe Gorgé or retrospective payment to Groupe Gorgé of the entire capital gain made in four years), if dividends are paid by Recif Technologies (repayment to Groupe Gorgé of the full amount for three years and of 75% in the fourth year), or if current account repayments are made for over €2 million (repayment to Groupe Gorgé of the entire surplus for three years and of

75% in the fourth year). If no dividends are paid and the debt is paid back, and provided that cash and equity reach contractual thresholds, an earnout will be due to Groupe Gorgé (the full amount of cash in excess of the threshold for three years and then 75% in the fourth year).

In 2011 Groupe Gorgé granted Ingenox an assets and liabilities guarantee in connection with the sale of Faure QEI. This guarantee is capped at €0.15 million; €105 thousand in compensation was paid in 2012 as part of an industrial tribunal dispute to which the cap on the guarantee does not apply.

Groupe Gorgé, which owns 51% of the capital of Ai Group, has a mutual commitment with the other shareholders under a "buy or sell" clause. The "buy or sell" clause can be exercised during three one-month windows in 2015, 2017 and 2019.

Groupe Gorgé, which owns 60% of the capital of Seres Technologies since May 2012, has commitments to purchase non-controlling interests which may be exercised from 2017. Groupe Gorgé benefits from an assets and liabilities guarantee granted by the selling shareholders of Seres Technologies, which is capped at €0.3 million.

Groupe Gorgé benefits from an assets and liabilities guarantee granted by Hollandia, former shareholder of Van Dam, which was acquired on 31 December 2012. This guarantee is capped at €1.5 million for six months, and then at €1 million.

4.2.3 Other contractual obligations

Groupe Gorgé submitted a letter of intent to a banking institution which granted loans to Recif Technologies in the amount of €200 thousand. This commitment benefits from a counter-guarantee received from Pélican Venture.

4.2.4 Financial covenants

Groupe Gorgé owes LCL €3.22 million in residual debt which can be repaid in five annual instalments, in part from 29 January 2011 and in part from 29 January 2012. This debt may come due should Groupe Gorgé fail to comply with the consolidated net debt/consolidated EBITDA ratio, the consolidated net debt/consolidated equity ratio, or the debt service coverage ratio. Groupe Gorgé is in compliance with these covenants.

The Schuldschein loan subscribed by Groupe Gorgé in December 2012 may also come due should it fail to comply with the consolidated net debt/consolidated EBITDA ratio and the consolidated net debt/consolidated equity ratio. Groupe Gorgé is in compliance with these covenants.

4.2.5 Commitments received

The commitments made by Groupe Gorgé to the partners of Recif Technologies are counter-guaranteed by Pélican Venture, the Company's new shareholder. This counter-guarantee relates to residual commitments amounting to €200 thousand.

Groupe Gorgé has a confirmed line of credit earmarked to fund acquisitions and which may be used up to a limit of €4.05 million.

4.2.6 Retirement indemnities

Retirement indemnities are estimated at €10.45 thousand at the end of the period.

4.2.7 Financial instruments

In October 2011, Groupe Gorgé entered into an interest rate swap to hedge the interest rate risk on its variable rate debt. At 31 December 2012, the notional amount was €4,760 thousand and the swap's market value was €(68) thousand.

4.3 Pledges, guarantees and sureties

A pledge of 650,000 ECA shares was made in October 2011 to guarantee a €7 million bank loan earmarked for acquisitions. Due to the poor performance of the ECA share price and pursuant to a so-called top-up clause, an additional pledge of 650,000 shares was granted in October 2012.

The Seres Technologies securities acquired in May 2012 were pledged to a financial institution as collateral for a €950 thousand loan repayable in five annual instalments from May 2014.

4.4 Workforce

The average workforce for the financial year breaks down as follows:

	2012	2011
Average workforce used	9	9
of which higher managerial and professional positions	7	7
of which technicians and supervisors	2	2

4.5 Remuneration of corporate officers

A total of €60,000 in director's fees was allocated to members of the Board of Directors of Groupe Gorgé for 2012; this amount will be paid in 2013.

Excluding €1,500 in director's fees, Raphaël Gorgé, Chairman and Chief Executive Officer, received no remuneration from Groupe Gorgé for the 2012 financial year. He is remunerated by Pélican Venture, which is bound to Groupe Gorgé via a services agreement. Pélican Venture paid him total gross remuneration of €140,000, as well as €8,665 in benefits in kind, some of which corresponds to the provision of services to Groupe Gorgé.

4.6 Exceptional events and disputes

The Group is involved in various legal proceedings. After reviewing each case and seeking counsel, the provisions considered necessary have, as applicable, been recorded in the financial statements.

The company AD Industrie contacted Groupe Gorgé in December 2006 regarding with the assets and liabilities guarantee which it was granted in 2005 when Groupe Gorgé sold MS Composites. AD Industrie claims it should be compensated for costs borne by MS Composites to fulfil a contract entered into before the sale date by the Dutch army which MS Composites allegedly failed to perform. AD claims it was technically impossible to fulfil the contract. A court appointed expert called in to determine the feasibility of the contract tabled his report in July 2009. Despite this expert opinion AD Industrie sued Groupe Gorgé in October 2010 for €1.1 million. In December 2011, AD Industrie filed additional claims without providing new evidence and sought to recover €2.5 million. In any event, the indemnification obligation specified in the guarantee is limited to €1.3 million.

The Laser 89 company sued Groupe Gorgé SA in September 2011 to seek to extend the court-supervised liquidation proceedings of Laser Technologies against Groupe Gorgé SA. Laser Technologies was a subsidiary of Groupe Gorgé SA which had ceased operations for more than eight years. It had been involved in litigation with Laser 89 resulting in a €0.8 million sentence in favour of Laser 89. All of Laser 89's claims were dismissed in October 2012 but the company appealed this decision. After consulting with its counsel, the Group does not believe this situation will have any accounting impact.

ECA EN and ECA (a Groupe Gorgé subsidiary) are involved in a dispute with ENT, a former shareholder of ECA EN. In parallel with this dispute, ENT blocked payment on claims that are not directly related. ECA EN considered ENT's demands to be completely unfounded and did not record any provisions for the dispute itself or for claims that are not directly related. In October 2012, the court of first instance ruled in ECA EN's favour. ENT nevertheless appealed this decision.

In a decision handed down on 29 June 2012, the Paris Regional Court (*tribunal de grande instance*) dismissed ECA's request to invalidate a BAé Systems patent and consequently ruled that ECA had infringed the claims of this patent (see press release of 3 July 2012). ECA appealed this decision. After paying €2 million, ECA received permission from the enforcement judge (*Juge de l'Exécution*) to stagger payment of the balance of the provisional compensation over 24 months from December 2012. ECA recorded a €6.2 million provision in its financial statements corresponding to the provisional compensation and the ancillary charges determined by the court, classified on the income statement under "non-recurring items in operating income". ECA is disputing the assessment of this compensation.

A solution was reached in the dispute between Groupe Gorgé and Alstom regarding the parties' liability in the difficulties Almitec has encountered, with all the parties involved agreeing to a settlement that was signed in July 2012. Under this settlement, Groupe Gorgé paid €1.85 million in compensation in July 2012 and reversed a €1.5 million provision.

4.7 Subsequent events

No major event took place between 31 December 2012 and the date of the meeting of the Board of Directors which approved the individual financial statements.

4.8 Statutory Auditors' fees

For the 2012 financial year, the fees for Groupe Gorgé's two Statutory Auditors were €162 thousand.

20.4 AUDIT OF THE HISTORICAL ANNUAL FINANCIAL INFORMATION

20.4.1 STATUTORY AUDITORS' REPORTS

20.4.1.1 Statutory Auditors' report on the consolidated financial statements

To the Shareholders,

In accordance with our appointment as statutory auditors at your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2012, on:

the audit of the accompanying consolidated financial statements of Groupe Gorgé;

the justification of our assessments;

the specific verification required by law.

The consolidated 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.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, or other methods of selection, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities, financial position and results of the group comprising the persons and entities included in the consolidation in accordance with IFRS standards as adopted in the European Union.

Without qualifying the opinion expressed above, we draw your attention to:

the impact on the financial statements for the year ended 31 December 2012 of the conviction by the court of first instance of one of the Group's subsidiaries in an intellectual property dispute, described in Note 1.3 "Significant Events" in the notes to the consolidated financial statements;

the change to opening equity in the amount of €568K as a result of an adjustment made for an error and described in Note 2.1 "Reconciliation of the 2011 published financial statements and the financial statements presented for comparative purposes" in the notes to the consolidated financial statements;

the change to the presentation of the financial statements which occurred during the financial year and described in Note 2.1 "Reconciliation of the 2011 published financial statements and the financial statements presented for comparative purposes" consisting of adding a specific line item "Non-recurring items in operating income" representing a net charge of €11,224K in 2012 and €1,104K in 2011.

II - JUSTIFICATION OF ASSESSMENTS

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

The observations made in the first part of our report were addressed in specific notes:

Note 1.3 "Significant Events" in the notes to the consolidated financial statements describes the central facts in the intellectual property dispute, as well as the impact on the Group's consolidated financial statements for the year ended 31 December 2012.

Note 2.4 "Valuation methods and rules" in the notes to the consolidated financial statements defines non-recurring operating income and expense, the breakdown of which is presented in Note 4.3 "Non-recurring items in operating income" in the notes to the consolidated financial statements.

Note 2.1 "Reconciliation of the 2011 published financial statements and the financial statements presented for comparative purposes" describes the impact of the adjustment made for an error and the restatements to the Group's statement of operating income.

As part of our assessment of the accounting rules and principles used by the Group, we verified the appropriateness of these accounting methods, the restatements made, and the correct application and presentation thereof in the notes to the consolidated financial statements.

Our work also consisted of assessing the reasonableness of the estimates used by Management to determine the provision for the intellectual property dispute.

Note 2.4 "Valuation methods and rules" in the notes to the consolidated financial statements describes the procedures for capitalising the amortisation of "intangible assets acquired separately or in a business combination" and "internally generated intangible assets", as detailed in section 4.8 of the notes to the consolidated financial statements.

The group performs an impairment test on the goodwill recognised in business combinations at least once a year and whenever an indicator of impairment exists, in accordance with the procedures described in Note 2. 4 "Impairment of non-current assets" in the notes to the consolidated financial statements;

If an indicator of impairment exists, the Group performs an impairment test of the capitalised development costs.

As part of our assessment of the accounting rules and principles used by the Group, we verified the appropriateness of the accounting methods used and the correct application thereof. We also examined the procedures used to implement the impairment tests for intangible assets, as well as the cash flow forecasts and assumptions used.

Note 2.4 "Valuation methods and rules" in the notes to the consolidated financial statements describes, in particular, the procedures for recognising provisions for risks and charges detailed in Note 4.21 "Other provisions for risks and charges".

As part of our assessment of the accounting rules and principles used by the Group, we assessed the bases on which these provisions were recorded and the reasonableness of the estimates used.

Note 2.4 "Valuation methods and rules" in the notes to the consolidated financial statements describes the procedures for recognising contracts in progress at the end of the reporting period.

Based on the information provided to us, our work consisted, in particular, of assessing the data and assumptions on which the valuations of the profit or loss on completion of these contracts were based, reviewing the calculations made by the company and examining the procedures whereby Management approves these estimates.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III – SPECIFIC VERIFICATION REQUIRED BY LAW

We also performed, in accordance with the professional standards applicable in France, the specific verification required by law of the information provided in the Group's management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Courbevoie and Paris, 18 April 2013

MAZARS	COREVISE
Bernard España	Stéphane Marie
Statutory Auditors	
Members of the *Compagnies Régionales de Versailles et Paris*	

20.4.1.2 Statutory Auditors' report on the annual financial statements

To the Shareholders,

In accordance with our appointment as statutory auditors at your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2012, on:

the audit of the accompanying annual financial statements of Groupe Gorgé,

the justification of our assessments,

the specific verifications and information required by law.

The annual 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.

I - OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the annual financial statements are free from material misstatement. An audit includes examining, on a test basis, or other methods of selection, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used and the significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the results of the company's operations for the past financial year, as well as of its financial position and its assets and liabilities, in accordance with the accounting rules and principles applicable in France.

II - JUSTIFICATION OF ASSESSMENTS

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

Equity securities, of which the net balance sheet amount at 31 December 2012 was €25,555 thousand, are valued at their acquisition cost and impaired on the basis of their value in use in accordance with the procedures described in Note 2 of the notes to the financial statements.

