Annual Report

Reference Document **2006**

SOGECLAIR

High-tech engineering

Annual report Reference document 2006

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This document includes by reference the reference document lodged with the AMF on 5 May 2006 under the number D.06-368 relative to the group's consolidated accounts for the financial year 2005 and the reference document lodged with the AMF on 31 May 2005 under the number D.05-806 relative to the group's consolidated accounts for the financial year 2004.

Correspondence table

In order to facilitate the reading of this reference document, the following thematic table makes it possible to identify the key information required by regulation (CE) No. 809/2004 of the Commission dated 29 April 2004 implementing Directive 2003/71/CE of the European Parliament and of the Council.

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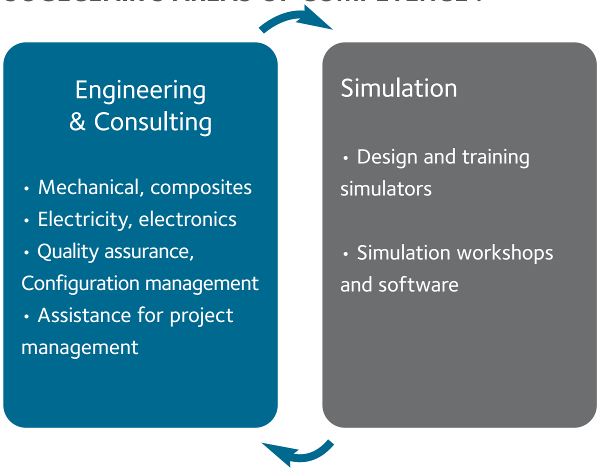
1. Activity...

1.1. Overview of the company

SOGECLAIR is organised around two businesses : Engineering & Consulting, and Simulation.

These two businesses are present worldwide, both on major markets and niche markets.

SOGECLAIR'S AREAS OF COMPETENCE :



4 SECTORS OF ACTIVITY

SOGECLAIR has defined a coherent set of services, organised around four types of activity offering its customers solutions that answer their problems. This set/range of activities allows SOGECLAIR to go beyond being a simple provider of skills and enables its customers to delegate all or part of the design of their products to it.

Technological assistance

This type of activity allows customers to call on specialists to strengthen their teams, without having to delegate responsibility for the design. SOGECLAIR has a comprehensive set of targeted high added-value offers.

Fixed price contracts

This allows customers to outsource the design of all or part of their products; besides technical innovation, SOGECLAIR provides its knowledge of its customers' processes, methods and tools. These contracts offer a visibility of between 3 months and 5 years.

Co-developpement

This consists of taking responsibility of a complete subassembly of the customer's product, in its design and production phases and series support, requiring the association of SOGECLAIR's engineering skills with the industrial skills of a partner. Co-development also includes high-level project management and programme management skills, which constitute strong barriers to entry for contracts offering excellent long-term visibility.

Equipment supply

Here it is a question of ensuring the production of complex electronic and electro-mechanical equipment entering into the composition of complex assemblies (simulators, on-board electronic equipment, etc.). This generally involves small production runs offering a visibility that is often comparable to that of co-development. Its diversified international customer base illustrates SOGECLAIR's sound positioning for this type of service.

Engineering business : 86% of group activity

In this business, SOGECLAIR deploys its mechanical, composite material, electrical, project management, quality assurance, electronics and configuration management skills.

Some examples of developments:

- Design and stress calculation for the Airbus A400M's wings,
- Design and stress calculation for the Airbus A400M's nose landing gear compartment,
- Design and stress calculation for the Airbus A400M's cockpit floor panels,
- Design and stress calculation for the Airbus A380's horizontal stabiliser,
- Design and stress calculation for the Airbus A380's cockpit floor structures,
- Design and stress calculation for the AVIC ARJ21's cockpit centre pedestal,
- Preliminary design of the Bombardier C'Series engine pylons,
- Design, stress calculation and production of Galileo antenna positioners,
- Layout studies for equipment on railway rolling stock,
- Design and production of electronic equipment for the aeronautical and automotive sectors.

Simulation business : 14% of group activity

SOGECLAIR develops solutions in the area of design and training simulators and of simulated environment modelling software.

Designing better, training better and communicating better are the three objectives. Simulation technologies are developed to make it possible to determine whether systems are suited to their environment, train the users, and study – in a risk-free and cost-effective way – the impact of accidents or aggressions.

SOGECLAIR places its expertise at the service of its customers through the commercialisation of products such as :

- flight training simulators,
- air traffic management training simulators,
- automobile and accident prevention design simulators,
- train-driving training simulators,
- firing and combat training simulators,
- multi-sensor synthetic environment generators (visible, IR, UV, radar and telecom, acoustic, etc.),
- virtual mockups (industrial sites, products), etc.

1.2. Markets

SOGECLAIR is present on markets with a high technological content, with customers who have ever-shorter product cycles, ensuring far better growth perspectives than the average of the markets, including in Europe, and a lesser sensitivity to the cycles that generally affect production players.

These markets combine the complexity of the technologies used with the complexity of the processes, tools and regulations to be mastered and thus offer strong barriers to entry in a globalised economy.

The engineering markets on which SOGECLAIR is present are in fact characterised by :

- an acceleration in the renewal rate of product ranges: this is an established fact in the automotive sector, it is a major trend in the commercial aviation sector with development cycles that have been halved in 20 years, and the phenomenon could even affect traditionally more conservative sectors such as railways and defence,

- continued outsourcing of R&D, with customers focusing on an architect-integrator and purchaser role and on the marketing & sales and product support functions,
- a lesser sensitivity of R&D to the economic cycles concerning the design of future products,,
- and lastly a growing worldwide tension concerning energy resources and raw materials which will multiply the need for new products with a high engineering content.

The simulation markets on which SOGECLAIR is present are also characterised by:

- ever-growing needs in design activities, with designers being confronted with the twofold problem of shortening development cycles and inflation in the cost of real tests and seeking virtual validation solutions,
- growing demands in the area of training with institutions and insurance companies preoccupied with the cost of accidents which will favour the development of a necessarily trainer-based prevention policy and, in a worldwide context of insecurity, frequent interventions while seeking to reduce collateral damage which is also encouraging the development of simulation and intervention preparation tools.

1.3. Company history

1986 : Creation of SOGECLAIR to lead the development of companies.

1989 : Diversification in the directions of engineering and consultancy in the areas of multimedia.

From 1992 : Strengthening of its skills and refocusing on high-tech professions; broadening of the customer base (Defence, Electronics, Telecommunications).

1998 : Listing of SOGECLAIR on the Paris Stock Exchange (secondary Investment Market).

2000 : 57% stake acquired in OKTAL SA, an engineering company specialising in simulation and virtual reality.

70% majority stake acquired in THARSYS, an electronics engineering company.

2001 : Creation of the SOGEMASA joint-venture in Spain with Grupo MASA.

2002 : 51% stake acquired in HIGH-END ENGINEERING (HEE) in Germany, a mechanical engineering company.

Creation of the SOGEMASA INGENIERIA company, in Spain, with Grupo MASA and ICSA with a 45% stake.

Creation of a subsidiary in Japan, OKTAL Japon, 50/50 with the local representative.

Creation of the ADM company, with a 35% stake, with GROUPE MECACHROME.

2004 : Buyout of the minority holdings in THARSYS; SOGECLAIR owns 100% of the shares.

2005 : Buyout of minority holdings in SOGEMASA INGENIERIA; SOGECLAIR owns 75% of the shares

Reorganisation of its holdings in OKTAL SA and OKTAL SE; sale of its holding in OKTAL Japan.

Creation in the UK of CLAIRIS TECHNOLOGIES Limited, a 100% subsidiary of SOGECLAIR

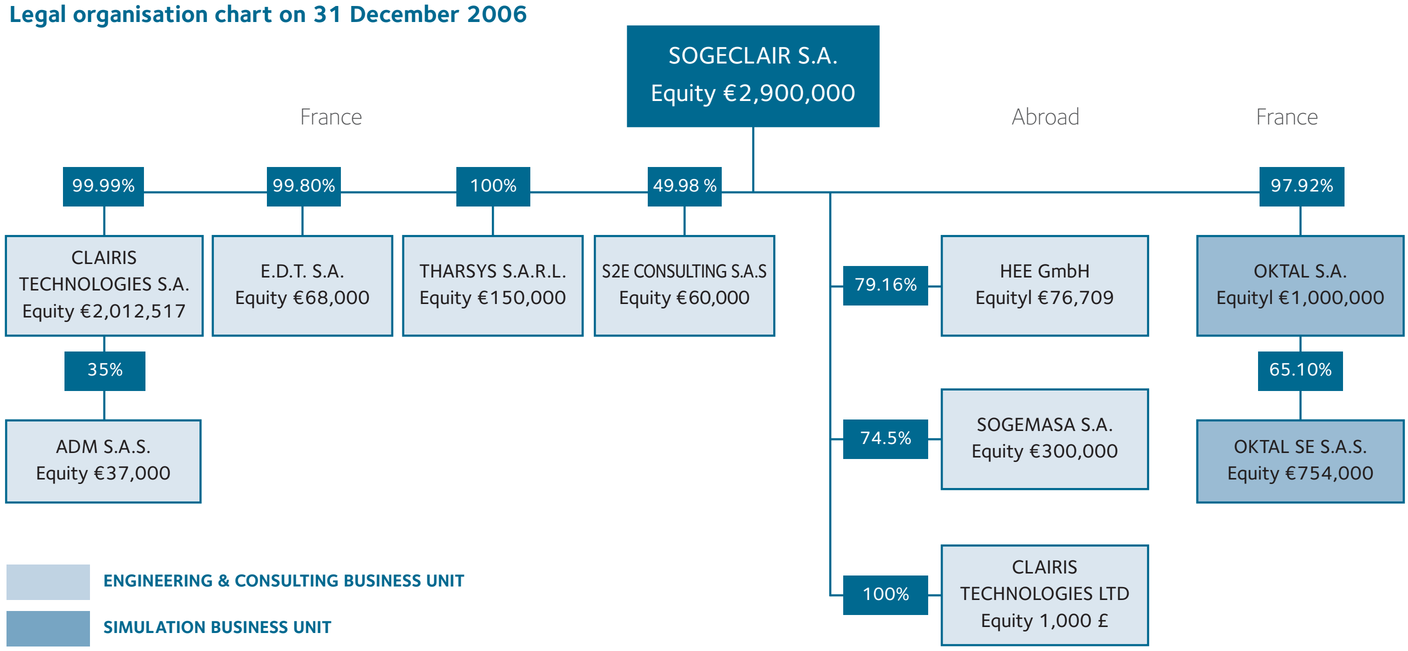
2006 : Creation, with IGE+XAO, of S2E Consulting, a consulting company specialised in systems and electrical engineering.

Buyout of minority holdings in OKTAL SA; SOGECLAIR owns 98% of the shares.

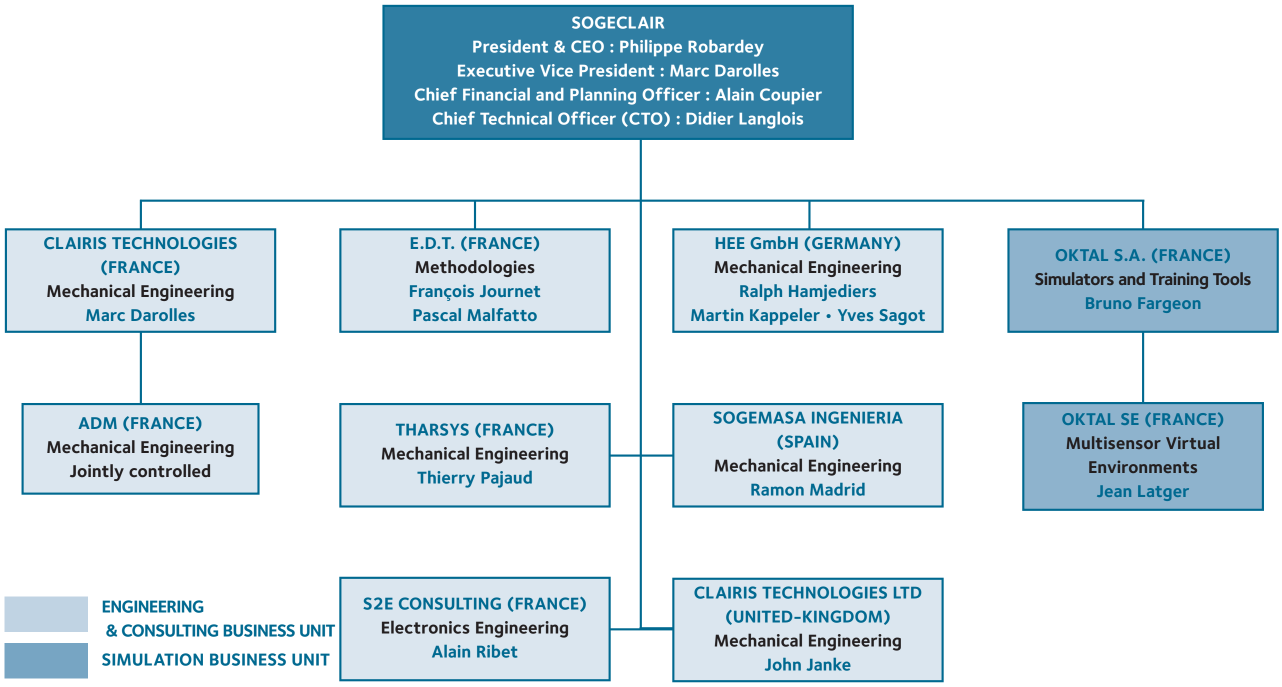
Buyout of minority holdings in HIGH-END ENGINEERING (HEE); SOGECLAIR owns 79% of the shares.