Your company records provisions to hedge risks related to legal disputes as described in Note 3.3 of the notes to the financial statements.

Our work consisted of assessing the data and assumptions that form the basis for these estimates, in particular the cash flow forecasts made by company Management, reviewing the calculations made by the company and examining the procedures whereby Management approves these estimates.

These assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III – SPECIFIC VERIFICATIONS AND INFORMATION

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

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to the shareholders regarding the financial position and the annual financial statements.

As regards the information provided in accordance with Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits paid to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the information used to prepare these financial statements and, when applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with the law, we verified that the information related to the acquisition of equity and controlling interests, and to the identity of the holders of share capital or voting rights has been disclosed to you in the management report

Courbevoie and Paris, 18 April 2013

MAZARS	COREVISE
Bernard España	Stéphane Marie
Statutory Auditors	
Members of the *Compagnies Régionales de Versailles et Paris*	

20.4.2 OTHER VERIFICATIONS CARRIED OUT BY THE AUDITORS

The auditors sent a completion letter to the person responsible for the document stating that they have verified the information regarding the financial position and the financial statements included in this Registration Document and that they have read this Registration Document in its entirety.

20.4.3 FINANCIAL DISCLOSURES INCLUDED IN THE REGISTRATION DOCUMENT NOT DERIVED FROM THE ISSUER'S AUDITED FINANCIAL STATEMENTS

None.

20.5 DATE OF LATEST FINANCIAL INFORMATION

The last financial year for which financial information has been audited is the financial year ended 31 December 2012.

20.6 INTERIM AND OTHER FINANCIAL INFORMATION

The Company publishes financial information on a quarterly basis. As of the date on which this document was filed, the Company had not published any interim financial information since 31 December 2012. The press release on first-quarter revenue for the 2013 financial year was published at the end of April 2013. This press release is available on the Company's website at www.groupe-gorge.com.

This information has not been reviewed or audited.

20.7 DIVIDEND DISTRIBUTION POLICY

The Company intends to pay dividends, but it has not defined a firm policy with respect to the apportionment of its profits between dividends and the financing of its operations.

Dividends for the previous financial years were:

2007: dividend per share of €0.16 (6,323,321 shares), or a total dividend of €1,011,731.36;

2008: no dividend;

2009: dividend per share of €0.26 (11,574,403 shares), or a total dividend of €3,009,344.78;

2010: dividend per share of €0.26 (11,574,403 shares), or a total dividend of €3,009,344.78;

2011: dividend per share of €0.30 (12,731,843 shares), or a total dividend of €3,819,552.90.

The Board of Directors will propose to the Shareholders' Meeting of 6 June 2013 that the Group pay a dividend of €0.32 per share.

20.8 LEGAL AND ARBITRATION PROCEEDINGS

To date, apart from the litigation referenced in the notes to the financial statements, there are no governmental, legal or arbitration proceedings, including any proceedings which are pending or threatened of which the Company is aware, which may have or have had in the last 12 months significant effects on the Company's financial position or profitability

20.9 SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION

There has been no significant change in the Group's financial position since 31 December 2012.

ADDITIONAL INFORMATION

21.1 SHARE CAPITAL

21.1.1 AMOUNT OF SUBSCRIBED SHARE CAPITAL AND POTENTIAL SHARE CAPITAL

At 31 December 2012, the Company's share capital comprised 12,731,843 fully-paid up shares of a nominal value of €1.00 each.

A plan for the grant of free shares has been in place since June 2011. The vesting period ends in June 2013 and up to 49,000 shares may be definitively granted, subject to certain performance conditions.

21.1.2 SHARES NOT REPRESENTING CAPITAL

There are no non-equity shares.

21.1.3 TREASURY SHARES

Pursuant to the share repurchase program authorised by the combined Shareholders' Meeting of 8 June 2012, Groupe Gorgé had 15,918 treasury shares, or 0.13% of its share capital, at 31 December 2012. On the Group's balance sheet, these shares have been recorded at a gross value of €104,407 and a net value of €95,667, an average share price of €6.01 per share which corresponds to the market share price at 31 December 2012.

ECA, Groupe Gorgé's subsidiary, held 193,575 treasury shares, or 2.92% of the share capital, and recorded them in its balance sheet at a gross value of €2,069,028 and a net value of €1,374,282, or €7.13 per share which corresponds with the market share price at 31 December 2012.

21.1.4 CONVERTIBLE OR EXCHANGEABLE SECURITIES OR SECURITIES WITH WARRANTS

None.

21.1.5 ACQUISITION RIGHT AND/OR OBLIGATION OVER AUTHORISED BUT UNISSUED SHARE CAPITAL

None.

21.1.6 OPTION ON A SUBSIDIARY'S SHARE CAPITAL

None.

21.1.7 TABLE OF THE HISTORY OF THE DEVELOPMENT OF THE COMPANY'S SHARE CAPITAL

Date	Transactions	Number of shares before	Number of shares after	Nominal value *(in euros)*	Additional paid-in capital *(in euros)*	Share capital after *(in euros)*
24 February 1998	Share capital increase (listing on the secondary market of the Paris Stock Exchange)	900,000	1,050,000	10 Francs	29,822,332 Francs	10,500,000 Francs
25 February 2000	Share capital increase by incorporating an amount deducted from the issuance premium line item	1,050,000	1,050,000	32.79 Francs	(23,937,742.50) Francs	34,429,500 Francs
25 February 2000	Conversion of share capital into euros and a share capital increase to take into account the exchange rate	1,050,000	1,050,000	5	(3,649,285.32)	5,250,000
18 February 2005	Stock split to reduce the nominal value from €5 to €1	1,050,000	5,250,000	1	-	5,250,000
24 November 2005	Share capital increase following a conversion of bonds	5,250,000	6,183,689	1	12,183,158.06	6,183,689
25 July 2007	Share capital increase following a dividend payout in shares	6,183,689	6,323,321	1	2,073,535.20	6,323,321
30 June 2009	Reduction of share capital by allocation to the share premium account	6,323,321	6,323,321	0.01	6,260,087.79	63,233.21
	Share capital increase resulting from the merger of Balisco	6,323,321	11,553,735	0.01	689,581.79	115,537.35
27 July 2009	Increase in the nominal value of the Company's shares by incorporating the premium	11,553,735	11,553,735	1	(11,438,197.65)	11,553,735
22 April 2010	Share capital increase resulting from the acquisition of shares granted under a free share grant plan	11,553,735	11,574,403	1	-	11,574,403
27 December 2011	Share capital increase in cash	11,574,403	12,731,843	1	7,500,211.20	12,731,843
8 June 2012	Dividend payout taken from the premiums	12,731,843	12,731,843	1	(1,363,158.42)	12,731,843

21.2 MEMORANDUM AND BYLAWS

21.2.1 CORPORATE PURPOSE

As set forth in article 3 of the bylaws, the Company's purpose is to:

take part in any transactions directly or indirectly related to managing the securities portfolio, the buying and selling of securities as well as any related transactions, investing liquidities;

acquire, manage and transfer by all means the holdings in commercial or industrial companies;

and, more generally, enter into any transactions that are directly or indirectly related to these purposes or similar or related purposes.

21.2.2 PROVISIONS OF THE BYLAWS, A CHARTER OR REGULATIONS RELATED TO THE MEMBERS OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Pursuant to Groupe Gorgé's bylaws, the Board of Directors consists of three to eighteen members subject to the exceptions provided for by law in the event of a merger. The term of office of the directors is six years and is renewable.

Directors can be natural or legal persons. At the time of appointment, legal persons must appoint a permanent representative who is subject to the same conditions and obligations and incurs the same liability as if he or she were a director in his/her own name, without prejudice to the joint and several liability of the legal entity he or she represents.

The Board of Directors elects a Chairman among its members who are natural persons. The Board of Directors sets the Chairman's compensation and the length of tenure, which cannot exceed his/her term of office as Director. Article 14 of the bylaws sets a maximum age limit for the Chairman (75 years old).

The Board of Directors prepares and presents the half-yearly and annual financial statements and convenes the Shareholders' Meetings.

Meetings of the Board of Directors may be held as often as is necessary to the Company's interest. The Internal Regulations provide that meetings may be held by videoconference or by other telecommunication means in accordance with the regulatory requirements for holding meetings.

Quorum is achieved by half of the members of the Board of Directors and decisions are made by a majority vote of the members in attendance or represented by other Directors of the Board.

Pursuant to a Board decision dated 14 September 2011, the Directors decided to no longer separate the roles of Chairman of the Board of Directors and Chief Executive Officer. The Directors' powers are those as defined by law and have not been limited either by statute or at the time of appointment by the Board of Directors.

The Chief Executive Officer may be assisted by the Deputy Chief Executive Officers who are vested with the same powers. If the Chief Executive Officer is a Director, he or she is appointed for the term of office of a Director and the same applies for a Deputy Chief Executive Officer.

21.2.3 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO EACH CLASS OF ISSUED SHARES

There are no privileges or restrictions attached to certain shares or classes of shares.

"With respect to the percentage of share capital that they represent, double voting rights are conferred upon all fully paid-up shares which have been held in registered form for at least four (4) years in the name of the same holder. In the event of a share capital increase by incorporating reserves, profits or premiums, this double voting right will be attached on the date of their issuance to the new registered shares allotted free of charge to a shareholder in consideration for the old shares giving rise to such right*."(Extract of article 12 of the bylaws.)*

21.2.4 SHARES NECESSARY TO AMEND SHAREHOLDERS' RIGHTS

The shareholders' rights may be amended by an Extraordinary Shareholders' Meeting and, where necessary, after having been ratified by the Special Shareholders' Meeting for shareholders benefiting from special advantages.

21.2.5 GENERAL SHAREHOLDERS' MEETINGS

"The General Shareholders' Meetings are convened and hold deliberations as provided for by the law.

Shareholder resolutions are made at Ordinary, Extraordinary or Special Shareholders' Meetings depending on the type of decision.

General Shareholders' Meetings are convened by the Board of Directors, the statutory auditors or by a court-appointed agent as provided for by the law.

The meetings are held at the Company's registered office or at any other place indicated in the notice of the meeting.

The notice of the meeting is made fifteen days prior to the General Shareholders' Meeting and is published in a journal of legal notices in the French department where the registered office is located or by registered letter to each shareholder. In the first case, each shareholder must also receive the notice of the meeting by standard mail or by registered letter, at his or her request and expense.

Regardless of the number of shares held, every shareholder may participate in the General Shareholders' Meetings, either in person or by proxy, upon proof of identity and share ownership either in registered form or filing a certificate with an accredited intermediary listed on the notice stating that the shares have been placed in a blocked account, preventing their sale up to the date of the Meeting. Such procedures must be made five days prior to the date of the General Shareholders' Meeting.

However, the Board of Directors or the office of the Shareholders' Meeting shall always have the possibility of accepting the confirmations of shareholder registrations or the filing of the aforementioned certificates after the deadline.

Voting by mail or by proxy is carried out in accordance with regulatory and legislative provisions.

All shareholders have the right to access the documents they require to be able to make an informed decision on the Company's management and situation.

The laws and regulations determine the type of documents as well as how they are sent and made available to shareholders.

The officers of the Meeting certify as accurate the attendance sheet, duly signed by the attending shareholders and their proxies and to which shall be appended the powers of attorney awarded to each proxy and, where applicable, the vote-by-mail forms.

The Meetings are presided over by the Chairman of the Board of Directors or, in his or her absence, by a Deputy Chairman or another Director specially appointed for this purpose by the Board. Failing such measures, the General Shareholders' Meeting appoints the Chairman of the Meeting itself. The duties of vote-teller shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy-holders. The officers so appointed shall appoint the Secretary, who does not need to be a shareholder.

The minutes of the meetings will be prepared and copies or excerpts of the proceedings will be certified in accordance with law.

Ordinary and Extraordinary Shareholders' Meetings, acting according to the corresponding conditions of quorum and majority required by legal provisions, shall exercise the powers conferred on them by law."
(Extract of article 22 of the bylaws.)

21.2.6 BYLAW PROVISIONS THAT COULD POSTPONE OR PREVENT A CHANGE OF CONTROL

None.

21.2.7 CROSSING OF OWNERSHIP THRESHOLDS

"Any natural or legal person, acting alone or in concert with others, who acquires or ceases to hold up to 5% of the share capital, the amount provided for by law, must inform the Company within five trading days of the date on which the threshold is crossed, by registered letter with return receipt to its registered office, of the total number of shares or voting rights held. In the event that this requirement is not respected, the shares exceeding the 5% fraction which should have been declared shall be stripped of their voting rights and the payment of any dividends deferred until the situation is rectified, under the conditions provided for by law, upon request recorded in the minutes of the Shareholders' Meeting by one or more of the shareholders holding 5% of the share capital."*(Extract of* *article 10-6 of the bylaws.)*

21.2.8 TERMS IN THE COMPANY'S BYLAWS REGARDING MODIFICATIONS TO SHARE CAPITAL WHICH ARE MORE RESTRICTIVE THAN THE LAW

The Company's bylaws do not contain any provisions concerning modifications of share capital which are more restrictive than those provided under the law.

SIGNIFICANT AGREEMENTS

There are no significant agreements to report, apart from the agreements signed in the context of the normal business activity carried out by the issuer or any other Group company.

THIRD-PARTY INFORMATION, EXPERT DECLARATIONS AND DECLARATIONS OF INTERESTS

The Group's management has no knowledge of any third-party information, expert declarations or declarations of interests that should be mentioned in this Registration Document.

PUBLICLY AVAILABLE DOCUMENTS

The Company communicates with its shareholders primarily via its internet site (www.groupe-gorge.com) as well as through Actus News, its financial press agency.

The quarterly, half-yearly and annual financial results are disclosed in press releases according to the indicative timetable below:

2012 annual revenue:	21 February 2013;
2012 annual financial results:	12 April 2013;
2013 1st quarter revenue:	25 April 2013;
General Shareholders' Meeting:	6 June 2013;
2013 2nd quarter revenue:	25 July 2013;
2013 half-year financial results:	12 September 2013;
2013 3rd quarter revenue:	23 October 2013;
2013 4th quarter revenue:	27 February 2014.

Meetings with analysts and investors are held when the financial results are published. The meeting for the 2012 financial results was held on 12 April 2013 and the meeting for the 2013 1st half financial results is scheduled on 12 September 2013.

Throughout the period of validity of the Registration Document, the following documents may be consulted at the Company's registered office:

the Company's bylaws;

all reports, correspondence and other documents included or mentioned in this Registration Document;

the issuer's historical financial information for each of the two financial years prior to the publishing of the Registration Document.

Copies of the annual reports are available at the Company's registered office, 19 rue du Quatre-Septembre, 75002 Paris, France, as well as on its website www.groupe-gorge.com. The Company's press releases are issued via a financial press agency (ACTUSNEWSWIRE) and can be consulted on the major stock exchange websites which are available to the public, i.e., BOURSORAMA, BOURSIER.COM, EURONEXT, etc.

The Company's website contains all of the Group's up-to-date financial information. All of Groupe Gorgé's press releases are easily accessible as are other documents useful to shareholders: registration documents, half-yearly consolidated financial statements, information on share repurchase plans, etc.

Groupe Gorgé participates in Smallcap and/or Midcap events, road shows as well as other events throughout the year where the Company can present its activities and results to analysts, investors and shareholders.

A Securities Service directly administers fully registered shares free of charge. Shareholders who wish to register their securities in this form may send their request to CACEIS Financial Services, 14 rue Rouget-de-Lisle 92862 Issy-les-Moulineaux Cedex 09, France, or to their own financial advisor.

INFORMATION ON EQUITY INTERESTS

Note 3 "Scope of consolidation" in the notes to the consolidated financial statements in Section 20.3.1 lists all of the companies included in the scope of consolidation. The table showing Groupe Gorgé subsidiaries and equity interests can be found in Note 4.1 of the notes to the Company's individual financial statements (Section 20.3.2).

ANNEXES

ANNEX 1 – MANAGEMENT REPORT PRESENTED TO THE ORDINARY SHAREHOLDERS' MEETING HELD ON 6 JUNE 2013, INCLUDING THE GROUP'S MANAGEMENT REPORT

Dear Shareholders,

Pursuant to law and our company's bylaws, we have convened to report to you on our Company's business and operations during the financial year ended 31 December 2012. We would also like to report the consolidated financial statements as of 31 December 2012 that we have prepared.

Furthermore, the company's financial statements and the consolidated financial statements can be found in Sections 20.3.2 and 20.3.1 respectively of our Registration Document.

Finally, the special report of the Chairman on the work of the Board of Directors and the internal control procedures mentioned in Article L. 225‑ 37 of the French Commercial Code will also be presented to you. Furthermore, this report is included in our Registration Document (Section 16.5).

We would like to remind you that the documents and particulars relating to this Shareholders' Meeting were made available to the shareholders under legal and regulatory conditions and, in particular, the information mentioned in Article R. 225-73-1 of the French Commercial Code was published on the Company's website (www.groupe-gorge.com) in a timely manner.

We request that you to confirm that we have done so.

1. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF GROUPE GORGÉ

The consolidated financial statements that are being presented to you were drawn up in compliance with the financial information presentation and evaluation rules of the IFRS (International Financial Reporting Standards), standards and interpretations adopted by the European Union and published in the Official Journal dated 13 October 2003.

The figures presented below are from the financial statements for 2012 and 2011. The data can be compared only by taking into account the changes in the scope of business reported in the notes to the consolidated financial statements.

The comparative presentation of the 2011 accounts was subject to changes vis-à-vis those published; the details of these changes are provided in the notes to the consolidated financial statements: the financial statements of ECA CSIP were subject to an error correction and presentations were reclassified in the income statement.

All the consolidated companies have drawn up the financial statements as of 31 December 2012, except for Redhall Group, which closes on 30 September and which has been consolidated for the first time as per the equity method.

The financial statements of various consolidated companies are drawn up in accordance with the rules applicable locally and restated according to the IFRS as part of the preparation of the consolidated financial statements.

The consolidated revenue for the financial year stood at €208.63 million versus €228.78 million in 2011.

Current operating income was €11.44 million versus €14.50 million in 2011.

Income from continuing operations before tax, after taking into account financial income, was -€0.94 million versus €12.69 million in 2011.

After taking into account:

income tax of	€2.68 million,
income of equity-accounted companies	€0.00 million,
income from discontinued operations	-€1.50 million,

the financial year ended 31 December 2012 produced a consolidated net income of €0.25 million, versus €8.49 million for the previous financial year.

This consolidated net income breaks down as follows:

group share:	+€1.46 million
Minority interests:	-€1.21 million

In accordance with Article L. 233-16 of the French Commercial Code, you will find below the list of companies controlled directly by Groupe Gorgé SA as of 31 December 2012, as well as the holding percentages:

	Share
CIMLEC INDUSTRIE [(1)]	80%
ECA	53.48%
STONI	100%
SCI LES CARRIÈRES	100%
NUCLÉACTION	98.81%
CLF-SATREM	100%
AI GROUP	51%
FINU4	100%
SCI DES PORTES	100%
SERES TECHNOLOGIES	60%
GORGÉ EUROPE INVESTMENT BV	100%

(1) 80% of CIMLEC INDUSTRIE is owned by Groupe Gorgé SA and 20% is owned by CLF-SATREM.

Furthermore, in the notes to the consolidated financial statements, you will find all the information on the changes in scope that have taken place in the 2012 financial year.

2. PRINCIPAL CONSOLIDATED FIGURES

2.1 Consolidate balance sheet

(in thousands of euros)	31/12/2012	31/12/2011
Non-current assets	75,253	67,600
Current assets	202,738	196,817
Assets held for sale	-	-
TOTAL ASSETS		264,417
Equity (Group share)	49,857	54,267
Non-controlling interests	20,675	23,133
Non-current liabilities	48,996	28,296
Current liabilities	158,464	158,721
Liabilities held for sale	-	-
TOTAL LIABILITIES		264,417

2.2 Consolidated income statement

(in thousands of euros)	2012	2011
Revenue	208,627	228,782
Current operating income	11,440	13,672
Operating income	216	13,399
Income from continuing operations before tax	(937)	12,686
Net income from continuing operations	1,745	10,485
Net income	249	8,492
Net income – Group share	1,462	6,426

3. THE ORGANISATION AND THE CHANGES IN SCOPE

The Group is structured around three core businesses:

"Protection in Nuclear Environments"

"Smart Safety Systems"

"Industrial Projects and Services"

Apart from the items impacting the company's financial statements, the highlights are as follows:

1/ Acquisition of 60% stake of Seres Technologies in May 2012

This company, established three years ago, performs studies on the safety of nuclear sites. In 2011, it generated revenues of €1.3 million. The backing from Groupe Gorgé in the Protection in Nuclear Environments business will enable it to accelerate its development by facilitating its recruitments and providing it with access to the most important markets.

This acquisition, amounting to €0.95 million, was financed through debt. The Group and the non-controlling shareholders have call or put options on the remaining shares held by the company's two founders.

The company has been consolidated since 1 May 2012.

2) Acquisition of an equity interest in Redhall Group (UK)

Redhall Group is an engineering group based in the UK, which specialises in engineering and services in niche sectors, mainly in hostile environments or environments subject to strict security and safety constraints. This group mainly operates in the defence and nuclear sectors.

A commercial agreement was signed by Redhall Group and Groupe Gorgé envisaging cooperation on the market for doors and partitions systems for the UK's future nuclear power plants. This partnership will bring together the unique experience of Groupe Gorgé in doors for use in third-generation nuclear plants and Redhall Group's human resources and knowledge of the UK nuclear market.

On 1 March 2012, Groupe Gorgé acquired a block of shares on the London AIM market, which increased its stake to 15.15% (4,522,000 shares at an average price of 97.40 pence per share). This stake was boosted through the acquisition of new shares on the market in 2012. With a 19.46% stake in the capital of Redhall Group, the Group is now the principal shareholder. Redhall Group is consolidated using the equity method.

3/ 90% acquisition of Van Dam BV

On 31 December 2012, Groupe Gorgé acquired a 90% stake in Van Dam, in the Netherlands, through two holding companies. This company specialises in fire and blast resistant walls and doors, particularly for off-shore platforms, defence or off-shore wind power. In 2012, the company generated revenue of €7.9 million entirely outside France. Considering the acquisition date (31 December 2012), Van Dam has been consolidated in the 2012 financial statements, but without any contribution to the income statement.

Van Dam BV consolidated the "Industrial Projects and Services" business.

4. THE GROUP'S BUSINESS AND RESULTS DURING THE FINANCIAL YEAR

The activities of each of the Group’s core businesses are summed up in the table below:

	Industrial Projects and Services		Smart Safety Systems		Protection in Nuclear Environments		Structure		Disposals		Consolidated	
(in thousands of euros)	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	76,303	72,313	99,024	129,077	33,536	30,646	2,230	2,283	(2,466)	(5,536)	208,626	228,782
Current operating income	3,400	3,797	4,009	7,439	4,020	3,751	11	(484)	-	-	11,440	14,503
OPERATING INCOME		3,723		6,633		3,526		(484)		-		13,399

The core business revenue indicated includes revenue made with other businesses.

Revenue

Revenue was €208,627 thousand versus €228,782 thousand in 2011. Industrial Projects and Services and Protection in Nuclear Environments grew by 5.5% and 9.4%, driven by fire protection and the construction of new nuclear plants in China. Smart Safety Systems declined mainly on account of the expiry of the A350 contracts, which were exceptional contributors to revenue in 2010 and 2011.

Approximately 35% of the Group’s revenue came from international business, versus 24% in 2011. This development is explained by the decline in revenue from the Smart Safety Systems business in France (expiry of A350 contracts) and the growing share in the two other businesses at the international level. The Protection in Nuclear Environments business generated 50% of its revenue internationally due to the magnitude of its contracts in China, the Smart Safety Systems business approximately 40% and the Industrial Projects and Services 22% (only 12% in 2011).

Operating income

Current operating income was €11,440 thousand versus €14,503 thousand in 2011. While the Smart Safety Systems core business sees a slight improvement in profitability in the second half of the year (8.56% of current operating income versus –1.2% in the first half of the year), its overall performance remains very average compared to past performances (5.48%). The two other core businesses performed well or very well. Industrial Projects and Services generated an operating income of €2.66 million (versus €3.72 million in 2011), with the fire protection business and its profitability not compensating the decline in the other businesses. Protection in Nuclear Environments generated a current operating income of €4.02 million, i.e. 12.0% of revenue (versus €3.75 million and 12.2% in 2011).

Operating income came to €216 thousand versus €13,399 thousand in 2011, on account notably of €11.1 million in non-recurring items.