1.4. Parent company-subsidiary relations

Legal organisation chart on 31 December 2006



Functional organisation chart on 31 December 2006



SOGECLAIR's subsidiaries (see organisation charts above) are organised in terms of technological know-how and geographical location as shown below :

Engineering & Consulting Business Unit	Location	Activities	Head count (*)
CLAIRIS TECHNOLOGIES SA	France	Mechanical engineering	341
E.D.T.	France	Methodologies Electrical engineering	92
THARSYS	France	Electronics engineering	19
S2E Consulting	France	Systems and electrical engineering	/
SOGEMASA INGENIERIA	Spain	Mechanical engineering	48
HEE	Germany	Mechanical engineering	191
CLAIRIS TECHNOLOGIES LTD	United Kingdom	Mechanical engineering	2.5

Simulation Business Unit	Location	Activities	Head count (*)
OKTAL	France	Simulation and virtual reality	104
OKTAL Synthetic Environment	France	Multi-sensor synthetic environments	26

(*) mean head count in 2006, full-time equivalence

Role of SOGECLAIR with respect to its subsidiaries:

SOGECLAIR's Corporate Management takes responsibility for the following functions throughout the group:

- management and steering of strategic planning,
- arbitration of group resources allocation priorities,
- internal control and risk management, control of the group's commitments,
- coordination of operational reporting, control of the subsidiaries statutory accounts, establishment of the consolidated accounts, interface with the auditors,
- long-term financing policy, optimisation of the financial structure,
- coherence, efficiency and reliability of the management information system,
- institutional & financial communication.

In parallel SOGECLAIR assumes responsibility, on behalf of its French subsidiaries, for their requirements in the areas of:

- cashflow management and creditors/debtors accounts follow-up,
- statutory accounts and regulatory matters,
- financing of the working capital and investment requirements,
- pay and tax declarations.

SOGECLAIR's subsidiaries have managing directors who have operational responsibility for their business and staff; these directors report to SOGECLAIR's Corporate Management.

In order to achieve these goals, different types of meetings and committees are set up according to the specific needs of each organization:

- "Strategy & Budget" meetings with the group's managing directors: at year-end to prepare the budgets and at the beginning of each quarter to note any deviation and provide recovery plan where necessary,
- Twice-yearly Management Reviews linked to Quality management,
- Management Committees, held monthly depending on the subsidiaries, with the operational managers to examine the workloads, sales and quality actions,
- Sales Directors meetings with sales managers and sales engineers to examine quotes, order books and specific sales actions to be undertaken,
- Monthly production meetings with the managers to analyse production,
- Monthly Quality meetings.

1.5. Key figures to 31/12/2006

1.5.1. Sales growth

(in M€)	2006 IFRS	2005 IFRS	2004 IFRS
Consolidated sales	80.2	69.0	50.3
Like-for-like sales	80.2	67.6*	50.3

** Sogemasa Ingenieria at 45%*

Distribution of consolidated sales per country

(in M€)	2006 IFRS	2005 IFRS	2004 IFRS
France	44.1	43.4	34.2
Germany	28.3	20.5	14.1
Spain	2.3	2.4	1.1
Other countries	5.5	2.7	0.9

1.5.2. Main items on the income statement

(in M€)	2006 IFRS	2005 IFRS	2004 IFRS
Sales	80.23	69.05	50.33
E.B.I.T.D.A. (1)	6.86	5.38	1.77
Operating Profit	3.33	3.08	0.88
Profit Before Tax	3.09	2.79	0.59
Net profit	2.28	2.08	0.42
Net profit, group share	1.88	1.10	0.23

(1) = earnings before interest, taxes, depreciation and amortisation

1.5.3. Financial structure

(in M€)	2006 IFRS	2005 IFRS	2004 IFRS
Shareholder's equity	11.20	10.07	8.13
Reimbursable Public Support (RPS)	2.38	2.13	1.89
Net financial debt (excl. RPS)	9.18	7.39	8.86
Net debt-to-equity ratio (excl. RPS)	0.82	0.73	1.09

1.5.4. Breakdown of the consolidated sales per sector

Sector of activity	2006 IFRS	2005 IFRS	2004 IFRS
Aeronautics and air traffic	81%	73%	67%
Automobile and rail	11%	12%	16%
Defence – Industry	8%	15%	16%

Public sector share in consolidated sales:

- for 2005 : 7.4 %
- for 2004 : 6.5%
- for 2006 : 6.3%

1.5.5. Percentage of the subsidiaries' sales in the overall consolidated sales

	2006 IFRS		2005 IFRS		2004 IFRS	
	Sales	%	Sales	%	Sales	%
CLAIRIS TECHNOLOGIES SA	M€ 28.8	35.95	M€ 29.24	42.35	M€ 20.64	41.02
E.D.T.	M€ 6.57	8.19	M€ 4.17	6.04	M€ 3.53	7.02
THARSYS	M€ 2.34	2.91	M€ 2.19	3.17	M€ 2.19	4.36
S2E Consulting	-		-		-	
HEE	M€ 28.3	35.29	M€ 19.83	28.72	M€ 13.04	25.91
SOGEMASA INGENIERIA	M€ 2.49	3.10	M€ 2.57	3.72	M€ 1.11	2.22
CLAIRIS TECHNOLOGIES Limited	M€ 0.73	0.91	-		-	
OKTAL SA	M€ 9.23	11.50	M€ 9.00	13.03	M€ 8.30	16.49
OKTAL SE	M€ 2.38	2.97	M€ 2.05	2.97	M€ 1.50	2.98

1.5.6. Human resources

(full-time equivalent)	2006	2005	2004
Engineers and managers and senior technicians	780	696	606
Technicians and employees	56	52	45
TOTAL	**836**	**748**	**651**

The average age is 34 and the turnover rate is around 7.8%.

Fixed-term contracts concern approximately 6% of the workforce. The proportion of temporary staff with respect to the total workforce is not significant.

Absenteeism remains low at 2.13%. The main reasons for absence are maternity, paternity and sick leave.

Training policy (French subsidiaries)

In 2006, the group devoted a total of € 661,095 to training expenses, representing 3.18% of the payroll. The training expenses, mainly technical, are intended to maintain a high technical level and multiple skills for all its staff. The legal provisions in the DIF (individual right to training) framework were implemented on 1 January 2005.

Recruitment policy

A large number of means have been deployed to satisfy the recruitment needs in the most advanced areas (experienced expert profiles). Around one hundred people were recruited, mainly engineers and senior technicians. The workforce working outside the company represented 21% of the staff.

Working hours

All the French-law subsidiaries are subject to compliance with the legal working hours. The 35 working hour agreements were negotiated between 2000 and 2002. Full-time employees work 35 hours a week on the basis of 218 days a year. The part-time staff work between 14 and 31 hours a week.

1.5.7. Employee Profit Sharing

Historically, there is one profit-sharing scheme concerning the employees of OKTAL SA and OKTAL SE. For the French subsidiaries there are two participation agreements, only one of which generated a special participation reserve for 2006. In all, for 2006 these contracts amounted to € 198,784.

1.5.8. The SOGECLAIR customer base

The major French and international industrial accounts addressed by SOGECLAIR are essentially the following: AERNOVA (ICSA), AIR FRANCE INDUSTRIES, AIRBUS (CENTRAL ENTITY, FRANCE, DEUTSCHLAND, ESPANA, UK), ALCATEL ALENIA SPACE, ALSTOM, ASF, ASTRIUM, ATR, BEHR, CAE, CNES, CTAG, DAIMLER CHRYSLER, DASSAULT, DCN, DGA, EADS (CASA MTAD, SOGERMA, CCR, DSS), EUROCOPTER (FRANCE, DEUTSCHLAND, ESPANA), EDF, EUROSTAR (FRANCE, UK), FAURECIA, GAVAP, GDF, GFI, IDESTYLE, INDRA, INTERMEC, INNOSIMULATION, ISRAEL RAILWAYS, LATECOERE (LATECIS, LATELEC), MACIF, MBDA, MECACHROME (FRANCE, CANADA), MECHTRONIX, MoD (BWB, FOI/FGAN, SOUTH KOREA, SINGAPOUR), NEOPOST, ONERA, PSA (PEUGEOT, CITROEN), RATP, RENAULT (SA, IDVU), RENAULT TRUCKS, SAFT, SAFRAN (AIRCELLE, HISPANO, LABINAL, SAGEM, SNECMA), SCHNEIDER ELECTRIC, SENIOR AEROSPACE, SIEMENS VDO, SNCB, SNCF, SN CENTRAIR, SOFREAVIA, SUKHOI (SCAC), THALES (AIR DEFENCE, AEROSPACE, TRAINING & SIMULATION, SERVICES), T-SYSTEMS, VALEO, VOLKSWAGEN (AUDI, VW)...

All industrial sectors taken into account, over the financial year SOGECLAIR totalled :

- 195 active customers in all,
- including 67 on international markets,
- including 58 for the Aeronautics & Air Traffic sector,
- including 57 for the Automobile & Rail sector,
- including 80 for the Defence & Industry sector.

SOGECLAIR is acting in its national and export markets from all its installations in France, Germany, Spain and the UK. Sales outside France in 2005 represented 45% of consolidated sales compared with 37% of the consolidated sales in 2005.

In terms of contract recurrence, analysis of the customer portfolio in 2006 shows that our customers are very loyal: 90% of our top 30 customers and 100% of our top 20 customers were already our customers in 2005 and for the very great majority, they are customers of long standing.

The projects accomplished for our customers may last between a few days of expertise work (that is to say some k€) and several years (and several M€). The commercial details of our contracts are not covered by our corporate communications in order to preserve SOGECLAIRS's interests with respect to the competition.

1.6. The competition

SOGECLAIR is a recognized player on the engineering and simulation markets where it is involved in the design of new products, providing a partial or overall service for its customers, or even as a project manager.

Given the barriers to entry linked to each type of work, none of SOGECLAIR's competitors has an offer that is as comprehensive including technological assistance, fixed-price contracts, co-development and supply of equipment.

For the Engineering & Consulting business unit, SOGECLAIR's main competitors should be analysed more in terms of customer zone :

- in France : ALTEN, ALTRAN, AKKA, ASSYSTEM BRIME, CIMPA, ECM, GECI, LABINAL, SEGULA, SODITECH, SOGETI HIGH TECH,
- in Germany : ASKON, FERCHAU, LABINAL, RÜCKER, TECCON,
- in Spain : ASSYSTEM IBERICA, CADTECH, ITD.

For the Simulation business unit, SOGECLAIR's main competitors are present worldwide and should be analysed more in terms of product type :

- simulator manufacturers : ADACEL, AUTOSIM, CORYS-TESS, CS, DRIVE-SAFETY, ECA-FAROS, EADS-DCS, GAVAP, INDRA, KRAUSS-MAFFEI, RUAG, SOGITEC, THALES TRAINING SIMULATION
- synthetic environments : CAE-TERREX, CRIL, CS, EADS-DCS, EMSS-SA , LM-INSYS, MPI, MTL Systems, SAIC, SAGEM, TEAMLOG , THALES (OS, TAS, TAD), TSC.

SOGECLAIR actively monitors its markets and competitors by collecting and analysing every type of available information.

SOGECLAIR's strengths

SOGECLAIR benefits from key advantages that set it apart on its markets :

- an industrial strategy on high-potential niche markets,
- recognized know-how in its professions,
- a wide range of skills (mechanical, electrical, electronic and software) offering real synergies,
- recognized project management and cooperation capability,
- references and knowledge in the area of its customers' complex working processes,
- a strong local presence with its customers (France, Germany, Spain, Great Britain),

1.7. Recent changes and future perspectives

Refer below to section 2.1 of the Board of Directors' Report to the General Meeting.

1.8. Investment and development work policy Investment trends (*)

Investment trends (*)

	2006	2005	2004
	k€ 1,925	k€ 2,426	k€ 1,173

(*) acquisition of tangible assets + licenses

The investments concerned the update of our pool of software applications, servers, IT workstations, hardware (PC, printers, etc.), and networks. The main type of financing consists of medium-term loans over 36 months or leasing contracts.

R&D activity

The vast majority of the work carried out at SOGECLAIR concern R&D activities relative to the execution of a contract for a customer.

Furthermore, SOGECLAIR carries out certain self-financed development work on its own behalf, in which the group accepts to invest insofar as it has :

- clear commercial perspectives: confirmed market, existing direct and indirect distribution channels,
- sufficient forecast profitability: including the cost of financing and taking into account a degraded sales scenario,
- sufficient financing: partners, institutions or banks.

By default, the expenses are included on the balance sheet gradually as they are incurred. As an exception and in application of the international accounting standards (IAS38), the expenses relative to certain long-duration development works are included in the balance sheet as an asset, provided they satisfy the criteria set by those standards.