The non-recurring items in operating income mainly concern the Smart Safety Systems business (€9.9 million) with provisions for the BAE litigation (€6.2 million), provisions of €2.1 million for asset depreciation and amortisation (mainly R&D), provisions of €0.9 million for restructuring costs and for amortisation of intangible assets recorded at fair value during past acquisitions (€0.7 million). Furthermore, restructuring costs in Industrial Projects and Services (€0.7 million) and acquisition costs (€0.3 million) were also recognised.

Financial income

Financial income came to -€1,153 thousand versus -€713 thousand in 2011.

Income tax

Tax amounted to €2,682 thousand versus -€2,191 thousand in 2011. In 2012, it was made up of -€1,802 thousand towards tax payable (of which €1,507 thousand from CVAE and IRAP) and €4,484 thousand towards deferred taxes.

Income from discontinued operations

Income from discontinued operations was -€1.50 million versus -€1.99 million in 2011. This loss is explained particularly by a debt provision (€0.88 million) and compensation for the guarantee of liabilities (€0.11 million) involving Faure QEI (disposal in 2011).

Net income

Net income came to €249 thousand versus €8,492 thousand in 2011. Net income - Group share was €1,462 thousand versus €6,426 thousand in 2011.

5. RESEARCH AND DEVELOPMENT

In 2012, Research and Development (R&D) efforts related to the three core businesses. The capitalised R&D expenses were €2.3 million for a total expense of €7.6 million (including €1.5 million and €6.5 million respectively for the Smart Safety Systems business). The expenses were incurred mainly by the Smart Safety Systems and Protection in Nuclear Environments businesses for sub-marine or surface drones, terrestrial robotics and the development of gates for AP1000 power stations or the improvement in fire protection in the power stations.

All of the Group's subsidiaries obtained research tax credits amounting to a total of €2.2 million, of which €1.7 million was recorded under income and €0.5 million was posted under deferred income and will contribute to future results.

6. INVESTMENT POLICY

The Group's investments stood at €6.26 million. More than half of them are intangible investments (R&D, software). Industrial investments are mainly funded through equity. Investments in real-estate, which are infrequent, are funded through classic debt or debt in the form of a lease.

In 2012, investments in external growth included the takeover of Seres Technologies (May 2012), the acquisition of a stake in Redhall Group (acquisitions of securities on multiple dates in the financial year and mainly in April 2012), and the acquisition of Van Dam BV in the Netherlands (December 2012).

7. GROUP'S FINANCIAL POSITION

As of 31 December 2012, the net consolidated financial debt (sum of loans and financial liabilities amounting to €59.1 million and bank borrowings amounting to €1.8 million, less marketable securities amounting to €31.2 million and cash and cash equivalent amounting to €18.4 million) was €11.4 million. As of 1 January 2012, it was -€3.7m.

The treasury shares held by ECA and Groupe Gorgé are not included in these figures. The net debt adjusted for treasury shares, valued at the closing price, was €9.9 million (versus -€6.0 million as of 1 January 2012).

8. RISK FACTORS

Financial risk management (liquidity, interest rates, exchange rates, market) is described by the Group in the notes to the consolidated financial statements, included in the Registration Document published by Groupe Gorgé and filed with the AMF as the management report. This description is therefore not repeated in the management report.

Details of the other risks faced by the Group are given in the Registration Document filed with the AMF, Section 4 "Risk factors".

These risks notably concern:

legal risks (possibility of disputes, maintenance of professional certifications);

credit or counter-party risks mitigated by considerable dispersal of suppliers and the absence of major dependence;

operating risks, related to technological changes, competition, changes in the market;

risks related to dependence on some key persons;

risks in the event of non-compliance with the performance obligations accepted in some contracts with customers.

9. MAJOR EVENTS THAT HAVE OCCURRED SINCE THE CLOSING OF THE FINANCIAL YEAR

In 2010, the lessor of ECA EN in Saint Herblain was ordered to remove asbestos from the premises rented by ECA EN, subject to penalty. Since depollution work had not been carried out within the given time frame, the executing judge ordered the liquidation of a portion of the penalty amounting to €3 million on 11 March 2013 and fixed a new penalty in the event of non-execution of the depollution work, still to be carried out. The actions undertaken by ECA EN to recover this amount have had varying success, to the extent that the lessor seems to be encountering difficulties. Moreover, the latter appealed this decision and requested as an interim measure a 24-month deferral of the penalty payment.

No other major event took place between 31 December 2012 and the date of the meeting of the Board of Directors which approved the individual and consolidated financial statements.

10. BUSINESS FORECAST AND FUTURE PROSPECTS

The "Smart Safety Systems" orders are up, with good order intake at the end of the financial year. This positive trend has been backed by two major commercial successes at the beginning of 2013, in underwater and terrestrial robotics. However, the revenue for the financial year will not reach the levels of 2010 or 2011, which saw major non-recurring orders from Airbus. The former Chairman and CEO of ECA returned in February 2013 to head the core business. His aim is to restore the profit levels of the business in order for it to quickly attain the pre-2012 levels.

The "Industrial Projects and Services" business had rebuilt its order book at the end of 2010 and in 2011. In 2012, orders were down to €32 million (excluding Van Dam orders). However, considering the short order cycle compared to the other businesses, the five-month order book was at a rather high level compared to the past. Cimlec continues to develop outside the automobile sector and is attempting to develop in the area of robot maintenance and industrial robotisation outside the automobile sector. These efforts are being thwarted by the decline in the company's business with automobile manufacturers and the negative outlook of the industrial sector. In the field of fire protection, CLF-Satrem and Ai Group saw revenue growth in 2012 with no decline in orders. With the additional consolidation of Van Dam in 2013, fire protection constitutes a major portion of the core business, which could benefit from the implementation of synergies and the dynamism of international markets.

The "Protection in Nuclear Environments" business has good visibility (close to two years of revenue). This visibility is based on new constructions projects (particularly in China), and also on projects related to the improvement in the safety of power plants, with a number of tenders or offers at the planning stage.

11. PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS OF THE PARENT COMPANY

We would like to make it clear that the financial statements presented to you were drawn up based on the same principles and methods as previous years.

Revenue came to €2.23 million versus €2.28 million in 2011. The operating income for the financial year was -€1.44 million versus -€0.47 million in 2011.

Income from continuing operations before tax was €0.01 million versus €1.8 million in 2011. It must be noted that the financial income of Groupe Gorgé in 2012 was €1.4 million, including €1.7 million in dividends (€2.13 million in 2011).

After taking into account:

the non-recurring income of -€2.87 million;

income from tax of €1.43 million;

the financial year ended 31 December 2012 ended with a loss of €1.43 million versus a profit of €1.75 million in 2011.

Furthermore, we request that you to approve the non-tax-deductible expenses and charges that we incurred during the past financial year, amounting to a total of €8,620, as well as the corresponding theoretical tax amount of €2,873.

Break down of Groupe Gorgé’s trade accounts payable by due date at the end of 2012

In order to fulfil the provisions of Article D. 441-4 of the French Commercial Code, we would like to specify that as of 31 December 2012, the balance of Groupe Gorgé’s trade accounts payable was €863 thousand (€405 thousand as of 31 December 2011). These trade payables are not due and in general are payable at 30 days (in 2012 as in 2011).

12. CHANGE IN PRICE AND VOLUMES TRADED ON NYSE EURONEXT COMPARTIMENT C

Month	Highest *(in euros)*	Lowest *(in euros)*	Number of shares traded	Capital *(in thousands of euros)*
January 2012	8.390	7.960	105,054	867.95
February 2012	8.240	7.900	39,971	322.77
March 2012	8.490	8.010	38,956	322.81
April 2012	8.480	7.910	23,664	194.57
May 2012	7.950	6.900	40,418	293.11
June 2012	7.450	6.830	33,992	242.06
July 2012	7.370	6.870	71,443	510.64
August 2012	7.500	7.050	38,514	281.37
September 2012	7.460	7.000	44,697	323.41

October 2012	7.290	6.860	80,731	578.75
November 2012	7.000	6.160	33,893	223.11
December 2012	6.590	5.900	46,453	289.57
January 2013	6.880	6.030	60,374	395.40
February 2013	6.850	6.410	33,332	224.14
Source: NYSE Euronext.				

13. SOCIAL AND ENVIRONMENTAL POLICY

"Corporate Social Responsibility (CSR) is the contribution of companies to the challenges of sustainable development. The approach is for companies to take into account the social and environmental impacts of their business and to adopt the best possible practices and thus contribute towards improving society and protecting the environment. CSR makes it possible to associate economic logic, social responsibility and eco-responsibility." *(Source: Website of the Ministry of Ecology, Sustainable Development and Energy.)*

In order to report the social and environmental impacts of our business in accordance with Article L.225-102-1 of the French Commercial Code, we have put together some information below. This information is consolidated and covers Groupe Gorgé SA and its French subsidiaries with more than 50 employees as of 30 June 2012, with the latter representing at least 80% of the group's workforce and revenue. For practical questions and questions pertaining to organisation within the group, we thought it was relevant to retain this materiality threshold and the topics dealt with below.

13.1 Corporate information

Total workforce (including all of the group's French and foreign subsidiaries)

	31 December 2012	31 December 2011
	1,290 persons	1,258 persons

Man/Woman distribution by socio-professional categories

(as %)	Men	Women	TOTAL
Managers and higher professional positions	37%	5%	42%
Technicians and supervisors	16%	2%	18%
Employees	4%	9%	13%
Workers	24%	1%	25%
Apprentices	2%	0%	2%
TOTAL	83%	17%	100%

Distribution by age

(as %)	2012
Below 30 years	13%
Between 30 and 39 years	32%
Between 40 and 49 years	30%
Between 50 and 59 years completed	23%
60 years and over	2%

Recruitments

	2012
Recruitments	161
* of which permanent employment contracts	96

* of which fixed-term employment contracts	59
* of which apprentices	6

End of employment contracts

	2012
End of contracts	165
* of which economic lay-offs	12
* of which lay-offs for other reasons	24
* of which others (end of term, retirement, resignation, contractual termination)	129

Remuneration

(in thousands of euros)	2012
Gross remuneration	41,325
Social security contributions	19,253
Pension liabilities: compensation paid and IAS 19 provision	536
Shareholding plans, profit-sharing	724
TOTAL	

Work organisation and employer-employee relations

Each subsidiary directly and independently manages employee work time organisation and employer-employee relations within the company depending on its own constraints and the applicable rules.

Health and security

Absenteeism

Absenteeism rate (1)	3.28%

(1) Ratio between the number of days of absence and the theoretical number of days present.

Accidents at work

Number of accidents at work with absence	28
Number of days lost	962
Number of days compensated	797
Number of hours worked	1,794,036
Frequency rate (1)	15.61
Severity rate (2)	0.44

(1) Number of accidents at work for 1 million hours worked.
(2) Number of days away from work following the accident for 1 thousand hours worked.

Training

	2012
Number of days of training	1,275
Number of persons trained	527
Training cost (1)	€526 thousand

(1) Educational costs, expenses, valuation of training days.

	2012
Number of interns	78
Number of apprentices	22

Disabled persons

	2012	2011
Number of disabled employees	28	28

13.2 Environmental information

The Group companies that have sites that fall under the Installations Classified for the Protection of the Environment (ICPE) regulations made the required declarations or had the necessary authorisations.

The operations carried out within the group do not involve any land management problem.

Consumption of resources

From 1/11/2011 to 31/10/2012	Units of measure	Cost *(in €)*
Consumption and supply of water as per local constraints	10,906 m^3	37,099
Electricity consumption	4,757,293 kW/h	484,562
Gas consumption	837,534m^3	82,524

13.3 Information on the company's commitments towards sustainable development

Our subsidiaries are often located in operating zones. Some of them have been in the same region for many years and in general contribute towards maintaining local employment and developing their region through their economic activity.

14. ACQUISITION OF EQUITY AND CONTROLLING STAKES MADE DURING THE FINANCIAL YEAR

In May 2012, Groupe Gorgé SA took over Seres Technologies.

In December 2012, Van Dam BV was acquired by Gorgé Netherlands BV, a company in which Gorgé Europe Investment BV has a stake of 90%, which in turn is now a 100% subsidiary of Groupe Gorgé.

A complete table of investments can be found in the notes to the financial statements and the group's organisational chart updated as of 31 December 2012, which appears in Section 7.1 of the Registration Document.

15. SHAREHOLDING

The distribution of capital and voting rights as on 31 December 2012 is as follows:

	31 December 2012				31 December 2011			
	Shares	%	Voting rights	%	Shares	%	Voting rights	%
Gorgé family [1]	8,313,018	65.29%	11,059,301	71.51%	8,342,374	65.52%	11,088,657	71.67%
Treasury shares	15,918	0.13%	-	-	8,766	0.07%	-	-
Public	4,402,907	34.58%	4,405,564	28.49%	4,380,703	34.41%	4,383,355	28.33%
Of which:								
FSI	1,069,519	8.40%	1,069,519	6.91%	1,069,519	8.40 %	1,069,519	6.91%
Eximium [2]	714,278	5.61%	714,278	4.62%	715,078	5.62%	715,078	4.62%
And remaining by the public	2,619,110	20.57%	2,621,767	16.95%	2,596,106	20.39%	2,598,758	16.80%
TOTAL					12,731,843	100%	15,472,012	100%

(1) "Gorgé family" refers to shares held directly by Jean-Pierre Gorgé, founder of the Group, i.e. 115,219 shares, those held directly by Raphaël Gorgé (366,367 shares) as well as shares held by Pélican Venture SAS, holding company, controlled by three members of the Gorgé family.
(2) Eximium is controlled by Mr Michel Baulé.

To the Company's knowledge, there are no shareholders other than those mentioned above, directly or indirectly holding 5% or more of the Company's share capital or voting rights.

A constitutive protocol of concerted action was concluded by Fonds Stratégique d'Investissement on the one hand and Pélican Venture, Jean-Pierre Gorgé and Raphaël Gorgé on the other in December 2011.

There is no other shareholders' agreement. Equally, there are no statutory restrictions for exercising voting rights and share transfers.

16. APPROPRIATION OF INCOME AND DISTRIBUTION

Appropriation of income (fourth resolution)

The company's income for the financial year ended 31 December 2012 represented a loss of €1,427,999.69. We propose charging this loss to the "Retained earnings" account on a priority basis for a total of €5,935.80, then the balance (which is €1,422,063.89) to the "Additional paid-in capital" account.

Exceptional distribution of amounts found in the "Additional paid-in capital" account (fourth resolution)

For the 2012 financial year, we propose a distribution of the amounts drawn on the "Additional paid-in capital" account, which come to €4,074,189.76 (€0.32 per share). The amounts drawn on the additional paid-in capital would come back to the Company's shareholders in proportion to the number of shares they hold in the Company's capital.

It should be noted that this amount corresponds to an issue premium, which was constituted during the Extraordinary Shareholders' Meetings dated 25 July 2007 and 30 June 2009.

After deduction of the dividend, the "Additional paid-in capital" account balance would thus be brought from €15,380,253.97 to €11,306,064.21. These amounts would come back to the Company's shareholders in proportion to the number of shares they hold in the Company's capital.

The dividend would be paid in cash. The ex-dividend date would be 24 June 2013 and the dividend payment date would be 27 June 2013.

Dividend distribution for the last three financial years:

In accordance with legal provisions, we would like to remind you that the dividend distributions made for the last three financial years were as follows:

	Dividend per share *(in euros)*	Number of shares making up the share capital	Total dividend *(in euros)*
2009	0.26(1)	11,574,403	3,009,344.78(1)(2)
2010	0.26(1)	11,574,403	3,009,344.78(1)(2)
2011	0.30(1)	12,731,843	3,819,552.90(1)(2)

(1) Dividend eligible for a 40% tax credit in favour of individuals residing in France for tax purposes.
(2) Sums including the dividend amount corresponding to the treasury shares not paid out and allocated to the retained earnings account.

17. INFORMATION ON CORPORATE OFFICERS

17.1 Proposal of the renewal of Mr Michel Baulé's term of office as Director

Mr Michel Baulé was co-opted as a new Director in April 2011. His term of office expires at the end of the Shareholders' Meeting approving the financial statements for the financial year ended 31/12/2012.

The shareholders are asked to renew Mr Baulé's term as Director.

It should be noted that Mr Michel Baulé has a doctorate in organic chemistry (University of Provence – 1971). He is Chairman of Eximium, investment and services holding. He is also the Director of PCAS, a company listed on the NYSE Euronext Paris, compartment C. In 2005, he received the Grand Prix de l'Entrepreneur Rhône-Alps. Details of the positions held by Mr Baulé over the last few years are given in Section 17.2 below. Eximium, in which he is a majority shareholder and executive director, holds 714,278 shares of Groupe Gorgé.

17.2 List of terms of office

In accordance with the provisions of Article L. 225-102-1 paragraph 4 of the French Commercial Code, we would like to provide the list of terms of office and positions held by the members of the Board of Directors in any company over the previous year.

Surname and given name	Date of first appointment	Date term expires	Main position held in the Company	Main position held outside the Company	Other terms of office and positions held in any company
BAULÉ Michel	Co-opted on 18 April 2011	Shareholders' Meeting approving the financial statements for the financial year ended 31/12/2012	Director	Chairman of Eximium	Director of PCAS Chairman of Avsis Manager of Monnier-Sermi Manager of Artimon Manager of various SCI (L'Ècancière, Ampère, Michel Baulé, GMS Sud, Les Dragonnières, Pre Millet, Fontaine, Marot and Baulé Immobilier)
GORGÉ Catherine	Shareholders' Meeting dated 8 June 2012	Shareholders' Meeting approving the financial statements for the financial year ended 31/12/2017	Director	Self-employed company consultant (C/G/Conseil)	Director of ECA SA
GORGÉ Jean-Pierre	Meeting of the Board of Directors dated 11/03/1991	Shareholders' Meeting approving the financial statements for the financial year ended 31/12/2014	Director	President of Pélican Venture SAS President of Franceole SAS, Franceole Dijon and FRANCEOLE Creusot Chairman of the Board of Directors of Auplata SA (UNTIL 18/06/2012) Director of Auplata SA (UNTIL 11/12/2012)	Director of ECA SA Vice-Chairman of the Supervisory Board of Sopromec SA Vice-Chairman of the Supervisory Board of Promelys Participations SA Manager of AF Mathurins Commandite SARL Manager of the civil company G21
GORGÉ Raphaël	Shareholders' Meeting dated 17/06/2004	Shareholders' Meeting approving the financial statements for the financial year ended 31/12/2015	Chairman of the Board of Directors and CEO	Deputy CEO of Pélican VENTURE SAS	Chairman of the Supervisory Board of Promelys Participations SA Director of ECA SA Chairman of the Board of Directors of ECA (since 13/11/2012) CEO of ECA SA (from 13/11/2012 to 13/02/2013) Chairman of the Supervisory Board of Sopromec SA President of Nucléaction SAS Manager of SCI Thouvenot Manager of SCI des Carrières Manager of SCI Aussonne President of Stoni SAS Permanent representative of Groupe Gorgé SA in the Chairman's post of FINU4 SAS General Manager of Gorgé Europe Investment BV Manager of SC Compagnie Industrielle du Verdelet Permanent representative of Pélican Venture SAS in the Board of Directors of Auplata SA (until 18 June 2012)
GRIFFON-FOUCO Martine	Shareholders' Meeting dated 8 June 2012	Shareholders' Meeting approving the financial statements for the financial year ended 31/12/2017	Director	Member of the Executive Board, Executive Vice-President and Head of Corporate & Business Development at Assystem SA	Chairman of the Board of Directors of Insiema, Permanent Representative of Assystem Engineering and Operation Services within the Board of ASG SA, Director of Giat Industries, Chairman of the Board of Directors of Alphatest SA
LUCOT Sylvie	Shareholders' Meeting dated 18/12/2006	Shareholders' Meeting approving the financial statements for the financial year ended 31/12/2016	Director	Vice-President, International Corporate Affairs, Thales	Director of Thales Canada Inc. Member of the Board of the AMF

Mr Raphaël Gorgé is the son of Mr Jean-Pierre Gorgé. Mrs Catherine Gorgé is the wife of Mr Raphaël Gorgé. Ms Martine Griffon-Fouco was appointed as a director on the recommendation of the FSI. Ms Sylvie Lucot and Mr Michel Baulé are independent directors.

All directors have experience in management or chairmanship positions of companies or within managements of large corporate groups.

During the last five years, the corporate officers have served terms of office in the following companies:

	2008	2009	2010	2011	2012
Michel BAULÉ					
GROUPE GORGÉ			x	x	x
EXIMIUM	x	x	x	x	x
BAULÉ	x	x	x	x	
BAULÉ INC	x	x	x	x	
BAULÉ UK	x	x	x	x	
BAULÉ CHINA	x	x	x	x	
PCAS	x	x	x	x	x
AVSIS	x	x	x	x	x
MONNIER-SERMI	x	x	x	x	x
SECMER	x	x	x	x	
ARTIMON	x	x	x	x	x
SCI L'ÉCANCIÈRE	x	x	x	x	x
SCI AMPÈRE	x	x	x	x	x
SCI MICHEL BAULÉ	x	x	x	x	x
SCI GMS SUD	x	x	x	x	x
SCI LES DRAGONNIERES	x	x	x	x	x
SCI PRÉ MILLET	x	x	x	x	x
SCI FONTAINE	x	x	x	x	x
SCI MAROT	x	x	x	x	x
SCI BAULÉ IMMOBILIER	x	x	x	x	x
Catherine GORGÉ					
ECA SA				x	x
IMMOBILIÈRE BENON SCI				x	
Jean-Pierre GORGÉ					
ECA	x	x	x	x	x
GROUPE GORGÉ	x	x	x	x	x
MELCO	x	x			
BERTIN Technologies	x				
PÉLICAN VENTURE	x	x	x	x	x
SOPROMEC Participations	x	x	x	x	x
AUPLATA	x	x	x	x	x
PROMELYS PARTICIPATIONS			x	x	x
AF MATHURINS COMMANDITE SARL			x	x	x
Société Civile G21			x	x	x
FRANCEOLE SAS					x
FRANCEOLE DIJON SAS					x
FRANCEOLE CREUSOT SAS					x
Raphaël GORGÉ					

	2008	2009	2010	2011	2012
GROUPE GORGÉ	x	x	x	x	x
SCI THOUVENOT	x	x	x	x	x
PÉLICAN VENTURE	x	x	x	x	x
LES PATUREAUX	x	x	x		
PLÉIADE Investissement	x	x	x	x	
AUPLATA	x	x	x	x	x
CLF	x	x			
ECA	x	x	x	x	x
MELCO	x	x			
SOPROMEC Participations	x	x	x	x	
RECIF TECHNOLOGIES	x				
SCI DES CARRIÈRES	x	x	x	x	x
STONI	x	x	x	x	x
NTS	x				
NTC NUCLÉACTION	x	x			
NUCLÉACTION	x	x	x	x	x
SCI AUSSONNE	x	x	x	x	x
CNAITEC	x	x	x	x	
FINU4		x	x	x	x
PROMELYS Participations			x	x	x
GORGÉ EUROPE INVESTMENT BV					x
SC COMPAGNIE INDUSTRIELLE DU VERDELET					x
Martine GRIFFON-FOUCO					
ASSYSTEM SA				x	x
INSIEMA				x	x
ASG SA				x	x
GIAT INDUSTRIES				x	x
ALPHATEST SA				x	x
ANAFI SAS				x	
Sylvie LUCOT					
GROUPE GORGÉ	x	x	x	x	x
SIFELEC SA	x	x			
THALES CANADA	x	x	x	x	x

17.3. Remuneration and benefits in kind for the corporate officers

In accordance with Article L. 225-102-1 paragraph 1 of the French Commercial Code and with the recommendations of the AMF dated December 2008 on the information to be given in registration documents on the remuneration of corporate officers, we present in the table below the remuneration and benefits paid to each of the corporate officers by the Company, companies controlled by Groupe Gorgé or the company controlling Groupe Gorgé, during the past year.

In short, the corporate officers received no remuneration from Groupe Gorgé (other than director's fees) or the companies controlled by Groupe Gorgé for the 2012 financial year.

Mr Raphaël Gorgé (CEO) received from Pélican Venture SAS, company controlling Groupe Gorgé, a fixed gross remuneration of €140,000 as well as a benefit in kind of €8,665 (company car); Pélican Venture charges the main part of this remuneration to Groupe Gorgé for the services that it provides. In 2013, he will also receive €10,000 from Groupe Gorgé as director's fees for the 2012 financial year.

The Company has not made any other remuneration commitment for 2012 in favour of its executive corporate director, for any reason whatsoever. Mr Raphaël Gorgé does not have any stock subscription or purchase options.

Mr Jean-Pierre Gorgé (director) received from Pélican Venture SAS, company controlling Groupe Gorgé, remuneration for his office as Chairman of Pélican Venture SAS. This remuneration was for his office as Chairman of Pélican Venture SAS and has nothing to do with his term as director of Groupe Gorgé. It is not charged back to Groupe Gorgé.