On 31 December 2006, the immobilisations of RDS Expenses concerned :

- the Engineering business for a total net amount of k€ 7,480 to be amortised through to 2012, spread over three projects,
- the Simulation business for a total net amount of k€ 654 to be amortised through to 2012, spread over two projects.

1.9. Risk factors specific to the issuer and its sector of activity

Risks specific to the company and its sector of activity are classified below according to our order of importance.

1.9.1. Accomplishment risks

SOGECLAIR works with its customers with four different types of contract:

- Technological assistance: this essentially concerns contracts with an obligation to provide resources. Their duration is above all situated in a range of 3 months to 1 year.
- Fixed price: this concerns contracts with an obligation to perform. They have a duration of between 1 month and 5 years.
- Co-development: this concerns contracts that associate a partner offer with that of SOGECLAIR (for example manufacturing). These are long-term contracts lasting up to 15 years.

- Supply of equipment: these are contracts for the development and supply of equipment under the responsibility of SOGECLAIR as sole source. Their duration depends on the type of equipment.

Whereas the technological assistance and equipment supply contracts only include slight execution risks, because SOGECLAIR only has an obligation of due care or is the only responsible for designing the product to be made, the fixed-price or co-development contracts by their very nature present execution risks whose root causes are, in chronological order :

a) Initial underestimation in the offer;

b) Not bounded technical specifications with rude contractual clauses;

c) Requests for additional work during the development phase without a formal prior commercial agreement;

d) Particular technical difficulties;

e) Final acceptance conditions open to interpretation.

The control of these types of risks, especially those due to b) and c) require a tight organisation both on the commercial and programme management levels, which constitutes the difficulty with this type of contract but, in return, creates a high barrier to entry with respect to the traditional players.

1.9.2. Dependence risks

Customers

In 2006, all sectors taken into account, the company counted 195 active customers, that is to say customers invoiced during the financial year spread over all of the sectors of activity, representing diversity in the customer base and in the number of contracts that is sufficient to ensure we do not suffer from any undesirable dependence.

Reciprocally, the quality and loyalty of the group's customers limit the risk of volatility and solvability of the debtors and the size and quality of these customers represent a source of markets to be developed by SOGECLAIR.

In figures:

- the top 50 customers generate 94% of consolidated sales and are evenly spread between the Aeronautics & Air Traffic, Defence & Industry, Automobile & Rail segments; amongst them six were new customers and 88% were already customers in 2005,
- the top 20 customers generate 83% of consolidated sales; amongst them, 100% were already customers in 2005,
- the top 10 customers generate 75% of consolidated sales; amongst them, 70% were already among the top 10 customers in 2005 and all were already customers in 2005,
- the top 5 customers generate 66% of consolidated sales and are spread between the Aeronautics & Air Traffic (AIRBUS, MECA-CHROME), Defence & Industry (DGA) segments,
- The group's No. 1 customer, AIRBUS, represents 61% of consolidated sales, with around one hundred distinct contracts spread between five subsidiaries: France, Deutschland, España, UK and Central Entity.

Partners

SOGECLAIR has signed several partnership contracts with complementary companies. The interruption of one or more of these partnerships, for whatever reason, whether on the initiative of SOGECLAIR or of the partner, could have a negative impact on the company's future revenues.

Suppliers and subcontractors

The independence of our suppliers and subcontractors is ensured by implementing the following guiding principles:

- keeping control of the customer relationship and project management (specification, preliminary design and validation, production of the critical elements), allowing us keep our essential differentiating factors.
- selection of companies that do not have either the will or the capacity to accomplish SOGECLAIR's contracts directly, except where imposed by the customer.
- sufficient number to ensure we do not suffer from any dominant position and allowing us to spread the industrial and financial risk,
- sufficiently small number to allow us to weigh sufficiently on the commercial and technical conditions.

The group as a whole thus works with several tens of suppliers and subcontractors which provided it with support in the mechanical, electronic and simulation areas

1.9.3. Customer commercial risks

For some years, SOGECLAIR has been facing with the desire of certain of its customers to share their commercial risk through "risk-sharing" co-development contracts, under the terms of which the supplier is responsible for designing and manufacturing a subassembly for the customer's programme, and is self financing its development costs and then receives a payment for each subassembly delivered to the customer.

The risk with this type of contract lays in the non-performance by the customer of its forecast sales, leading to a revenue curve for the supplier that does not correspond to what was initially forecast.

This type of risk can be mitizated by:

- a commitment limited to programmes whose success goes without saying, with customers who have confirmed experience in the product range concerned,
- fixing of a sale price including the impact of the financing costs and also significant variations in the schedule of the payment,
- spreading the payments over quantities and times much lower than the customer's total expectations,
- and, in all cases, the prior authorisation of the group's Board of Directors.

As a matter of fact, SOGECLAIR strictly limits its participation in risk-sharing programmes so as to keep reasonable debt ratios and not to take any disproportionate risks

1.9.4. Proprietary commercial risks

As indicated above, SOGECLAIR carries out self-financed development works for which the group is exposed to a significant gap in its sales with respect to the assumptions made in the initial business plan.

This risk is limited by:

- the preference given to teaming with partners who accept to share the commercial risk with us,
- the obligation given to the business plan to yield profits even after a "shock" to the nominal scenario.

1.9.5. Market risks

The SOGECLAIR Finance Dept. is organised to follow the interest and exchange rate, and liquidity risks with:

- cashflow monitoring,
- medium/long-term debt monitoring,
- frequent exchanges with the financial partners to examine short- and medium-term rate trends,
- participation in various forums, debates, presentations.

Interest rate risk: SOGECLAIR is not exposed to the risk of interest rate variations for the financing of its medium-term commitments, whether concerning conventional bank loans or leasing contracts, because they have been contracted at a fixed rate or, where that is not the case, they are covered by a fixed-rate swap at a highly satisfactory rate..

SOGECLAIR is therefore only exposed to an interest rate variation risk for its short-term work in process; these commitments are indexed on the Euribor or Eonia index. The regular rise of these short rates since the beginning of 2006 has significantly raised our exposure, without us judging that the risk justifies the cost of coverage instruments given, in particular, the relatively poor cost/yield ratio of the instruments available.

Exchange rate risk : SOGECLAIR has until now not been exposed, except very marginally, to exchange rate risks, its major contracts being in Euros.

Stock risk

Since SOGECLAIR has not made any guarantees linked, either directly or indirectly, to its stock price trends, its stock risk is limited to the impact of a change of price on its self-owned share holding.

On 31 December 2006, SOGECLAIR held on the one hand 3,399 of its own shares with respect to its market liquidity contract.

A 10% variation in the price would therefore have an impact of about € 13,000 on the consolidated result.

On 31 December 2006, SOGECLAIR also held 43,097 of its own shares resulting from the merger of the former LPPI holding company.

A variation in the price of these shares will not have any impact on the group's consolidated accounts since they are subject to a write-off in the equity capital, in application of the accounting rules in force.

A variation in the price of these shares would only have an impact on the SOGECLAIR SA corporate accounts if it were to fall lastingly below their contribution value and oblige us to record a depreciation.

1.9.6. Liquidity risks

SOGECLAIR is exposed to a liquidity risk through its short-term bank loans, the outstanding amounts of which fluctuate according to the periods between M€ 2.5 and M€ 4.5.

To limit this risk, SOGECLAIR relies on:

- centralised cashflow and debitors/creditors accounts management for its French subsidiaries and regular monitoring of its other subsidiaries,
- a pool of renowned banking partners, with secured and unsecured short-term credit authorisations for a total amount of more than M€ 12 under commercial conditions enabling the greatest responsiveness,
- customer signatures allowing it to mobilise these credit lines easily and which have not resulted in any single default on payment for many years.

1.9.7. Legal risks

SOGECLAIR is not subject to any particular regulations and its operations are not submitted to any legal, regulatory or administrative authorisation.

The general and aeronautical product professional civil liability risks are covered by insurance policies.

To the company's knowledge there are currently no disputes, arbitration or exceptional events liable to have, or to have had in the recent past, a significant impact on the financial situation, results, activity or assets of SOGECLAIR and group.

However, in the event of disputes arising, they are subject to analysis as soon as the fact has been ascertained. The priority is to reach a quick and amicable solution. In the event of litigation and after having failed to reach an amicable settlement, a provision may be made according to the technical and contractual analysis and, if applicable, to the legal analysis. These elements make up the basis for creating the provision.

1.9.8. Industrial and environmental risks

Not applicable.

1.10. Insurance policies

The main risks run by the companies in the group are covered by insurance policies. All of the insurance policies are taken out with reputable insurance companies and cover:

- the risks linked to equipment and trading losses (industrial risks and machinery breakdown),
- the risks linked to the activities of the companies in the group (professional and aeronautical product liability).

The professional civil liability policies, all types of damage taken into account, cover the maximum contractual commitment stipulated in our commercial contracts.

The overall amount of the premiums for 2006 totalled k€ 276.

1.11. Leases and rentals for operating sites

The company rents the premises required for its activities from various real estate companies.

One of these companies (SCI SOLAIR) has a link with the directors of SOGECLAIR and one of its shareholders who has voting rights greater than 10% (see special report of the Auditors). The amount of the rentals relative to the premises rented from SCI SOLAIR is lower than the market rate.

On 31 December 2006, SOGECLAIR had 14 different sites: in the Toulouse region (4), Paris region (2), in Aix-en-Provence, Hamburg, Stuttgart, Wolfsburg, Bremen, Getafe, Toledo and Bristol representing a total surface area of 9,391 sq.m for total annual rentals of k€ 1,139 excl. VAT.

1.12. Brands – domain names – copyright – licences or patents

Steps were taken in 2006 to create an Industrial Property asset base.

The measures taken have not given rise to any Industrial Property rights being obtained during the financial year.

Furthermore, the group's companies have not acquired or granted any licenses over the period.

2. The board of directors' report to the combined general meeting held on 25 May 2007

(financial year ending on 31 December 2006)

Dear Shareholders,

We have called this General Meeting pursuant to the law and the provisions of our articles of association with a view, in particular, to submitting the accounts for the financial year ending 31 December 2006 to you for your approval.

The invitations to this Meeting have been regularly issued.

The documents stipulated by the regulations in force have been sent to you or have been held at your disposal within the stipulated deadlines.

The purpose of this report is, in particular, to present to you the situation of our company and of our group.

The statutory and consolidated accounts for the financial year ending 31 December 2006 have been drawn up according to the same presentation standards and evaluation methods as for the previous financial year.

1. Group situation

The group whose activity is described here is comprised of the following companies: CLAIRIS TECHNOLOGIES SA, E.D.T. SA, THARSYS SARL, HEE GmbH, SOGEMASA INGENIERIA, CLAIRIS TECHNOLOGIES Ltd activated in 2006, S2E CONSULTING set up at the end of 2006, OKTAL SA, OKTAL SYNTHETIC ENVIRONMENT SAS.

1.1. Activity statement

Our group's consolidated accounts show sales of € 80,230,300, representing growth of 16%, and a result of € 2,283,998 compared with € 2,082,097 for the previous financial year.

The activity on the international market grew and now represents 45% of turnover.

It was marked by successes with new customers in Russia, Korea, Israel and the United States.

Overall, the activity for the financial year was marked by:

for the Engineering & Consulting business unit

- development of our niche markets specialising in Quality Assurance, Configuration Management,
- setting up of a technical data management tool (PLM).

for the Simulation business unit

- significant commercial breakthroughs, strengthening the credibility of our offer on the international level.

The consolidated accounts also show strong growth in the operating profit and in net profit.

Furthermore, the 2006 financial year also saw a significant reduction in minority shareholdings.

The average workforce (full-time equivalence) was 836 people for the year 2006.

1.2. Foreseeable changes – Future perspectives

Maintained growth with expected growth of the order of 5% and development of our subsidiary in the UK.

Continued improvement in operational profitability thanks, on the one hand, to the close control exercised over the group's commitments and over the execution of the contracts and, on the other hand, through the strengthening of our areas of expertise.

In terms of the workforce, a slight and well-targeted increase is being envisaged to accompany the growth in our activity, capitalising on our own skills while maintaining a sufficient degree of flexibility.

1.3. Outstanding events since year-end

Announcement by our customer AIRBUS of the Power 8 plan and suspension of the A380 Freighter programme.

1.4. Research & development activities

As in the past, the vast majority of contracts that we have accomplished for our customers in 2006 have consisted of development works.

We would like to draw your attention to the fact that we have immobilised on the balance sheet assets (Development expenditure) the development expenses and related financial expenses for a certain number of projects, in compliance with and according to the principles fixed by the applicable accounting standards (IAS 38 and 23, national directives).

The development works that gave rise to new immobilisations in 2006 concern:

- for the Engineering & Consulting business unit: the A380 Floor project,
- for the Simulation business unit: simulation motor projects for the automobile, rail and air traffic sectors (ScanNer, OkSimRail, ScanAds).

The development works that gave rise to amortisation in 2006 concern:

- for the Engineering & Consulting business unit: the A380 Floor project (in particular with an exceptional charge for the net amount of the Freighter works) and the Airbus Trainers project,
- for the Simulation business unit: the projects immobilised until 2005.