The total amount of director's fees to be allocated to the Board of Directors from 1 January 2012 was fixed at €60,000. For the 2012 financial year, each director will receive €10,000 as director's fees.

TABLE 1 – SUMMARY TABLE OF THE REMUNERATION AND THE OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER [(1)]

Raphaël Gorgé, Chairman of the Board of Directors since September 2011 and CEO	2012	2011
Remuneration due for the financial year (details given in the table "Summary of remunerations")	€158,665	€150,955
Value of the options granted during the financial year (details in table 4)	Not applicable	Not applicable
Value of performance shares granted during the financial year (details in table 6)	Not applicable	Not applicable
TOTAL TO RAPHAËL GORGÉ		€150,955
Jean-Pierre Gorgé, Director and until September 2011 Chairman of the Board of Directors	**2012**	**2011**
Remuneration due for the financial year (details given in the table "Summary of remunerations")	Not applicable	€138,377
Value of the options granted during the financial year	Not applicable	Not applicable
Value of performance shares granted during the financial year (details in table "Allotment of bonus shares")	Not applicable	Not applicable
TOTAL TO JEAN-PIERRE GORGÉ		€138,377

(1) Remuneration paid by Pélican Venture (company controlling Groupe Gorgé) and not by Groupe Gorgé; Since September 2011, Jean-Pierre Gorgé is no longer the CEO

TABLE 2 – SUMMARY TABLE OF THE REMUNERATION OF EACH EXECUTIVE CORPORATE OFFICER [(1)]

Raphaël Gorgé, Chairman of the Board of Directors since September 2011 and CEO	Amounts for 2012		Amounts for 2011	
	Due	Paid	Due	Paid
fixed remuneration	€140,000	€140,000	€140,000	€140,000
variable remuneration	None	None	None	None
non-recurring remuneration	None	None	None	None
director's fees	€10,000	€1,500	€1,500	€1,500
benefits in kind	€8,665	€8,665	€9,455	€9,455
TOTAL			€150,955	€150,955
Jean-Pierre Gorgé, Director and Chairman of the Board of Directors until September 2011	**Amounts for 2012**		**Amounts for 2011**	
	Due [(2)]	Paid	Due	Paid
fixed remuneration	Not applicable	Not applicable	€132,000	€132,000
variable remuneration	Not applicable	Not applicable	None	None
non-recurring remuneration	Not applicable	Not applicable	None	None
director's fees	Not applicable	€1,500	€1,500	€1,500
benefits in kind	Not applicable	Not applicable	€4,877	€4,877
TOTAL			€138,377	€138,377

(1) Only the director's fees were paid by Groupe Gorgé. The other remuneration was paid by Pélican Venture, controlling company of Groupe Gorgé, and not by Groupe Gorgé.
(2) In 2012, Jean-Pierre Gorgé was no longer an executive corporate officer.

TABLE 3 – TABLE OF DIRECTOR'S FEES AND OTHER REMUNERATION COLLECTED BY NON-EXECUTIVE CORPORATE OFFICERS

Members of the Board of Directors	Director's fees paid in 2012	Director's fees paid in 2011
Jean-Pierre Gorgé		
Director's fees	€1,500	See table 2
Other remuneration	€0	See table 2
Sylvie Lucot		
Director's fees	€3,500	€3,500
Other remuneration	€0	€0
TOTAL		€7,000

TABLE 4 – STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER OR BY ANY GROUP COMPANY

Name of the executive corporate officer	Plan no. and date	Type of shares to be purchased	Value of the options as per the method used for the consolidated financial statements	Number of options granted during the financial year	Strike price	Strike period
None						

TABLE 5 – STOCK SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Name of the executive corporate officer	Plan no. and date	Number of options exercised during the year	Strike price
None			

TABLE 6 – PERFORMANCE SHARES GRANTED TO EACH CORPORATE OFFICER

Performance shares granted by the Shareholder's Meeting to each corporate officer through the issuer or through any Group company (bearer list)	Plan no. and date	Number of shares granted	Value of the shares as per the method considered for the consolidated financial statements	Acquisition date	Availability date	Performance conditions
Grants in the 2012 financial year						
None						
Previous grants still in progress						
Raphaël Gorgé	Plan to allot bonus shares decided by the Board of Directors on 22 February 2008 upon the approval of the Extraordinary Shareholders' Meeting held on 18 December 2006	Final grant of 10,334 shares		22/04/2010	22/04/2012 Subsequent obligation to retain 10% of the purchased shares in nominative form until the end of term as CEO	See Registration Document 2009

TABLE 7

Performance shares that became available for each corporate officer	Plan no. and date	Number of shares that became available during the financial year	Acquisition conditions
None			

TABLE 8 – HISTORY OF ALLOCATION OF STOCK SUBSCRIPTION OR PURCHASE OPTIONS

Information on stock subscription or purchase options
None

TABLE 9 – STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE FIRST TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND OPTIONS EXERCISED BY THEM

	Total number of shares allocated for shares subscribed to or purchased	Weighted average price	Plan no. 1	Plan no. 2
Options granted, during the financial year, by the issuer and any company included within the scope of granting options to the last ten employees of the issuer and any company included within this scope, the number of options whereof thus granted is the highest (global information)		None		
Options held in the issuer company and the companies mentioned above, exercised, during the financial year, by ten employees of the issuer and these companies, the number of options whereof thus purchased or subscribed to is the highest (global information)		None		

TABLE 10

Directors Corporate officers	Employment contract		Supplementary pension scheme (1)		Compensation or benefits due or likely to be due on account of the end or change of office		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Raphaël Gorgé Chairman and Chief Executive Officer		No	Yes(1)			No		No

(1) Supplementary pension plan with fixed contributions of 2.5% of the gross salary, paid by Pélican Venture, company controlling Groupe Gorgé, and not by Groupe Gorgé.

17.4. Information on the securities transactions by corporate officers and directors and the persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code

To the Company's knowledge, the corporate officers and directors of the Group subject to spontaneous declaration of their declarations on securities carried out the following transactions in 2012:

(in number of securities)	Acquisitions	Disposals
Pélican Venture	36,044	-
Raphaël Gorgé	-	65,400

18. AGREEMENT MENTIONED IN ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

In accordance with Article L. 225-40 of the French Commercial Code, we request that you to approve the agreements mentioned in Article L. 225-38 of said Code and concluded during the past financial year, after due authorisation by your Board of Directors (third resolution).

19. EMPLOYEE SHAREHOLDING PLANS

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, it should be noted that none of the employee's shares are held under collective management.

20. FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

The holders of shares registered in the name of the same holders for more than four years enjoy double voting rights.

21. TABLE OF RESULTS FOR THE FIVE PREVIOUS FINANCIAL YEARS

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, the table showing the Company's results for each of the previous five years is appended to this report.

22. SHARE BUYBACKS

Information required pursuant to Article L. 225-211 of the French Commercial Code

In accordance with Article L. 225-211 of the French Commercial Code, we would like to report on the share buyback operations carried out in the 2012 financial year.

The purchase of shares in 2012 took place under the authorisations obtained during the Shareholders' Meetings held on 28 June 2011 and 8 June 2012.

a) Number of shares purchased and sold during the financial year in accordance with Articles L. 225-208, L. 225-209 and L. 225-209-1 of the French Commercial Code and average buying and selling price:

In 2012, 56,153 shares of Groupe Gorgé were repurchased by the Company as part of the authorisation granted by the Combined Shareholders' Meeting held on 28 June 2011 and 79,476 were repurchased under the authorisation granted by the Combined Shareholders' Meeting held on 8 June 2012.

Thus, a total of 135,629 shares of Groupe Gorgé were repurchased in 2012 at an average price of €7.362 per share for a total cost of €998,481.41:

56,153 shares of Groupe Gorgé were repurchased at an average price of €7.982 per share in order to stabilise the stock market price, which amounted to a total cost of €448,185.26, under the authorisation granted by the Shareholder's Meeting held on 28 June 2011;

79,476 shares of Groupe Gorgé were repurchased at an average price of €6.924 per share in order to stabilise the stock market price, which amounted to a total cost of €550,296.16, under the authorisation granted by the Shareholder's Meeting held on 8 June 2012;

none of the Groupe Gorgé shares were repurchased for use as payment, exchange or otherwise within the framework of external growth operations under the authorisations granted by the Shareholder's Meeting held on 28 June 2011 and 8 June 2012.

128,477 shares of Groupe Gorgé were sold in 2012 at an average price of €7.226 per share in the framework of the liquidity contract.

b) Trading charges:

In 2012, trading charges were made up solely of fees from the liquidity contract, which amounted to €30,000.

c) The number of shares registered in the Company's name at the end of the financial year and their value at purchase price – Fraction of the capital that they represent:

As of 31 December 2012, Groupe Gorgé owned 15,918 treasury shares (i.e. 0.12% of its capital), with a gross value of €104,407 in the balance sheet and a net value of €95,667, i.e. an average of €6.01 per share corresponding to the market price as of 31 December 2012.

All of the shares are owned to stabilise the stock market price.

The above number of shares and the figures are given on the basis of a nominal value of €1 per share and on the basis of a number of shares making up the share capital of 12,731,843 shares as of 31 December 2012.

The treasury shares are recorded in the balance sheet of Groupe Gorgé SA under "Marketable securities".

d) Cancellation of Company shares during the 2012 financial year:

In 2012, the Company did not use the authorisations granted by the Combined Shareholders' Meetings held on 28 June 2011 and 8 June 2012 to implement a reduction in the share capital by cancellation of shares owned by the Company within a ceiling of 10% of the capital for every 24-month period.

e) Number of shares possibly used:

The purpose of the repurchase shares may be:

transferring shares at the time of exercising the rights attached to securities that give access to the capital by reimbursement;

granting share purchase options to employees;

cancelling all or part of the shares thus repurchased;

transferring securities as a means of payment or exchange for external growth operations;

stabilising the share's market price.

Except for the shares used as part of the liquidity contract, no share has been used for the other purposes authorised by the Combined Shareholders' Meeting held on 28 June 2011 or 8 June 2012.

f) Possible reallocation for other purposes, decided during the 2012 financial year:

None

23. RENEWAL OF SHARE REPURCHASE PROGRAMME

You will also be asked to authorise the Board of Directors (with the option to sub-delegate) to renew the programme for the repurchase of the Company's treasury shares (fifth resolution).

The purpose of this authorisation is to enable the Company to trade in its treasury shares, as provided for by law, in order to:

provide shares for use in connection with the exercise of rights linked to securities giving access to the share capital through reimbursement, conversion, exchange, presentation of a warrant or by any other method;

stabilise the share price through an investment service provider intervening independently within the scope of a liquidity contract that complies with the AMAFI Code of Ethics;

provide shares for use as payment, exchange or otherwise within the scope of external growth operations;

sell or allocate shares to Group employees or directors under the conditions and according to the methods provided for by law, especially in connection with a stock option purchase plan or the free allocation of existing shares;

cancel all or some of the shares repurchased, in accordance with the authorisation given in the Shareholders' Meeting.

This authorisation falls within the legal scope of Article L. 225-209 of the French Commercial Code:

it would be valid for a maximum period of 18 months and, as from its adoption by the Shareholders' Meeting and for the remaining balance, it would nullify and replace any prior delegation of authority to the Board of Directors to allow the Company to trade in its treasury shares;

the maximum amount of shares which the Board of Directors may acquire cannot exceed 10% of the total number of shares forming the share capital, with the understanding that the Company would not hold more than 10% of the shares forming the share capital at any time;

the maximum purchase price per share would be set at €20.

In the event that the capital is increased through capitalisation of reserves and allocation of bonus shares, as well as in the event of a share split, reverse share split or any other transaction affecting equity, the Shareholders' Meeting would delegate to the Board of Directors the power to adjust the aforementioned prices in such a way as to allow for the impact of such transactions on the value of the shares.

It is understood that these transactions should be performed in compliance with the rules laid down by Articles 241-1 to 241-7 of the General Regulations of the French Financial Markets Authority (AMF) on market trading conditions and timing.

The description of the share repurchase programme in Article 241-2 of the General Regulations of the Financial Markets Authority is published under the conditions laid down in Article 221-3 of said regulations and contains all useful additional information on this repurchase programme.

24. TABLE OF DELEGATIONS

A table of currently valid delegations relating to capital increases granted to the Board of Directors by the Shareholders' Meeting, in application of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code, is appended to this report.