1.5. Analysis of the consolidated accounts

The group's consolidated accounts have been notified to you in IFRS format, and are commented on below.

We request that you approve these accounts.

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INCOME STATEMENT

Analysis of the income statement shows:

- sales of k€ 80,230 (compared with k€ 69,050 for the previous financial year),
- operating charges excluding appropriations amounting to k€ 75,294,
- external charges of k€ 30,211,
- personnel charges totalling k€ 41,676,
- appropriations for amortisation amounting to k€ 3,493,
- an operating result of k€ 3,331,
- a financial result of k€ (237),
- a consolidated net profit of k€ 2,284 and a group share of k€ 1,876, compared with k€ 2,082 and k€ 1,099 respectively for the

previous financial year,

BALANCE SHEET

Analysis of the consolidated balance sheet shows:

Assets

- goodwill up further to the purchase of minority holdings in HEE and OKTAL,
- intangible assets up moderately under the combined effect of the continued assetisation of development expenses (in particular for the last financial year, the A380 Floor Structures contract), and amortisation of these assets,
- tangible assets up, further to increased activity and the investments required for our growth,
- Stock & Work-in-Process significantly down reflecting the adjustment in the value of the stock of components and finished products,
- Customer Debts and Available-for-sale financial assets up very moderately despite the increased activity and tougher terms of payment imposed by our customers, materialising a better control over our contractual deadlines.

Liabilities:

- Equity Capital very significantly up with the group's results, despite the impact on the consolidated accounts of the buy-out of minority shareholdings,
- Qualified prepayments up moderately, reflecting the general growth in our activity,
- Supplier, Tax and Social debts down despite the general growth in our activity,
- Other current liabilities up slightly.

SECTORIAL ANALYSIS

Analysis of the results per sector, excluding intra-group disposals and functioning of the holding company:

for the Engineering & Consulting business unit:

- Net sales of k€ 68,623,
- Operating profit before tax and extraordinary items of k€ 6,525,
- Operating profit of k€ 5,755,
- Net profit of k€ 1,910, and 1,627 for the Group share

figures reflecting the significant turnaround in this business unit's profitability;

for the Simulation business unit:

- Net sales of k€ 11,607,
- Operating profit before tax and extraordinary items of k€ 234,
- Operating profit of k€ 239,
- Net profit of k€ 115, and k€ (9) for the Group share

figures reflecting the contrast between the mediocre results of OKTAL SA and the good profitability of OKTAL SE.

Analysis of the sales by industrial sector gives the following breakdown:

- Aeronautics and air traffic: 81 %
- Automobile and rail: 11 %
- Defence and industry: 8 %

1.6 Risk factors and uncertainties

Execution risks

In 2006, the risks linked to the instability in our customers' specifications have continued to weigh on the profitability of some large older fixed-price contracts.

However, the efforts made since the beginning of the 2005 financial year have contributed significantly, both on the organisational and commercial levels, to reducing the execution risks on our more cent contracts.

Dependence risks

Customers

In 2006, all sectors taken into account, the company opened new accounts and maintained its broad-ranging customer base.

The share of our Number One customer (61%) remains large, but the number of contracts concerned and of customer divisions is stable at around one hundred with all the national entities, making it possible to reduce the risk on the large fixed-price contracts.

Generally speaking, the great loyalty of our customers should be noted, along with a good visibility over our relations with the largest ones and their good health. This encourages us to consider that the risk is under control despite the weight of the aeronautics sector (81%) and of AIRBUS.

Partners

In 2006, SOGECLAIR reached a new agreement with MECHAHERS for non-exclusive cooperation in the area of composite material aeronautical subassemblies, whereas its longstanding partnerships with MECACHROME, ICSA, MECAHERS and MECHTRONIX continued satisfactorily and do not lead us to anticipate any significant risk with respect to the group's business.

Suppliers and subcontractors

None of the companies chosen to support our contracts has had any difficulties during the financial year that could have hindered the execution of the contracts binding us and we do not foresee any worsening of this risk in 2007.

Reciprocally, none of these subcontracting companies enjoys a privileged contractual position that would allow it to weigh disproportionately on the progression of our business or cause any lasting dependence.

Commercial risk

Customer programmes

In 2001, SOGECLAIR signed a "risk-sharing" contract in the framework of the A380 programme. To date, this is the only contract committing SOGECLAIR in a commercial risk shared with its customer.

This contract concerns the design and manufacture of floor structures for the aircraft nose section, in co-development with the MECACHROME company and the parties have agreed to spread the payment over the first 300 aircraft produced.

At the end of October 2006, the order book for the A380 announced by Airbus amounted to 166 firm orders and had not suffered from the announcement of the delays in the programme, with the exception of the cancellation of the orders for the Freighter version. But this does not in our view put into question the commercial viability of the programme for which Airbus has set itself a target of 800 deliveries and remembering that Boeing has already delivered more than 1,400 B747s.

Our deliveries at the end of 2006 stood at 26, but our assumptions for the upcoming financial years have been revised to take into account the very significant effect on 2007 and 2008 of these delays which have weighed for about k€ 500 on our accounts for 2006 and should impact our 2007 accounts for around k€ 1,000.

We hereby inform you that certain calls for tender for the A350 programme in which our group is intending to position itself include risk-sharing clauses.

Proprietary sales

Concerning the development of equipment for static flight simulators (Trainers), the direct sales and those resulting from the partnership set up with MECHTRONIX have progressed significantly, in particular thanks to the renewed interest of airlines for the aircraft in the ATR family, making it possible to confirm the assumptions of the business plan.

Concerning the development of the simulation motors (ScanER, ScanADS and OKSimRail), the outlets and sales volumes observed for the existing versions of these products strengthen the return on investment for these new versions.

Concerning the development of the terrain modeller (Agetim), already profitably used in customer programmes, we do not see at the present time any risk of non-accomplishment of the sales forecast in the plan.

Financial risks

Interest rates

Our variable rate exposure at the end of December 2006 was limited to current short-term loans; indeed, at the end of November 2005 we took the decision to cover, by means of a fixed-rate swap, the medium-term variable rate loan that we had set up at the beginning of 2002 to finance the A380 floor contract.

This operation, carried out under very satisfactory market conditions, has already been found to be effective and shelters us from any continued rise in the key interest rates.

The regular rise in short rates since the beginning of 2006 has significantly raised our exposure, but we do not consider that there is a risk sufficient to justify the cost of hedging instruments.

Exchange rates

During the 2006 financial year, the group's exposure to this risk remained nil, except in the case of our British subsidiary whose revenues, and charges too, are in Sterling.

We must inform you, however, that certain calls to tender to which the group intends to reply in 2007, including the A350-XWB, comprise clauses for payment in US dollars, which will oblige us to set up appropriate hedging instruments.

Liquidity / Cashflow

The 2006 financial year did not see any worsening of the liquidity risk, despite the tensions caused by the general strong growth in our activity; and the utilisation of our bank lending facilities remains far lower than the maximum credit authorised by our banking partners.

Stock

There were still no guarantees made during the financial year linked directly or indirectly to any change in the price of SOGECLAIR stock; the stock risk is therefore still limited to the impact of a variation on the market liquidity contract, which is not considered to be significant.

Legal risks

The situation at the end of this financial year has not changed significantly and all of the significant disputes that have arisen, whether of a commercial, fiscal or social nature, have all come to a reasonable negotiated conclusion.

The presentation of the accounts does not omit any probable significant dispute.

Industrial and environmental risks

Not applicable.

Insurance policies

We took the opportunity in 2006 to harmonise the policies of our various subsidiaries in the area of civil and business liability, including for the aeronautical and space product liability of the subsidiaries concerned.

1.7 Commitments

The presentation, made according to the accounting standards in force, does not omit any significant off-balance sheet commitment.

Debts and other commitments to be paid

Contractual obligations	TOTAL	Payments due by period		
		Less than 1 year	1 to 5 years	More than 5 years
Long-term financial debts	7,732,877	2,691,809	4,875,607	165,462
Obligations relative to direct financing leases	1,230,019	761,026	468,993	
TOTAL	**8,962,896**	**3,452,835**	**5,344,600**	**165,462**

Medium- and long-term financial structure and specific features on 31 December 2006

Characteristics of the loans contracted	Overall amount	Conditions	Maturity dates	Coverage	Covenants
Fixed rate amortization	€4,342,294	4.2 to 5.5%	2000-2013	N/A	None
Variable rate amortization	€2,940,000	E6M + 1.1%	2006-2012**	Swap (see below)	None

*** M€ 3.5 loan taken out with CIC to finance the A380 Floor contract, initially repayable in half-yearly instalments from 1 January 2006 to 31 December 2009 and re-scheduled through to 2012 with a repayment moratorium in 2007.*

Hedging instruments

There are no commitments at the present time involving complex financial instruments in SOGECLAIR SA or the group.

However we must draw to your attention the decision taken at the end of November 2005 in view of the rising interest rates, to cover the M€ 3.5 variable rate loan taken out for the A380 floor contract.

The coverage put in place consists of a simple Swap contract at 2.975% set on the same due dates and the same reference rate as the A380 loan, thus leading to effective coverage (in the IAS39 sense), even taking into account the rescheduling of the loan (see above) and allowing the posting of a fair value variance on the Balance Sheet in application of IFRS coverage accounting.

At year-end and given the significant and regular rise in the E6M (Euribor 6-month) rate, this contract had generated a latent gain of € 35,990 which has been entered in the consolidated reserves.

Guarantees and securities (Description of off-balance sheet commitments relative to current activity)

(in €)	N	N - 1
Counter-guarantee securities on markets	13,665	376,697
Pledges, mortgages and real securities	2,841,116	816,620
Endorsements, securities and guarantees given	4,354,966	3,500,000
Non due discounted bills	-	-
Counter-guarantee securities on markets	1,134,896	2,201,553
Other commitments made	2,546,542	
Total	**10,891,185**	**6,894,870**

Commitments received

Guarantees and securities amounting to € 256,700 have been received.

Besides the current commitments, we must draw to your attention the fact that SOGECLAIR has received commitments from its customers on its long-term contracts dependent on their sales representing approximately M€ 11.1 on the basis of firm orders received by these customers.

2 SITUATION OF THE COMPANIES IN THE GROUP

2.1 Activity and results of SOGECLAIR SA

Activity

The context of the financial year was marked by:

- improved operating profitability,
- strong, well-controlled growth.

In this context, SOGECLAIR SA has exercised all of its missions to steer and coordinate the group's activities.

In parallel, SOGECLAIR SA has continued to meet the requirements of CLAIRIS TECHNOLOGIES SA, E.D.T. SA and THARSYS SARL in the areas of administration, management, payroll and accounting.

Since the end of 2006, these same missions have also been ensured for the OKTAL SA and OKTAL SYNTHETIC ENVIRONMENT companies.

The 2007 financial year will be devoted to pursuing the improvement of performances, strengthening internal control and of the information system and, more generally, developing the group's capacities.

Figures

For the year ending 31 December 2005, SOGECLAIR SA achieved:

- sales of k€ 3,219 compared with k€ 2,574 for the previous financial year,
- net profit of k€ 1,162 compared with k€ 1,162 for the previous financial year.

We are requesting that you approve these corporate accounts.

In compliance with article 148 of the decree dated 23 March 1967, a table is appended to this report showing the company's financial results for the last five financial years.

Acquisition of shareholdings and takeovers

Lastly, we must inform you that during the financial year ending 31 December 2006, we have:

- taken an additional holding of 28.1% in HEE by buying shares from the historical minority shareholders, SOGECLAIR now controls 79.1% of the company's capital,

- taken an additional holding of 20.1% in OKTAL SA by buying shares from the historical minority shareholders, SOGECLAIR now controls 97.9% of the company's capital,

- sold 2.2% of our holding in OKTAL SE to the directors with a minority holding, SOGECLAIR still controls 65.1% of the company's capital,

- taken 49.98% of the shares in the S2E Consulting company created with the IGE-XAO group.

Self-owned shares and cross shareholdings

We must inform you that, besides the transactions carried out for the market-making activities by the appointed independent service-provider (CM/CIC-S), we have proceeded with the direct sale of 10,000 self-owned shares for a total of k€ 505.

Sanctions for anti-competitive practices

None.

Social consequences of the activity

This information is presented in appendix to this report.

Environmental consequences of the activity

This information is presented in appendix to this report.

2.2 Activity and results of the Engineering & Consulting business unit

CLAIRIS TECHNOLOGIES SA

This company's activity was stable during the financial year, whereas its profitability has been turned around, and its key indicators, such as they appear in the corporate financial statements, are presented below :

SOGECLAIR holding on 31/12/2006 - 99.99%	2006 (k€)	2005 (k€)	Change
Sales	29,677	30,052	-1.2%
Operating result	872	71	+ 1,128%
Net result	91	-41	+ 320%
Equity capital	2,136	2,045	+4.4%
Net debt	7,629	9,081	-16.0%
Avg. workforce (Full-Time Equivalent)	41	322	+5.9%

E.D.T. SA

This company's activity has progressed strongly over the financial year, and its profitability has progressed as well, and its key indicators, such as they appear in the corporate financial statements, are presented below :

SOGECLAIR holding on 31/12/2006 - 99.80%	2006 (k€)	2005 (k€)	Change
Sales	7,712	5,295	+45.6%
Operating result	858	497	+72.6%
Net result	449	269	+66.9%
Equity capital	621	436	+42.4%
Net debt	651	387	+68.2%
Avg. workforce (Full-Time Equivalent)	92	72	+27.8%

THARSYS SARL

This company's activity progressed slightly over the financial year, whereas its profitability grew significantly, and its key indicators, such as they appear in the corporate financial statements, are presented below :

SOGECLAIR holding on 31/12/2006 - 100.00%	2006 (k€)	2005 (k€)	Change
Sales	2,470	2,355	+4.9%
Operating result	250	150	+66.7%
Net result	150	107	+40.2%
Equity capital	284	135	+110.4%
Net debt	157	465	-66.2%
Avg. workforce (Full-Time Equivalent)	19	19	+0.0%

HEE GMBH

This company's activity has progressed strongly over the financial year, with a good level of profitability being maintained, and its key indicators, such as they appear in the corporate financial statements, are presented below :

SOGECLAIR holding on 31/12/2006 - 79.16%	2006 (k€)	2005 (k€)	Change
Sales	30,268	20,686	+46.3%
Operating resul	1,907	1,718	+11.0%
Net resultt	1,455	1,547	-5.9%
Equity capital	3,437	2,582	+33.1%
Net debt	-1,036	-1,932	+46.4%
Avg. workforce (Full-Time Equivalent)	191	154	+24%

SOGEMASA INGENIERIA SA

This company saw a slight fall in its activity over the financial year, and its profitability also fell. Its key indicators, such as they appear in the corporate financial statements, are presented below :

SOGECLAIR holding on 31/12/2006 - 74.50%	2006 (k€)	2005 (k€)	Change
Sales	2,645	2,883	-8.3%
Operating result	-120	202	-159.4%
Net result	-86	130	-166.1%
Equity capital	746	862	-13.4%
Net debt	284	-171	+266.1%
Avg. workforce (Full-Time Equivalent)	47.9	42	+14.0%

CLAIRIS TECHNOLOGIES LIMITED

This company's activity over the financial year was not as good as anticipated at the time of its creation, but its profitability has nevertheless been maintained as forecast in the business plan. Its key indicators, such as they appear in the corporate financial statements, are presented below :

SOGECLAIR holding on 31/12/2006 - 100.00%	2006 (k€)	2005 (k€)	Change
Sales	201	N/A	N/S
Operating result	(238)	N/A	N/S
Net result	(237)	N/A	N/S
Equity capital	(239)	N/A	N/S
Net debt	269	N/A	N/S
Avg. workforce (Full-Time Equivalent)	2,5	N/A	N/S

S2E CONSULTING

This company was set up in 2006 and did not have any significant activity during the financial year.

2.3Activities and results of the Simulation business unit

OKTAL SA

This company's activity progressed over the financial year, however its profitability was very significantly degraded, and its key indicators, such as they appear in the corporate financial statements, are presented below :

SOGECLAIR holding on 31/12/2006 - 97.92%	2006 (k€)	2005 (k€)	Change
Sales	9,522	9,332	+2.0%
Operating result	-350	206	-270%
Net result	-302	133	-327%
Equity capital	1,726	2,029	-14.9%
Net debt	2,305	948	+143.1%
Avg. workforce (Full-Time Equivalent)	104	102	+2%

The company's new General Management, in place since the 2nd quarter 2006, has proceeded with a strategic re-assessment of the company's positioning.

OKTAL SYNTHETIC ENVIRONMENT SAS

The company's activity progressed over the financial year, with significant growth in its profitability, and its key indicators, such as they appear in the corporate financial statements, are presented below :

SOGECLAIR holding			
on 31/12/2006 - 65.10%	2006 (k€)	2005 (k€)	Change
Sales	2,525	2,321	9%
Operating result	476	400	19%
Net result	363	267	36%
Equity capital	1,694	1,463	16%
Net debt	510	-594	-186%
Avg. workforce (Full-Time Equivalence)	26	26	0%

3. Profit distribution

3.1 Proposed Allocation

The Allocation of our company's results that we are proposing is conform to law and our articles of association.

We propose to assign the profit for the financial year which amounts to € 1,162,050.41, plus a balance carried forward totalling € 1,584,163.74, as follows :

Origin

- Balance carried forward		€ 1,584,163.74
- Result for the financial year: profit of.........		€ 1,162,050.41
Allocation		
- Balance carried forward		
thus raised from € 1,584,163 to :€ 2,383,714.15		
- To the shareholders, as dividend		
Giving a dividend of € 0.50 per share € 362,500.00		
TOTALS	€ 2,746,214.15	€ 2,746,214.15

The dividend payable to each share is therefore set at € 0.50. The distribution is eligible, for people residing in France, for the 40% rebate provided for in article 158-3 2° of General Tax Law.

This dividend will be payable as from 14 June 2007.

In the case where, at the time these dividends are paid out, the company holds certain of its own shares, the sums corresponding to the unpaid dividends relative to these shares shall be retained.

3.2 Prior distributions of dividends

Pursuant to the provisions of article 243 bis of General Tax Law, we remind you that for the last three financial years the dividends paid out per share were as follows :

For the financial year	Dividend	Tax credit	Real income
2003	€ 0.40	€ 0.20	€ 0.60

FOR THE FINANCIAL YEAR	REVENUE ELIGIBLE FOR THE REBATE		REVENUE NOT ELIGIBLE FOR REBATE
	DIVIDENDS	OTHER REVENUES DISTRIBUTED	
2004	€ 145,000 that is € 0.20 per share	None	None
2005	€ 290,000 that is € 0.40 per share	None	None

3.3 Non tax-deductible charges

We note that the non-tax deductible expenses and charges mentioned by articles 39-4 of General Tax Law engaged during the past financial year amounted to € 2,961.

We request that you approve them, along with the corresponding tax amounting to € 987.

4. Company Equity

4.1 Composition of the company equity

We remind you below of the identity of the people who, on 31 December 2006, held more than 5%, 10%, 15%, 20%, 25%, 33,33 %, 50%, 66,66 % or 95% of the company's capital or voting rights at the General Meeting :

Shareholders	in capital	in voting rights
With more than 5%	Anne ROBARDEY Huguette ROBARDEY Jean-Louis ROBARDEY Philippe ROBARDEY	Anne ROBARDEY Huguette ROBARDEY Jean-Louis ROBARDEY Philippe ROBARDEY
With more than 10%	Philippe ROBARDEY	Huguette ROBARDEY Jean-Louis ROBARDEY Philippe ROBARDEY
With more than 15%	Philippe ROBARDEY	Philippe ROBARDEY
With more than 20%	Philippe ROBARDEY	Philippe ROBARDEY
With more than 25%	Philippe ROBARDEY	Philippe ROBARDEY
With more than one third	Philippe ROBARDEY	Philippe ROBARDEY
With more than 50%	None	None
With more than 2/3	None	None
With more than 95%	None	None

This list has undergone the following changes during the past financial year :

Mrs. Anne ROBARDEY has passed below the 15% and 10% thresholds in terms of voting rights.

4.2 Employee shareholding

Equity held

At year-end the employees' holding as defined in article 225-102 of Commercial Law represented 0 % of the company's equity capital.

Reserved increase in Equity

The General Meeting held on 10 June 2005 voted on the principle of a capital increase reserved for the subscribers to a PEE (Corporate Savings Plan). This possibility was not exercised during the financial year.

As this General Meeting is to vote (as stated below) on a proposed increase of capital, it must pronounce on an increase in capital reserved for the subscribers to a PEE, carried out under the conditions of article L443-5 of Labour Law.

4.3 Self-owned shares

Operations carried out in the framework of the buyback programme

In the framework of a share buyback programme, the Company proceeded between the beginning and end of the financial year, with the following own share purchasing and selling operations:

- Number of shares purchased: 16,169
  Average purchase price: € 42.09
- Number of shares sold: 15,870
  Average sale price: € 41.03
- Total amount of the negotiation fees: € 19,000

Reasons for the acquisitions	% of capital
Market making	100%
Employee shareholding	-
Securities giving the right to the allocation of shares	-
External growth operations	-
Cancellation	-

Other operations

The following operations were performed outside of the share buyback programme:

- Number of shares purchased: 0
- Average purchase price: n/a
- Number of shares sold: 10,000
- Average sale price: € 50.50/share
- Total amount of the negotiation fees: € 603.98

Year-end situation

The own-shares situation was therefore as follows at year-end :

Year-end situation	Outside of market making contract	Market making contract
Number of shares held	43,097	3,399
Book value	€ 908,472	€ 132,731
Nominal value	€ 185,984 in all	

4.4 Share buyback programme

We propose that you should grant the Board of Directors the powers for a period of eighteen months required to buy back, in one or more times at the moments that it shall decide, shares in the company up to a maximum of 5 % of the number of shares making up the share capital, that is to say 36,250 shares on the basis of the current capital.

This authorisation puts an end to the authorisation given to the Board of Directors by the Ordinary General Meeting held on 17 May 2006.

These acquisitions may be made with a view to:

- ensuring market making on the alternative investment market or the liquidity of the SOGECLAIR share through the intermediary of an investment service provider via a liquidity contract that is conform to the code of ethics recognised by the AMF,
- keeping the purchased shares and put them at a later time up for exchange or in payment in the framework of external growth operations, it being stated that the shares purchased for this purpose may not exceed 5 % of the company's capital,
- ensuring the coverage of share option purchase plans and other forms of share allocation to the group's employees and/or directors under the conditions and according to the procedures stipulated by law, in particular in respect of participation in the company's results, of the company savings plan or the free allocation of shares,
- ensuring the coverage of the securities giving the right to the allocation of the company's shares in the framework of the stock market regulations.
- Proceeding with the possible cancellation of the shares purchased, subject to authorisation being granted by the extraordinary part of the General Meeting (sixteenth draft resolution).

We are proposing that the maximum purchase price should be set at € 70 per share and that as a consequence the maximum amount of the operation should be set at € 2,537,500.

As a consequence of the cancellation objective, we are requesting that you authorise the Board of Directors, for a period of 24 months, to cancel on its sole initiative, in one or more times, within the limit of 10 %, that is to say 72,500 shares, the shares that the company holds or may hold further to buybacks carried out in the framework of its share buyback programme and to reduce the capital in proportion in compliance with the legal and regulatory provisions in force.

The Board of Directors will therefore have all necessary powers required for this purpose

5 Administration and control of the company

5.1 General management

We hereby inform you that at its session held on 23 May 2003, the Board decided to entrust general management to the president of the Board of Directors.

5.2 Board of Directors

List of mandates and functions exercised by the directors over the last five years

Surname and first name	Mandate in the company	Date of appointment	End date	Other function(s) in the company	Mandates and/or functions in another company (group or none-group)
Philippe Robardey	President Chief Executive Officer and Director	09/04/2001 (renewal)	2007	None	- Director of CLAIRIS TECHNOLOGIES SA - Director of EDT - Permanent SOGECLAIR representative on the board of directors of Oktal SA - Director of Sogemasa Ingenieria - Managing Director of Tharsys - President of Clairis Technologies Limited (UK)
Jean-Louis Robardey	Director	09/04/2001 (renewal)	2007	None	- Director and President of EDT - Director of Clairis Technologies SA - Managing Director of SCI Solair
Michel Grindes	Director	19/04/02	2008	None	Managing Director of MBZ Consultants
Bernard Ziegler	Director	19/04/02	2008	None	Director of Sogemasa Ingenieria
Jacques Riba	Director	10/06/2005 (renewal)	2011	None	- Chairman of the Board of Sunn SA and of RHB Investissements - Director of Courtois SA - Managing Director of PAGESTRI
Alain Ribet	Director	15/11/04	2007	None	-Managing Director and Expert Director of CLAIRIS TECHNOLOGIES SA - Director of EDT - President of S2E Consulting
Alberto Fernandez	Director	17/05/06	2012	None	- President and CEO of Jefe Jeronimo SL - Member of the Board of Directors of Aresa, - Member of the Strategy Committee of Asco
Huguette Robardey	Director	09/04/2001 (renewal)	12/03/2005 (resignation)	Secretary of the Board of Directors	- President of Clairis Technologies - Director of EDT
Michel Bourdet	Director	09/04/2001 (renewal)	25/01/2005 (resignation)	None	- Director of Clairis Technologies - Director of EDT (until 10 November 2006)

5.3 Renewals, appointments and nominations and co-optations

- Mr. Philippe Robardey's mandate as member of the Board of Directors expires at the time of this meeting.

We suggest that you proceed with the renewal of Mr. Philippe Robardey's mandate for a further period of 6 years expiring in 2013, at the end of the Ordinary General Meeting to be held to approve the accounts for the elapsed financial year.

- Mr. Jean-Louis Robardey's mandate as member of the Board of Directors expires at the time of this meeting.

We suggest that you proceed with the renewal of Mr. Jean-Louis Robardey's mandate for a further period of 6 years expiring in 2013, at the end of the Ordinary General Meeting to be held to approve the accounts for the elapsed financial year.

- Mr. Alain Ribet's mandate as member of the Board of Directors expires at the time of this meeting.

We suggest that you proceed with the renewal Mr. Alain Ribet's mandate for a further period of 6 years expiring in 2013, at the end of the Ordinary General Meeting to be held to approve the accounts for the elapsed financial year.