As no delegation has been used, and as the current delegations are still valid, it is not necessary to renew them.

Once you have read the reports presented by your Statutory Auditors, your Board invites you to adopt the resolutions submitted for your approval.

Paris, 5 April 2013

The Board of Directors

FINANCIAL TABLE (ARTICLE R. 225-102 OF THE FRENCH COMMERCIAL CODE)

Nature of information	2012	2011	2010	2009	2008
Share capital	€12,731,843	€12,731,843	€11,574,403	€11,553,735	€6,323,321
Number of shares issued	12,731,843	12,731,843	11,574,403	11,553,735	6,323,321
Par value per share	€1	€1	€1	€1	€1
Number of convertible bonds	-	-	-	-	-
Revenue excluding taxes	2,229,634	2,282,688	2,433,896	2,290,196	2,503,889
Earnings before taxes, depreciation and amortisation	(3,443,972)	(226,854)	701,946	(1,167,350)	2,433,291
Income tax	(1,429,024)	(1,204,860)	(661,133)	(268,407)	(627,224)
Earnings after taxes but before depreciation and amortisation	(2,014,948)	978,006	1,363,079	(898,943)	3,060,515
Earnings after taxes, depreciation and amortisation	(1,428,003)	1,754,013	434,649	4,712,667	(4,900,196)
Distributed earnings	3,813,617	2,957,617	2,923,783	-	977,962
Earnings per share after taxes but before depreciation and amortisation	(0.16)	0.08	0.12	(0.08)	0.48
Earnings per share after taxes, depreciation and amortisation	(0.11)	0.14	0.04	0.41	(0.79)
Net dividend per share [(1)]	0.30	0.26	0.26	-	0.16
Average number of employees	9	9	9	7	7
Total payroll	1,162,173	1,012,215	923,314	613,946	445,611
Social security contributions and employee benefits	450,762	464,929	408,214	275,176	227,496

(1) Dividend paid during the financial year for the previous financial year.

SECURITIES PORTFOLIO AS OF 31 DECEMBER 2012

Companies	Net asset value *(in euros)*
I - Equity securities	
1. French companies	
a/ Listed equity securities	
ECA	14,401,078
b/ Unlisted equity securities	
AI GROUP	145,720
CIMLEC	981,815
CLF-SATREM	1,680,001
CNAI (in liquidation)	0
FAURE QEI	45,000
FINU4	5,000
LASER TECHNOLOGIES (in liquidation)	0
MARINE INTÉRIM	34,000
NUCLÉACTION	7,463
SCI DES CARRIÈRES	914,000
SCI DES PORTES	999
SERES TECHNOLOGIES	950,000
STONI	5,690,000
2. Foreign companies	
a/ Listed equity securities	
None	-
b/ Unlisted equity securities	
GORGÉ EUROPE INVESTMENT BV	700,000
TOTAL I	25,555,076
II - Other long-term investments	
1. French companies	
a/ Listed securities	
None	-
b/ Unlisted securities	
None	-
2. Foreign companies	
a/ Listed securities	
None	-
b/ Unlisted securities	
None	-
TOTAL II	-
III - Marketable securities	
a/ Money market funds (SICAVs) and term deposits	21,416,729

b/ Listed French shares	
None	-
c/ Listed foreign shares	
None	-
d/ Treasury shares	104,407
TOTAL III	21,521,136
GRAND TOTAL (I + II + III)	47,076,212

TABLE OF CURRENTLY VALID DELEGATIONS RELATING TO CAPITAL INCREASES GRANTED TO THE BOARD OF DIRECTORS BY THE SHAREHOLDERS' MEETING

Date	Delegation	Validity	Maximum nominal amount	Use
Shareholders' Meeting of 8/06/2012 (14th resolution)	Delegation of authority for the purpose of deciding to increase the share capital of the Company, either by issuing shares and/or securities giving access to the share capital of the Company or giving entitlement to the allocation of Company debt securities, maintaining shareholders' pre-emptive subscription rights, or by incorporation of premiums, reserves, profits or other items	Shareholders' Meeting approving the financial statements for 2013	€5,000,000(1) €50,000,000(1) (debt securities giving access to share capital)	None
Shareholders' Meeting of 8/06/2012 (15th resolution)	Delegation of authority for the purpose of deciding to increase the share capital of the Company, by issuing shares and/or securities giving access to the share capital of the Company or giving entitlement to the allocation of Company debt securities, waiving shareholders' pre-emptive subscription rights	Shareholders' Meeting approving the financial statements for 2013	€5,000,000(2) €50,000,000(2) (debt securities giving access to share capital)	None
Shareholders' Meeting of 8/06/2012 (16th resolution)	Delegation of authority for the purpose of issuing shares and/or securities giving access to the share capital of the Company by way of an offer as defined in Article L. 411-2 II of the French Monetary and Financial Code (private placement), waiving shareholders' pre-emptive subscription rights	Shareholders' Meeting approving the financial statements for 2013	€5,000,000 (subject to the statutory limit)(2) €50,000,000(2) (debt securities giving access to share capital)	None
Shareholders' Meeting of 8/06/2012 (17th resolution)	Delegation of authority for the purpose of increasing the number of securities to be issued in the event of a surplus demand following a share capital increase	Shareholders' Meeting approving the financial statements for 2013	15% of the amount of the original issue	None
Shareholders' Meeting of 8/06/2012 (18th resolution)	Authorisation for the purpose of increasing the share capital of the Company one or more times in order to pay for contributions of securities in the event of a public exchange offer or contributions in kind	Shareholders' Meeting approving the financial statements for 2013	10% of share capital in the case of contributions in kind(2)	None
Shareholders' Meeting of 8/06/2012 (19th resolution)	Authorisation for the purpose of granting options for the subscription or purchase of shares	Shareholders' Meeting approving the financial statements for 2013	5% of the Company share capital (with a charge on the bonus shares which would be allocated if needed by virtue of the 20th resolution)	None
Shareholders' Meeting of 8/06/2010 (20th resolution)	Authorisation for the purpose of allocating existing bonus shares or bonus shares to be issued	Shareholders' Meeting approving the financial statements for 2013	5% of the Company share capital (with a charge on the options which would be allocated if needed by virtue of the 19th resolution)	None

(1) With a charge to the maximum nominal amount of share capital increases likely to be implemented in application of the 15th, 16th, 17th and 18th resolutions.
(2) With a charge to the overall ceiling provided for by the 14th resolution.

ANNEX 2 - ANNUAL FINANCIAL REPORT

This Registration Document includes all items from the Annual Financial Report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General Regulations of the Financial Markets Authority.

The documents referred to in Article 222-3 of the aforementioned regulations and the corresponding sections of this Registration Document are specified below.

Individual financial statements of Groupe Gorgé SA:

Chapter 20.3.2 "Individual financial statements of Groupe Gorgé SA as of 31 December 2012"

Consolidated financial statements of Groupe Gorgé SA:

Chapter 20.3.1 "Consolidated financial statements as of 31 December 2012"

Management report:

Annex 1

Statement made by the natural persons taking responsibility for the Annual Financial Report:

Section 1.2 "Statement of the person in charge of this Registration Document"

Statutory Auditors' Report on the individual financial statements:

Section 20.4.1.2 "Statutory Auditors' Report on the annual financial statements"

Statutory Auditors' Report on the consolidated financial statements:

Section 20.4.1.1 "Statutory Auditors' Report on the consolidated financial statements"

ANNEX 3 - DESCRIPTION OF THE SHARE REPURCHASE PROGRAMME SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING OF 6 JUNE 2013

Securities held:

As of 31 December 2012, 15,918 shares, or 0.12% of the share capital as of that date.

As of 31 March 2013, 20,482 shares, or 0.16% of the share capital as of that date.

Distribution by purpose of securities held: as of 31 December 2012, 15,918 shares, i.e. all of the treasury shares, are being held in order to stabilise the share price.

Purpose of the programme: the purpose of this programme is to enable the Company to trade in its treasury shares, as provided for by law, in order to:

provide shares for use in connection with the exercise of rights linked to securities giving access to the share capital through reimbursement, conversion, exchange, presentation of a warrant or by any other method;

ensure the maintenance of an active market through an investment service provider intervening independently within the scope of a liquidity contract that complies with the Amafi Code of Ethics;

provide shares for use as payment, exchange or otherwise within the scope of external growth operations;

sell or allocate shares to Company employees or directors under the conditions and according to the methods provided for by law, especially in connection with a stock option purchase plan or the free allocation of existing shares;

cancel all or part of the repurchased shares, subject to the adoption by the Extraordinary Shareholders' Meeting of the eighth resolution and under the terms indicated therein.

Maximum repurchase: the maximum amount of shares acquired shall not exceed 10% of the total number of shares forming the share capital, with the understanding that the Company shall not hold more than 10% of the shares forming the share capital at any time. The number of shares acquired by the Company with a view of retaining them and subsequently remitting them as payment or exchange within the scope of a merger, spin-off or contribution may not exceed 5% of the share capital of the Company. The maximum purchase price per share is set at €20. The maximum amount of such a transaction is therefore set at €25,463,680, or 1,273,184 shares at the maximum price per share of €20.

Duration of the programme: 18 months as from the Shareholders' Meeting of 6 June 2013.

ANNEX 4 - TEXT OF THE RESOLUTIONS PROPOSED AT THE ANNUAL ORDINARY SHAREHOLDERS' MEETING OF 6 JUNE 2013

FIRST RESOLUTION (APPROVAL OF THE INDIVIDUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2012)

The Shareholders' Meeting, deliberating pursuant to the rules of quorum and majority required for Ordinary Shareholders' Meetings, having familiarised itself with the reports of the Board of Directors, the Chairman of the Board of Directors and the Statutory Auditors on the financial statements of the financial year ending 31 December 2012, hereby approves, as they have been presented, the financial statements for this financial year showing a loss of €1,427,999.69.

It also approves the transactions reflected in these financial statements or summarised in these reports.

It approves the total amount of the non-deductible expenses and charges from the profits subject to corporate income tax, or €8,620, and the theoretical amount of corporate income tax, or €2,873.

The Shareholders' Meeting therefore discharges the directors and Statutory Auditors in the performance of their functions for the preceding financial year.

SECOND RESOLUTION (APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2012)

The Shareholders' Meeting, deliberating pursuant to the rules of quorum and majority required for Ordinary Shareholders' Meetings, having familiarised itself with the reports of the Board of Directors, the Chairman of the Board of Directors and the Statutory Auditors on the consolidated financial statements of the financial year ending 31 December 2012, hereby approves, as they have been presented, the consolidated financial statements for this financial year showing a Group share of consolidated net income of €248.5 thousand.

It also approves the transactions reflected in these financial statements or summarised in these reports.

THIRD RESOLUTION (APPROVAL OF REGULATED AGREEMENTS AND COMMITMENTS)

The Shareholders' Meeting, deliberating pursuant to the rules of quorum and majority required for Ordinary Shareholders' Meetings, having familiarised itself with the special report drawn up by the Statutory Auditors on the regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, hereby approves the new agreements and commitments presented therein.

FOURTH RESOLUTION (ALLOCATION OF EARNINGS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2012 AND SETTING OF THE DIVIDEND AT €0.32 PER SHARE)

The Shareholders' Meeting, deliberating pursuant to the rules of quorum and majority required for Ordinary Shareholders' Meetings, having familiarised itself with the report of the Board of Directors:

Charges the loss of €1,427,999.69 to:

the "retained earnings" account, in the amount of €5,935.80,

the "share premium" account, in the amount of €1,422,063.89;

Notes that the balance of the "share premium" account now stands at €15,380,253.97;

Decides to distribute a dividend of €4,074,189.76,

withdrawn in full from the "share premium" account.

The Shareholders' Meeting therefore decides to distribute a total amount of €4,074,189.76, or €0.32 per share, as dividends, to be withdrawn from the "share premium" account.

It is specified that the amount withdrawn from the premiums corresponds to an issue premium built up at the time of the Extraordinary Shareholders' Meetings of 27 July 2007 and 30 June 2009, and that these amounts will be allocated to the Company shareholders in proportion to the number of shares that they hold in the Company share capital. The Shareholders' Meeting notes that the balance of the "share premium" account is therefore brought from €15,380,253.97 to €11,306,064.21.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the dividend of €0.32 per share is eligible for the 40% tax deduction for individuals residing in France for tax purposes provided for in Article 158.3.2° of said General Tax C ode, and is subject to a mandatory non-definitive withholding tax of 21% in application of the provisions of Article 117 quater of said General Tax Code, unless an exemption applies. This dividend shall be subject to the provisions of Articles L.136-6 and L.136-7 of the French Social Security Code inasmuch as they provide for the withholding of social security contributions of 15.5% for natural persons.