- We also propose that you should appoint as new independent director for a period of 6 years, to expire in 2013, at the end of the Ordinary General Meeting to be held to approve the accounts for the elapsed financial year, Mr. Gérard BLANC, born in TLEMSEN (ALGERIA), on 6 March 1943, residing at 17 rue Joseph Marignac – 31300 TOULOUSE

- The Board of Directors has examined and validated the independence of Mr. Gérard BLANC, candidate for the position of Director.

5.4 Directors' fees

Individual payments made to the directors during the year ending 31 December 2006

	Clairis Technologies SA	E.D.T. SA	Sogeclair SA	Total
Philippe Robardey	€ 2,500	€ 1,600	€ 10,800	€ 14,900
Jean-Louis Robardey	€ 2,500	€ 5,000	€ 5,400	€ 12,900
Michel Grindes			€ 5,400	€ 5,400
Bernard Ziegler			€ 5,400	€ 5,400
Jacques Riba			€ 5,400	€ 5,400
Alain Ribet	€ 4,000	€ 3,600	€ 5,400	€ 13,000
Alberto Fernandez			€ 5,400	€ 5,400
Huguette Robardey	€ 6,500	€ 1,600	None	€ 8,100
Michel Bourdet	€ 1,000	€ 1,200	None	€ 2,200

Rule for the distribution of Directors' Fees

The calculation and distribution method for the directors' fees were set for SOGECLAIR SA by the Board of Directors on 5 March 1998 as follows:

"The directors' fees allocated in respect of a financial year to the members of the board of directors are set in application of the rules concerning tax deductibility and each year represent in all 5% of the average remuneration assigned to the 5 highest paid employees in the company multiplied by the number of members on the board of directors rounded off to the nearest thousand francs. For the forthcoming financial years, the allocation of directors' fees within the board of directors will be determined as follows: double share for the President and for the Managing Director(s), single share for the other directors."

The directors' fees will be maintained for the forthcoming financial years, until notice to the contrary is given.

5.5 Remuneration of the company directors

Remunerations for the financial year ending 31 December 2006

Directors	In the company, in the controlled companies and in the controlling company (1)					
(whatever the length of the mandate	Remuneration			Directors'	Non-cash	Total
during the financial year)	fixed	variable	exceptional	fees	benefits	
M. Philippe Robardey						
- Paid in 2005	€136,171	€68,208	None	€12,000	€1,829.40	€218,208
- Paid in 2006	€153,000	€55,082	None	€12 400	€1,829.40	€222,311
- Owed in respect of 2006				€10,800		
M. Jean-Louis Robardey	None	None	None		None	
- Paid in 2005				€11,300		€11,300
- Paid in 2006				€11,650		€11,650
- Owed in respect of 2006				€5,400		
M. Michel Grindes	None	None	None		None	
- Paid in 2005				€4,100		€4,100
- Paid in 2006				€4,150		€4,150
- Owed in respect of 2006				€5,400		
M. Bernard Ziegler	None	None	None		None	
- Paid in 2005				€4,100		€4,100
- Paid in 2006-				€4,150		€4,150
- Owed in respect of 2006				€5,400		
M. Jacques Riba	None	None	None		None	
- Paid in 2005				€4,100		€4,100
- Paid in 2006				€4,150		€4,150
- Owed in respect of 2006				€5,400		
M. Alain Ribet		None	None		None	
- Paid in 2005	€ 48,000			€10,600		€58,600
- Paid in 2006	€ 48,000			€11,750		€59,750
- Owed in respect of 2006				€5,400		
M. Alberto Fernandez	None	None	None		None	
- Paid in 2005				None		None
- Paid in 2006				v		None
- Owed in respect of 2006				€5,400		
Mme Huguette Robardey	None	None	None		None	
- Paid in 2005				€7,600		€7,600
- Paid in 2006				€8,100		€8,100
- Owed in respect of 2006				None		
M. Michel Bourdet	None	None	None		None	
- Paid in 2005				€2,200		€2,200
- Paid in 2006				€2,200		€2,200
- Owed in respect of 2006				None		

(1) The amounts are expressed as gross values

Special pension schemes

Not applicable.

Calculation criteria or circumstances under which the elements making up the remunerations and non-cash benefits are established:

The variable part of the remuneration paid to Mr Philippe ROBARDEY in 2005 corresponded to the 2004 financial year; that paid in 2006 corresponds to the 2005 financial year.

This variable part of his remuneration is calculated on the basis 2% of the consolidated result before tax.

The non-cash benefit granted to Mr Philippe ROBARDEY corresponds to a company car.

Commitments of any nature corresponding to elements of remuneration, indemnifications or benefits owing or liable to be owed because of the taking up, termination or change of the director's functions or subsequent to it:

Since 3 December 1999, there has been in place a termination indemnification for Mr Philippe ROBARDEY equal to 18 months' remuneration (fixed and proportional) calculated on the last annual period preceding the termination of his mandate.

Remunerations and non-cash benefits paid in the form of the allocation of capital securities, debt securities or securities giving access to the capital or giving the right to the allocation of debt securities of the company or of the controlled or controlling companies:

None.

6. Auditors

None of the auditor's mandates expires at the time of this meeting.

7. Regulated conventions

We request that you approve the conventions covered by article L 225- 38 of Commercial Law regularly authorised by the Board of Directors.

Your auditors present them to you and provide you with all the required information on their subject in their special report which will be read to you in a few moments.

8. Information that has an impact in terms public offers

There are no shareholders' pacts.

However, a commitment was made on 3 December 2004 to keep Company shares in the framework of the preferential tax provisions set up by the so-called "Dutreil Law" dated 1 August 2003. This commitment concerns the Robardey family and Mr. Marc Darolles and concerns 150,040 shares and the related voting rights.

9. Proposed harmonisation of the articles of association

We propose that the articles of association should be brought into line with the provisions of decree No. 2006-1566 dated 11 December 2006. Indeed, this decree has notably made changes in terms of the participation in General Meetings: the right to take part in the General Meeting of a company listed on Eurolist is subject to registration of the shareholder's name on the securities account at least three working days before the meeting at midnight, Paris time.

As a consequence of these new provisions, we are proposing to bring the company's articles of association into line with the provisions of decree No. 2006-1566 dated 11 December 2006, concerning the right to take part in the General Meetings, and modify article 15 of the articles of association "Shareholders' meetings".

You are reminded that the current wording of the 3rd paragraph of article 15 of the articles of association stipulates that: "Any shareholder has the right to take part in the general meetings or to have him/herself represented, however many shares he/she owns, provided that those shares have been fully paid up and registered in his/her name at least five days before the date of the meeting. The Board of Directors may shorten this deadline as a general measure benefiting all the shareholders."

You will be asked to adopt the following replacement wording: "Any shareholder has the right to take part in the General Meetings or to have him/herself represented, however many shares he/she owns, provided that those shares have been fully paid up. However, the right to take part in the general meetings is subject to registration of the shares in the name of the shareholder or of the intermediary registered on his/her behalf, on the third working day preceding the meeting at midnight, Paris time, or in the nominative securities account held by the approved intermediary."

10. Delegations relative to capital increases

10.1 Delegation of powers to increase the capital cash contributions or by incorporation of reserves, profits or premiums

The delegations of powers in this area come to an end on 9 August 2007. Consequently, we are requesting that you should renew them and therefore grant to the Board of Directors:

- A delegation of powers to increase the capital by issuing ordinary shares or securities providing access to the capital reserved for shareholders and/or by incorporation of reserves, profits or premiums.
- A delegation of powers to increase the capital by issuing ordinary shares or securities providing access to the capital, with cancellation of the preferential right to subscribe.

The purpose of these delegations is to provide the Board of Directors, within the legal period of 26 months, with every latitude to proceed at the times of its choice with the issuing of ordinary shares and/or any securities providing access, immediately or in the longer term, to ordinary shares.

The nominal amount of the capital increases that may be made may not be greater than € 3,000,000. This amount shall include the overall nominal value of the additional ordinary shares that may possibly be issued to preserve, pursuant to the law, the rights of the holders of the securities providing access to the capital.

The nominal amount of the securities representative of claims against the company that can be issued may not exceed € 12,000,000.

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It is intended, in the framework of these delegations, to provide the Board of Directors with the possibility of increasing, under the conditions and within the limits set by the legal and regulatory provisions, the number of shares planned in the initial issue. This decision shall be the subject of a specific resolution.

Pursuant to law, the securities to be issued may provide access to ordinary shares in any company that holds directly or indirectly more than half of our company's equity capital or of any company in which our company holds directly or indirectly more than half of the equity capital.

These issues may be made with or without a preferential right to subscribe for the shareholders.

In the event of the preferential right to subscribe being maintained, if the subscriptions do not take up the issue in its entirety, the Board of Directors may use the possibilities provided for by law and, in particular, to open the offer to the public for all or part of the shares that have not been subscribed to.

In the case of an issue by public offering without a preferential right to subscribe, the Board of Directors may grant the shareholders the possibility of subscribing as a priority.

On this same assumption, the sum reverting or that should revert to the company for each of the ordinary shares issued – after having taken into account, in the case of equity warrant bonds being issued, the issue price of the said bonds – shall be determined in accordance with the legal and regulatory provisions and shall therefore be at least equal to the minimum required by the provisions of article 155-5 of the decree dated 23 March 1967 modified at the time the Board of Directors implements the delegation.

In the case of shares being issued with a view to remunerating shares contributed in the framework of a public exchange offer, the Board of Directors shall have the powers, within the limits set above, required to determine the list of shares submitted for the exchange, set the issue conditions, the exchange parity and, where applicable, the amount of the cash equalization payment, and determine the issue conditions.

10.2 Delegation of powers to increase the share capital with a view to remunerating contributions in kind (article L. 225-147 of Commercial Law)

We request that you should grant the Board of Directors a delegation of powers to increase the capital within the limit of 10% of its amount with a view to remunerating any contributions in kind made to the company and made up of equity securities or of securities providing access to the capital.

This authorisation shall be granted for a period of 26 months.

The overall nominal amount of the ordinary shares that may be issued by virtue of this delegation may not be greater than 10% of the equity capital. This ceiling is independent from that of all the ceilings stipulated for the other delegations in the area of capital increases.

10.3 Delegation of powers with a view to proceeding with an increase in capital reserved for the subscribers to a PEE (Corporate Savings Plan) (articles L.225-129-6, L.225-138-1 of Commercial Law and L.443-5 of Labour Law)

We are also proposing that you should vote on a project to delegate powers to the Board of Directors allowing an increase in capital, reserved for the subscribers to a corporate savings scheme and carried out under the conditions of article L 443-5 of Labour Law by issuing ordinary shares for cash and, if applicable, by the free allocation of ordinary shares or other securities providing access to the capital.

It is stated that, pursuant to the provisions of article L.443-5 of Labour Law, the price of the shares to be issued may not be lower by more than 20 % (or 30 % when the period of unavailability provided for by the scheme in application of article L. 443-6 of Labour Law is greater than or equal to ten years) than the average of the first share prices quoted at the time of the 20 stockmarket sessions preceding the Board of Director's decision relative to the capital increase and to the corresponding issue of shares, nor may it be higher than that average.

The maximum nominal amount of the increase(s) that may be made by using this delegation of powers is 3 % of the amount of the equity capital reached when the Board of Directors took the decision to make this increase.

For this purpose, we propose that you should grant the Board of Directors all the powers required to use the delegation for a period of 26 months.

The Board of Directors shall have the powers, within the limits set above, required in particular to determine the conditions under which the issue(s) is(are) made, note the accomplishment of the resulting capital increases, proceed with the related modification of the articles of association, assign on its sole initiative, the expenses relative to the capital increases to the amount of the related premiums and deduct from this amount the sums necessary to bring the legal reserve to one tenth of the new capital after each increase, and more generally to do the necessary in the matter.

10.4 Authorisation to grant stock options on new/existing shares

At the current time, no delegation has been granted to the Board of Directors to grant options to subscribe to and/or purchase shares. We are therefore proposing that you should proceed to put this in place and delegate to the Board of Directors, for a period of 38 months, the possibility of granting options to subscribe to and/or purchase shares for the benefit of the staff, of certain members of the staff, or certain categories of the personnel, and/or directors defined by law, whether of the company or of companies or consortia linked to it under the conditions of article L. 225-180 of Commercial Law;

The total number of options that may be granted by the Board of Directors in respect of this delegation may not give the right to subscribe to or purchase a number of shares greater than 2 % of the capital that exists on the day of the first allocation, in compliance with the legal limits and in particular those of articles L.225-182 of Commercial Law and 174-17 of the decree dated 23 March 1967.

The price of the subscription to and/or purchase of shares by the beneficiaries shall be set on the day the options are granted by the Board of Directories and may not be lower than the minimum price determined by the applicable legal provisions in force.

The term of the options set by the Board may not exceed a period of 5 years, to run from the date they were granted.

Thus, the Board shall have, within the limits set above, all the powers to set the other conditions and procedures for granting and taking up the options and in particular to set the conditions under which the options shall be granted and determine the list or categories of beneficiaries such as stipulated above, set the period(s) in which the options thus granted can be exercised, to accomplish or have accomplished all the acts and formalities with a view to making definitive the capital increase(s) that may, where applicable, be made, to modify the articles of association accordingly and generally to do everything necessary.

10.5 Authorisation to grant shares free of charge to employees (and / or certain directors) (article L.225-197-1 of Commercial Law)

We propose that you should delegate to the Board of Directors, for a period of 38 months, the possibility of proceeding with, in the framework of article L 225-197-1 of Commercial Law, free of charge allocation of new shares resulting from an increase of capital by incorporation of reserves, premiums or profits, or existing shares.

The beneficiaries of these allocations may be:

- the salaried members of staff or certain categories of staff, whether of the company or of companies linked to it directly or indirectly under the conditions of article L 225-197-2 of Commercial Law,
- the directors who meet the conditions of article L 225-197-1 of Commercial Law.

The number of shares that may be granted free of charge by the Board of Directors in respect of this delegation may not exceed 3 % of the capital that exists on the date the decision was taken to grant them.

The granting of the shares to the beneficiaries will only be definitive at the end of an "acquisition" period with a minimum length of:

- two years for beneficiaries who are French residents for tax purposes, to run from the time the Board of Directors takes the decision. Moreover, these beneficiaries must keep the shares for a period of at least two years to run from the moment they were definitively granted. The Board of Directors will have the possibility of increasing the length of these two periods,
- four years for beneficiaries who are not French residents for tax purposes on the date of granting, the Board of Directors having the possibility of increasing the length of this period. These beneficiaries are not, however, subject to the obligation to keep the shares stipulated above, except in the case of tax provisions to the contrary.

As an exception, the definitive granting will become effective before the end of the acquisition period in the case of the beneficiary's invalidity, which corresponds to payment in the second and third categories provided for in article L 341-4 of Social Security Law.

Thus, the Board shall have, within the limits set above, all the powers for setting the conditions and, where applicable, the share allocation criteria; for determining the identity of the beneficiaries of the free allocations amongst the people who meet the conditions set above and the number of shares to be granted to each one of them; for determining the impact on the rights of the beneficiaries, of the operations modifying the capital or liable to affect the value of the shares to be granted and carried out during the acquisition and conservation periods; for noting, where applicable, the existence of sufficient reserves and proceeding at the time of each allocation with the transfer to an unavailable reserves account of the sums required for the release of the new shares to be allocated; for deciding on the capital increase(s) by incorporation of reserves, premiums or profits, relative to the issue of the new shares granted free of charge; for proceeding with the acquisitions of the shares required in the framework of the share buyback programme and assigning them to the allocation plan and generally doing everything that will be made necessary, within the framework of the regulations in force, by the implementation of this authorisation.

11. Conclusion

We request that you give your full and definitive approval to the board of directors for its management for the financial year ending on 31 December 2006, and to the Auditors for the accomplishment of their mission such as they detail it in their general report.

Your Board invites you to approve through your vote, the text of the resolutions that it is submitting to you.

The Board of Directors

APPENDIX 1: Social and environmental consequences of the activity

1. SOCIAL IMPACT

1.1. Employment

The group's total consolidated workforce, as an average over the year expressed as a full-time equivalence, breaks down as follows :

	2006	2005	2004
Engineers, managers and senior technicians	780	696	606
Technicians and employees	56	52	45
TOTAL	**836**	**748**	**651**

Approximately 500 people are employed in Midi-Pyrénées and PACA regions, with 80 in the Paris region.

The average age is 34 and the turnover rate is around 7.8%.

Fixed-term contracts concern approximately 6% of the workforce. The proportion of temporary staff with respect to the total workforce is not significant.

Numerous means have been deployed to satisfy future needs in terms of recruitment in the most highly specialised areas (senior experts). The recruitments concerned around one hundred people, mainly engineers and senior technicians.

The activity perspectives and the need to capitalise internally on the new professions allow us to hope to maintain a good level of job creation in SOGECLAIR in 2006, in all of the countries where the group is present.

1.2. Subcontracting

SOGECLAIR regularly calls on the services of external companies (subcontracting).

In all, the external workforce represents 21% and this level results from the group's on-going efforts to adapt in order to meet the requirements in terms of:

- capacities in its professions, to make it possible to absorb any short-term additional workloads or that are too sudden to be coped with immediately through the allocation of company resources, and to preserve a sufficient degree of flexibility to make it possible to confront changes in the economic factors,
- specialities concerning emerging professions, to make it possible to meet our customers' requirements and quickly obtain know-how before we have capitalised this internally.

To achieve this, SOGECLAIR maintains a network of relations with companies:

- principally in the euro zone, recognised for their skills, experience and competitiveness,
- and some from outside the euro zone, that are tried and tested for their skills, and provide greater competitiveness and satisfy our quality criteria.

It is reasonable to think that whilst SOGECLAIR could continue to create jobs in the company and jobs subcontracted in the euro zone, subcontracting outside the euro zone should also grow in order to allow us to meet our customers' ever-stronger demands in the area of costs and geographical compensation.

1.3. Working hours / Absenteeism

The French-law subsidiaries are subject to compliance with the legal working hours. The 35 working hour agreements were negotiated between 2000 and 2002. Full-time employees work 35 hours a week on the basis of 218 days a year. The part-time staff work between 14 and 31 hours a week.

The rate of absenteeism stands at 2.13%. The main reasons for absence are (in decreasing order) maternity, paternity and sick leave.

1.4. Remuneration policy

For the French subsidiaries, the pay rises are subject to annual negotiations within each structure. In 2006, the remunerations increased by between 2% and 3%, all staff categories taken into account.

1.5. Professional relations / Result of the collective bargaining agreements

Each French subsidiary has its own staff representation bodies (staff council, single delegation, staff representatives). Meetings are held regularly with them by the directors of the subsidiaries, or by the human resources managers in compliance with the provisions of the law. The collective and/or branch bargaining agreements are followed up in the framework of these meetings.

1.6. Health & safety conditions

Given the company's activities which are carried out in "office" areas, the health and safety conditions do not require any particular remarks. The working areas are subject to continual maintenance and upkeep.

1.7. Training (French subsidiaries)

In 2006, a total of € 661,095 was devoted to training expenses, representing 3.18% of the payroll. The training expenses, mainly technical, are intended to maintain a high technical level and multiple skills for all the staff. The legal provisions in the DIF (individual right to training) framework were implemented on 1 January 2005.

1.8. Equal opportunities

In the area of equal opportunities, the company takes care to ensure the legal provisions are applied and does not make any difference based on criteria other than skills and working conditions.

In particular no distinction is made between men and women, and the company seeks to promote the employment and rehabilitation of disabled workers through internships and hiring or by calling on the services of specialist service providers (Sheltered Workshops, etc.).

1.9. Social works (French subsidiaries)

Social works come within the scope of the staff councils and concern the benefits granted to the staff: company restaurant, organisation of travel and sports outings, cut-rate plane/cinema/theatre tickets, holiday rentals.

2. ENVIRONMENTAL IMPACT

None of the companies in the SOGECLAIR group has any activity that could negatively impact the environment.

Furthermore, instructions are given in the area of power and paper consumption and for the selective sorting of waste, so as to minimise the wasting of environmental resources..

APPENDIX 2: Table summarising the currently valid delegations relative to capital increases (in euros)

	Date of the E.G.M.	Delegation expiry date	Authorised amount	Increases made in the previous years	Increases made during the financial year	Residual amount on the day this table was established
Authorisation to increase the capital with upholding of PSR	10/06/2005	09/08/2007	€3,000,000	-	-	€3,000,000
Authorisation to increase the capital with cancellation of PSR	10/06/2005	09/08/2007	€3,000,000	-	-	€3,000,000
Authorisation to increase the capital with cancellation of PSR in favour of PEE subscribers	10/06/2005	09/08/2007	€100,000	-	-	€100,000
Authorisation to increase the capital to remunerate a contribution of shares	10/06/2005	09/08/2007	10 % of capital	-	-	10 % of capital
Authorisation to issue share subscription options	None	None	None	-	-	-
Authorisation to allocate free of charge shares to be issued	10/06/2005	09/08/2007	3 % of capital	-	-	3 % of capital

APPENDIX 3: Table sumarising the share operations accomplished by the directors and their next of kin during the 2006 financial year

Surname and first name	**ROBARDEY Martine**
Capacity	Person linked to the director
Identity and capacity of the person related to the above person	ROBARDEY Philippe President and CEO
Description of the financial instrument	Shares
Total number of financial instruments transferred Weighted average price Total amount of the transfers	961 € 40 593,37
Total number of financial instruments purchased Weighted average price Total amount of the purchases	None

Surname and first name	**ROBARDEY Antoine**
Capacity	Person linked to the director
Identity and capacity of the person related to the above person	ROBARDEY Philippe President and CEO
Description of the financial instrument	Shares
Total number of financial instruments transferred Weighted average price Total amount of the transfers	691 €29 246,40
Total number of financial instruments purchased Weighted average price Total amount of the purchases	None

Surname and first name	**ROBARDEY Alexandre**
Capacity	Person linked to the director
Identity and capacity of the person related to the above person	ROBARDEY Philippe President and CEO
Description of the financial instrument	Shares
Total number of financial instruments transferred Weighted average price Total amount of the transfers	961 € 40 592,83
Total number of financial instruments purchased Weighted average price Total amount of the purchases	None

SPECIAL REPORT ON THE OPERATIONS ACCOMPLISHED IN THE FRAMEWORK OF THE SHARE BUY-BACK PROGRAMME (ARTICLE L225-209 PARA. 2 OF COMMERCIAL LAW)

Dear Shareholders,

Pursuant to the second paragraph of article L.225-209 of Commercial Law, we are informing you of the operations accomplished in the framework of the authorisation you gave the Board of Directors in the framework of the fifth resolution of the General Meeting of the shareholders held on 17 May 2006, according to the conditions described in the information note registered by the AMF on 21 March 2000, under the number 00.362.

The authorisation to proceed with an own shares buyback programme was given by the General Meeting held on 12 April 2000 and renewed by the General Meetings held on 9 April 2001, 19 April 2002, 23 May 2003, 7 June 2004, 10 June 2005 and 17 May 2006.

Percentage of the capital self-held directly and indirectly (1)	6.37%
Number of shares cancelled during the last 24 months (2)	None
Number of shares held in the portfolio (1)	46,189
Book value of the portfolio (1)	€ 1,018,237.15
Market value of the portfolio (1)	€ 1,639,709.50

(1) As of 14 March 2007

(2) This concerns the last 24 months preceding 14 March 2007

Operations accomplished in respect of the last authorisation (period of 17/05/06 to 14/03/07)

		Market making	Employee share-holding	Growth through acquisition operations	Coverage of securities	Cancelation	Total
Purchase							
	Number of shares	9,845	/	/	/	/	9,845
	Price	€38.81	/	/	/	/	
	Amount	€382,076.96	/	/	/	/	€382,076.96
	Amount of shares used (1)	100%	/	/	/		100%
Sale / transfer							
	Number of shares	10,887	/	/	/		10,887
	Price	€37.87	/	/	/		.
	Amount	€412,282.30	/	/	/		€412,282.30

(1) market making

The company has not used any derivatives in the framework of this share buyback programme.

The shares held by the company have not been subject to any reallocation to any other end since the last authorisation granted by the Board of Directors.

The Board of Directors

TABLE SUMMARISING THE RESULTS OVER THE LAST FIVE FINANCIAL YEARS

NATURE OF THE INDICATIONS (in €)	2002 FINANCIAL YEAR	2003 FINANCIAL YEAR	2004 FINANCIAL YEAR	2005 FINANCIAL YEAR	2006 FINANCIAL YEAR
I - Capital at year-end					
Equity capital	2,657,200	2,657,200	2,900,000	2,900,000	2,900,000
Number of existing ordinary shares	664,300	664,300	725,000	725,000	725,000
Number of existing shares with priority dividend (without voting rights)					
Maximum number of future shares to be created:					
. by conversion of obligations					
. by exercising subscription rights					
II. Operations and earnings for the financial year					
Sales ex VAT	1,956,208	2,704,402	2,946,229	2,574,345	3,219,407
Earnings before taxes, employee shareholding amortisation and provisions	546,655	-438,236	876,493	782,959	1,525,933
Income tax	-224,804	335,381	-274,106	5,982	309,867
Employee participation for the financial year	0	0	0	0	0
Earnings after taxes, employee shareholding, amortisation and provisions	528,739	338,292	619,766	1,162,452	1,162,050
Distributed earnings	166,075	265,720	145,000	290,000	362,500
III. Earnings per share					
Earnings after taxes, employee shareholding but before amortisation and provisions	1.17	-1.16	1.59	1.07	1.68
Earnings after taxes, employee shareholding, amortisation and provisions	0.80	0.51	0.85	1.60	1.60
Dividend distributed per share (a)	0.25	0.40	0.20	0.40	0.50
IV. Personnel					
Average headcount for the year	9	9	10	11	13
Payroll for the year	450,880	589,342	555,399	773,915	946,741
Sum paid in respect of social benefits for the year (social security, social works, etc.)	190,081	229,186	294,748	363,009	411,956

3. Financial statements

3.1. Consolidated accounts

3.1. A – Consolidated accounts

A-I – Consolidated balance sheet (in €)