The dividend shall be paid in cash and shall be made on 27 June 2013. The ex-dividend date shall be 24 June 2013.

If the Company holds some of its treasury shares on the ex-dividend date, the amount of the unpaid dividends for these shares shall be allocated to the "retained earnings" account.

Pursuant to the law, the Shareholders' Meeting notes that it has been reminded that the dividends distributed for the three previous financial years were the following:

	Dividend per share *(in euros)*	Number of shares comprising the share capital	Total dividend *(in euros)*
2009	0.26(1)	11,574,403	3,009,344.78(1)(2)

2010	0.26[1]	11,574,403	3,009,344.78[1][2]
2011	0.30[1]	12,731,843	3,819,552.90[1][2]

(1) Dividend eligible for the 40% tax deduction for individuals residing in France for tax purposes.
(2) These sums include the unpaid amount of the dividend corresponding to treasury shares, which is allocated to the retained earnings account.

FIFTH RESOLUTION (AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS FOR THE PURPOSE OF TRADING IN COMPANY SHARES)

The Shareholders' Meeting, deliberating pursuant to the rules of quorum and majority for Ordinary Shareholders' Meetings, having familiarised itself with the report of the Board of Directors and the information appearing in the description of the programme prepared in accordance with the General Regulations of the French Financial Markets Authority, hereby authorises the Board of Directors, in accordance with Articles L.225-209 et seq. of the French Commercial Code, to acquire the Company's treasury shares, with the option to sub-delegate.

The purpose of this authorisation is to enable the Company to trade in its treasury shares, as provided for by law, in order to:

provide shares for use in connection with the exercise of rights linked to securities giving access to the share capital through reimbursement, conversion, exchange, presentation of a warrant or by any other method;

maintain an active market for the securities of Groupe Gorgé through an investment service provider intervening independently within the scope of a liquidity contract that complies with the Amafi Code of Ethics on liquidity contracts;

provide shares for use as payment, exchange or otherwise within the scope of external growth transactions;

sell or allocate shares to Company employees or corporate officers under the conditions and according to the methods provided for by law, especially in connection with a profit-sharing plan, a stock option purchase plan or the free allocation of existing shares;

cancel all or part of the shares thus acquired by means of a reduction of capital in accordance with the authorisation given for this purpose by an Extraordinary Shareholders' Meeting;

implement any market practice approved by the French Financial Markets Authority.

The acquisition or transfer of these shares may be made at any time and by any means, on the market or by private contract, including by way of derivative financial instruments; the Company may use this authorisation and carry out its repurchase programme in compliance with legal and regulatory requirements in force, and notably the provisions of the General Regulations of the French Financial Markets Authority in the event of a public offer.

The Shareholders' Meeting hereby sets the maximum purchase price at €20 per share.

Without prejudice to the limits and conditions set out elsewhere in the applicable regulations, the Shareholders' Meeting hereby decides that the maximum number of shares that the Board of Directors may acquire may not exceed 10% of the total number of shares comprising the share capital, taking into account those shares already held by the Company on the day of the repurchase, it being specified that the Company may not hold more than 10% of the shares comprising the share capital at any time whatsoever. The number of shares acquired by the Company with a view of retaining them and subsequently remitting them as payment or exchange within the scope of a merger, spin-off or contribution may not exceed 5% of the share capital of the Company.

The maximum theoretical amount of the transaction is therefore set at €25,463,680, corresponding to the purchase of 1,273,184 shares (or 10% of the share capital as of 31 December 2012) at the maximum price of €20 per share.

In the event that the capital is increased through capitalisation of reserves, premiums, earnings or other and allocation of bonus shares, as well as in the event of a share split, reverse share split or any other transaction affecting equity, the Shareholders' Meeting delegates to the Board of Directors the power to adjust the aforementioned maximum price in such a way as to allow for the impact of such transactions on the value of the shares.

It is understood that these transactions shall be performed in compliance with the rules laid down by the provisions of the General Regulations of the French Financial Markets Authority on market trading conditions and timing.

Full powers are granted to the Board of Directors (with the option to sub-delegate) for the purpose of carrying out this share repurchase programme, in particular to put in any stock exchange orders, enter into any agreements for maintaining the share purchase and sale registries, allocate or reallocate the shares purchased for different purposes within the applicable legal and regulatory conditions, prepare any documents, notably information documents, carry out any formalities and make any declarations with the French Financial Markets Authority and any other institution, and more generally, do all that is necessary to make use of this authorisation.

This authorisation is given for a maximum period of 18 months as from this Meeting.

This authorisation, as from its adoption by the Shareholders' Meeting and for the remaining balance, nullifies and replaces any prior authorisation given to the Board of Directors to allow the Company to trade in its treasury shares.

SIXTH RESOLUTION (RENEWAL OF THE TERM OF OFFICE OF MR MICHEL BAULÉ)

The Shareholders' Meeting, deliberating pursuant to the rules of quorum and majority required for Ordinary Shareholders' Meetings, and noting that the term of Director Michel Baulé expires today, hereby renews his term for a period of six years, which will expire at the end of the Ordinary Shareholders' Meeting to take place in 2019 to approve the financial statements for the financial year ending 31 December 2018.

SEVENTH RESOLUTION (POWERS)

The Shareholders' Meeting, deliberating pursuant to the rules of quorum and majority required for Ordinary Shareholders' Meetings, grants full powers to the bearer of an original, copy or extract of the minutes of this meeting in order to carry out all publication formalities required by law.

ANNEX 5 - SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

To the Shareholders,

As the Statutory Auditors of your company, we hereby present our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the main terms and conditions of the agreements and commitments indicated to us, or which we have discovered in the course of our work, without commenting as to whether they are beneficial or appropriate or seeking out the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from entering into these agreements and commitments prior to their approval.

Moreover, we are required to report to you, if needed, the information referred to in Article R. 225-31 of the Commercial Code on agreements and commitments performed during the year which have already been approved by the Shareholders' Meeting.

We have exercised all necessary due diligence in accordance with the professional standards of the French auditing body (Compagnie nationale des commissaires aux comptes) for this assignment. These standards require that we verify that the information provided to us is consistent with that contained in the source documents.

AGREEMENTS AND COMMITMENTS SUBJECT TO APPROVAL BY THE SHAREHOLDERS' MEETING

Agreements and commitments authorised during the past financial year

In application of Article L. 225-40 of the French Commercial Code, we have been informed of the following agreement which was subject to prior authorisation by your Board of Directors.

Subject: Amendment to the secondment agreement for Mr Dominique Vilbois with ECA

Persons concerned: Messrs Jean-Pierre Gorgé, Raphaël Gorgé and Ms Catherine Gorgé

Mr Dominique Vilbois, employed by Groupe Gorgé, was seconded to the company ECA and its various subsidiaries to take on the duties of company director. A secondment agreement was signed on 25 September 2008 (authorised by the Board of Directors' meeting of 24 September 2008) between Groupe Gorgé and ECA which provides for the re-invoicing to ECA of the wages of Mr Dominique Vilbois paid by Groupe Gorgé.

The Board of Directors' meeting of 5 December 2012 authorised the signing of an amendment to the secondment agreement for Mr Dominique Vilbois. This amendment provides for the re-invoicing to ECA of all amounts paid to Mr Dominique Vilbois by Groupe Gorgé in the context of his dismissal, including amounts paid within the scope of an arrangement made with Mr Dominique Vilbois.

During the financial year ending 31 December 2012, your company re-invoiced a total amount of €575 thousand to ECA as wages and amounts paid within the scope of the dismissal of Mr Dominique Vilbois, in accordance with the terms of this agreement and its amendment.

AGREEMENTS AND COMMITMENTS APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in prior financial years

a) the performance of which continued during the past financial year

In application of Article R. 225-30 of the French Commercial Code, we have been informed that the performance of the following agreements and commitments, which were approved by the Shareholders' Meeting in prior financial years, continued during the past financial year.

Subject: Subletting agreement

Persons concerned: Messrs Jean-Pierre Gorgé and Raphaël Gorgé

As from 1 January 2007, your company sublets a part of the premises located at 15-19 rue des Mathurins – 75009 PARIS to the companies Pélican Venture and Sopromec Participations in return for payment of rent and rental charges for these premises. The lease ended on 30 November 2012.

During the financial year ending 31 December 2012, your company recorded revenue of €100 thousand under this agreement.

Subject: Investment Protocol entered into between the Fonds Stratégique d'Investissement, Groupe Gorgé, Pélican Venture and Messrs Jean-Pierre Gorgé and Raphaël Gorgé

Persons concerned: Messrs Jean-Pierre Gorgé and Raphaël Gorgé

On 12 December 2011, an investment protocol for a 10-year term was signed between the Fonds Stratégique d'Investissement (FSI), Groupe Gorgé, Pélican Venture and Messrs Jean-Pierre Gorgé and Raphaël Gorgé. The purpose of this protocol is to define the conditions of participation by the FSI in the governance of Groupe Gorgé in connection with FSI becoming a shareholder of Groupe Gorgé through a private placement transaction of 14 December 2011. In particular, this protocol defines the changes made to the governance of Groupe Gorgé, the strengthening of the right to information of Groupe Gorgé's Board of Directors, the procedures for exercising a tag-along right and a right of first offer, measures against dilution in favour of FSI, and finally, procedures for keeping shareholder equity stable.

The signing of this protocol was authorised by the Board of Directors in its meeting of 12 December 2011.

The performance of this agreement has no financial impact on the financial statements of Groupe Gorgé for the 2012 financial year.

b) not performed during this financial year

Furthermore, we have been informed of the following ongoing agreements, approved by the Shareholders' Meeting in prior financial years, which were not performed during the past financial year:

Subject: Share transfer agreement with repurchase and earnout option for the shares of Récif Technologies entered into between Pélican Venture and Groupe Gorgé on 31 December 2009

Persons concerned: Messrs Jean-Pierre Gorgé and Raphaël Gorgé

Repurchase option:

Groupe Gorgé reserves the right to repurchase shares in return for the refund of the transfer price, for the reimbursement of fees associated with the sale, and for the reimbursement of current account advances. This commitment applies until the first of the following two dates:

31 December 2013;

Or the date on which Groupe Gorgé authorises or refuses a share transfer to a third party in return for an earnout.

Share transfer earnouts:

A share transfer earnout will be granted to Groupe Gorgé by Pélican Venture under the following conditions:

In the event of a subsequent transfer of shares, repayment to Groupe Gorgé of 100% of the capital gains of Pélican Venture if the transfer takes place before 31 December 2013.

In the event of a subsequent receipt of dividends by Pélican Venture, repayment to Groupe Gorgé of:

100% if dividends are repaid before 31 December 2012;

75% if dividends are repaid between 1 January 2013 and 31 December 2013.

Debt assignment earnout:

A debt assignment earnout will be granted to Groupe Gorgé by Pélican Venture under the following conditions:

In the event that the repayment of the debt obtained from Récif Technologies exceeds €2M, a repayment to Groupe Gorgé of:

100% of the debt repayment exceeding €2M before 31 December 2012;

75% of the debt repayment exceeding €2M accrued between 1 January 2013 and 31 December 2013.

Pélican Venture will abandon up to €2.4M of its current account for the debt.

In the absence of dividends or a repayment of the debt, if the equity of Récif Technologies is greater than €2M and the available cash account exceeds €0.5M before 31 December 2013, Groupe Gorgé will receive a reimbursement of:

100% of the cash account exceeding €0.5M before 1 January 2013;

75% of the cash account exceeding €0.5M after 1 January 2013.

To determine the conditions of this earnout, in this case, equity will be adjusted for the capital increases made in cash, and the cash account will be defined as net cash excluding debt, adjusted for the amount of capital increases made in cash and for current account advances which the shareholders of Récif Technologies will have granted in cash. This earnout must be deducted from the earnouts calculated subsequently as a function of the dividends or debt repayments.

Substitutions of Récif Technologies bank guarantees and suppliers from Groupe Gorgé to Pélican Venture:

Groupe Gorgé has stood surety for the company Récif Technologies vis-à-vis the latter's banks and suppliers. Within the scope of the transfer agreement, Pélican Venture has acted as a substitute for Groupe Gorgé with regard to these guarantees.

Paris and Courbevoie, 18 April 2013

The Statutory Auditors

COREVISE	MAZARS
Stéphane Marie	Bernard España
Partner	Partner