ASSETS	Note	31/12/2006	31/12/2005	31/12/2004
NON-CURRENT ASSETS				
Goodwill	A-V-IV-1	4,126,193	2,435,116	2,365,220
Intangible assets	A-V-IV-2	8,884,031	9,485,483	7,659,982
Property, plant and equipment	A-V-IV-3	2,717,697	2,294,952	1,856,103
Financial Assets	A-V-IV-4	632,870	616, 697	517,611
TOTAL NON CURRENT ASSETS		**16,360,791**	**14, 832, 248**	**12, 398, 916**
CURRENT ASSETS				
Inventories		93,983	248,005	425,500
Trade and other receivables		31,159,048	29,089,968	23,127,224
Available-for-sale financial assets		1,590,360	2,941,927	2,238,398
Current tax asset		474,756	150,893	86,897
Cash and cash equivalents		2,541,091	4,402,947	2,426,044
TOTAL CURRENT ASSETS		**35,859,238**	**36,833,740**	**28,304,063**
TOTAL ASSETS		**52,220,029**	**51,665,988**	**40,702,979**

LIABILITIES	Note	31/12/2006	31/12/2005	31/12/2004
EQUITY				
Share capital		2,900,000	2,900,000	2,900,000
Share premium account		2,629,849	2,629,849	2,629,849
Revaluation reserve		5,301,257	3,503,680	2,443,452
Other reserves	A-V-IV-5	-908,868	-1,119,268	-1,266,828
Equity capital group share	A-V-IV-6	9,922,238	7,914,261	6,706,473
Minority interest	A-V-IV-7	1,273,780	2,154,835	1,428 ,488
TOTAL EQUITY		**11,196,018**	**10,069,096**	**8,134,961**
NON-CURRENT LIABILITIES				
Long term provisions	A-V-IV-8	771,640	655,631	579,096
Reimbursable subsidies and other financial liabilities		2,282,756	2,081,756	1,866,289
Borrowings	A-V-IV-9	5,510,061	5,491,527	6,185,841
TOTAL NON-CURRENT LIABILITIES		**8,564,457**	**8,228,914**	**8,631,226**
CURRENT LIABILITIES				
Current part of reimbursable subsidies and other liabilities		101,000	51,000	27,000
Current part of borrowings	A-V-IV-9	3,452,835	2,355,889	1,281,350
Short-term borrowings and financial debts	A-V-IV-9	2,762,310	3,944,762	3,819,168
Trade and other payables		9,558,137	8,906,736	6,779,002
Tax and social liabilities		13,254,226	14,806,730	10,162,532
Short-term provisions				90,000
Deferred tax liabilities		65,701	122,881	145,616
Other liabilities		3,265,345	3,179,980	1,632,124
TOTAL CURRENT LIABILITIES		**32,459,554**	**33,367,978**	**23,936,792**
TOTAL LIABILITIES		**52,220,029**	**51,665,988**	**40,702,979**

A-II – Consolidated income statement (in €)

	Note	31/12/2006 (12 months)	31/12/2005 (12 months)	31/12/2004 (12 months)
SALES	**A-V-IV-10**	**80,230,300**	**69,051,965**	**50,327,922**
Other income from the activity	A-V-IV-11	3,060,716	3,514,284	2,781,811
Cost of goods sold		-31,853,525	-29,780,008	-18,881,380
Personnel charges		-41,675,815	-34,973,499	-29,765,043
Taxes and duties		-1,621,604	-1,478,396	-956,034
Amortisation and provisions		-3,919,863	-3,156,496	-2,290,175
Other charges		-143,754	-136,276	-290,311
CURRENT OPERATING PROFIT		**4,076,455**	**3,041,574**	**926,790**
Other operating income and charges	A-V-IV-12	-745,357	36,248	-46,748
OPERATING PROFIT		**3,331,098**	**3,077,822**	**880,042**
Income from cash flow and cash flow equivalents		-8,870	17,309	8,666
Gross finance costs		-597,068	-524,872	-418,101
NET FINANCE COSTS	**A-V-IV-13**	**-605,938**	**-507,563**	**-409,435**
Other financial income and charges		369,188	220,121	117,246
Income tax expense	A-V-IV-14	-810,350	-708,283	-170,921
NET PROFIT		**2,283,998**	**2,082,097**	**416,932**
- Group share		1,876,262	1,098,735	233,802
- Minority interest	A-V-IV-7	407,736	983,362	183,130
Profit per share		2.58795	1.51550	0.32249
Diluted profit per share		2.58795	1.51550	

A-III – Consolidated cash flow statement (in K€)

	Dec-06 IFRS standards		Dec-05 IFRS standards		2004 IFRS standards	
Net profit of integrated companies	2,284		2,082		417	
Amortisation and provisions	3,874		2,899		2,110	
Variation of deferred taxes	-360		-87		21	
Transfer capital gains	-391		-7		-86	
Integrated companies' cash flow		5,407		4,887		2,462
Variation in working capital requirement linked to the activity	-1,760		1,744		-3,751	
Cash flows from operating activities		**3,647**		**6,631**		**-1,289**
Capital expenditure (CAPEX)	-4,940		-5,199		-2,831	
Disposure fixed assets	828		11		663	
Impact of variations in scope	26		-74		-369	
Cash flows from investing activities		**-4,086**		**-5,262**		**-2,537**
Dividends paid to the parent company shareholders	-456		-145		-266	
Variations in other equity capital	32		7		217	
Loan issues	4,058		2,507		2,192	
Loan reimbursements	-3,874		-1,887		-1,580	
Cash flows from financing activities		**-240**		**482**		**563**
Impact of changes in currency exchange rates						
CASH VARIATION		**-679**		**1,851**		**-3,263**
Cash at beginning of the year		458		-1,393		1,870
Cash at the end of the year		-221		458		-1,393

A-IV - Consolidated statement of changes in equity, group share (in €)

	Capital	Premiums	Consolidated reserves	Profit for the year	Conversion rate adjustment	Shares in consolidating company	Total
On 31 December 2005	**2,900,000**	**2,629,849**	**2,404,945**	**1,098,735**	**0**	**-1,119,268**	**7,914,261**
. Capital increase							0
. Capital reduction							0
. Distribution of dividends outside group			-291,883				-291,883
. Change of group bounderies/perimeter			-27,781				-27,781
. Rate SWAP			35,990				35,990
. Previous year profit distribution			1,098,735	-1,098,735			0
. Self-owned shares			294,600			210,400	505,000
. Other movements			-86,005		-3,606		-89,611
. Rounding off							0
Net situation before result	**2,900,000**	**2,629,849**	**3,428,600**	**0**	**-3,606**	**-908,868**	**8,045,975**
. Résult for 2006				1,876,263			1,876,263
On 31 December 2006	**2,900,000**	**2,629,849**	**3,428,600**	**1,876,263**	**-3,606**	**-908,868**	**9,922,238**

A-V. Note appended to the consolidated accounts to 31 December 2006

A-V-I – Information relative to the accounting baseline, the consolidation procedures and the valuation methods and rules

- Accounting baseline

Pursuant to regulation N°1606/2002 adopted on 19 July 2002 by the European Parliament and Council, the accounts of the SOGECLAIR group have been established in accordance with the IFRS baseline such as adopted in the European Union and presented in accordance with recommendation N°2004-R-02 dated 27 October 2004 issued by the Conseil national de la comptabilité (National Accounting Council).

- Consolidation procedures

The companies of significant size, controlled exclusively and in which the group exercises a direct or indirect control over more than 50% of their capital have been consolidated by overall integration.

The shares in non-consolidated shareholdings are posted in the "Investments in associates" item for their cost of acquisition.

Furthermore, companies are excluded from the scope of consolidation when they only represent a negligible interest and their exclusion cannot negatively impact the faithful image principle.

Here, this concerns:

- ADM (35% subsidiary of CLAIRIS TECHNOLOGIES SA)

- Valuation methods and rules

1 – Goodwill and assimilated

In compliance with the IFRS standards, goodwill has been frozen in 2004 and will no longer be amortised, but depreciation tests are performed annually or more often if there is evidence of a loss of value.

The Cash Generating Units in the IFRS sense have been defined as each of the group's subsidiaries on the basis of the following criteria:

- strong independence of the subsidiaries as groups of cash generating assets,
- strong coherence of each of the subsidiaries as assets implemented and markets addressed,
- one-to-one attachment of each subsidiary to the primary analysis sector.

The depreciation tests therefore consist of verifying that the fair value of each subsidiary's equity capital is higher than its net book value, that is:

- for the consolidated accounts, the net book situation of the subsidiary increased by the value of the goodwill;
- for the holding's accounts, the book value of the shareholding.

The fair value of the subsidiary's equity capital is estimated in the following way:

- a prospective business plan is drawn up on the basis of past performance and the foreseeable trends for its markets and of the influence of the action plans implemented on its positioning; this plan is established for an eight-year period and reflects the subsidiary's operational plan and its directors' objectives;
- the value of the company is calculated by actualising the free cash flows over the horizon of the business plan, increased by the terminal value by application of a fixed growth rate to infinity; the value of the equity capital is deduced by taking into account the subsidiary's net debt; the hypotheses adopted for establishing these accounts are:
  - the actualisation rate for the cash-flows has been calculated at 12.7% by adding a risk-free long-term investment rate and a market premium for listed companies modified by a risk factor Beta specific to the group,
  - the growth rate to infinity has been limited to 2.0%, a conservative value given the effective historical growth rates of the various subsidiaries and the values commonly adopted;
- this company value is then brought to a multiple of the EBIT so that it can be compared with comparable units on the market, making it possible to cross the method with an overall dissimilar method;
- the value of the shareholders' equity is deduced from this by taking into account the impact of the subsidiary's net debt; for subsidiaries that control another subsidiary, this value is corrected by the share of the sub-subsidiary's value,
- lastly a "shock" is applied to the most sensitive underlying parameters (growth of the activity, level of the operating margin) to test the sensitivity of the estimation to an unfavourable change in the subsidiary's economic environment;
- the hypotheses adopted for the shock consist of halving the activity's growth rate and reducing the level of the operating margin (EBITDA) by 30%, with respect to the values of the basic business plan.

On 31 December 2006, the valorisations thus calculated exceeded the book values for each subsidiary, even after a significant shock and are comparable with the multiples observed for the type of companies concerned. Consequently, the tests performed have been found to be conclusive for all the subsidiaries and lead us to maintain the value of the goodwill.

2 – Intangible assets

Concerning the work immobilised as development expenses, the amounts posted as assets include all of the development expenses through to completion of the work in accordance with IAS 38 along with the related financial costs in accordance with IAS 23.

The amounts immobilised are straight-line amortised over a period of 3 to 8 years depending on the programmes, according to the most probable perspectives of the economic return on the results of the work.

Five programmes have led to development expenses being posted as assets:

- A380 nose section floor structures (for an amount still to be amortised of k€ 7,049 on 31 December 2006):
  - gross amount: k€ 9,546,
  - assetisation date: the expenses are assetised from the date the development work started at the beginning of 2002 and runs to the end of 2006, date on which the A380 enters commercial service and which has been chosen as the date of development finalisation,
  - amortisation period: 8 years to run from 1 January 2005, delivery date for the first series floor panels, through to the end of 2012, probable date on which the accumulated number of deliveries will be reached corresponding to the baseline on which the A380 contract was signed;
  - exceptional depreciation of the development costs for the A380 Cargo programme in December 2006 for K€ 759.

- JAR21G & JAR145 design and avionic repairs approvals (for an amount still to be amortised of k€ 7 on 31 December 2006):
  - gross amount: k€ 35,
  - assetisation date: January 2003,
  - amortisation period: 5 years (that is to say through to the end of December 2007);
  - simulated equipment for Airbus flight-trainers (for an amount still to be amortised of k€ 423 on 31 December 2006) :
  - gross amount: k€ 2,541,
  - assetisation date: October 2002,
  - amortisation period: 5 years (that is to say through to the end of October 2007);
- terrain modeller (Agetim product) for simulators (for an amount still to be amortised of k€ 178 on 31 December 2006):
  - gross amount: k€ 677,
  - assetisation date: k€ 156 assetised in December 2003, k€ 233 in December 2004, k€ 163 in December 2005, k€ 125 in December 2006,
  - amortisation period: 3 years to run from the assetisation of the expenses;
- simulation motors for the automobile (ScanNer product), rail (OkSimRail product) and air traffic (ScanAds product) sectors:
  - gross amount: k€ 505,
  - assetisation date: k€ 126 in December 2005, k€ 379 in December 2006
  - amortisation period: 3 to 4 years from 1 January 2006.

3– Income tax

As from 31 December 2006 deferred tax debits have been posted on the tax deficits.

This has had an impact on the result of k€ 180.

4– Financial instruments

In order to finance its development, SOGECLAIR took out a loan in October 2002 repayable over 7 years for the amount of € 3,500,000. This is a variable rate loan based on EURIBOR 6 months. This financial liability is eligible for hedge accounting.

In order to hedge its interest rate risk, SOGECLAIR has set up a borrower fixed rate / lender EURIBOR 6 month swap, with a rate fixed at 2.9750%.

The characteristics of the swap are identical to those of the element covered in terms of the amount, due date and variable rate.

Consequently, it is possible to establish a hedging relationship between the derived instrument and the liability covered and this cash flow hedge type operation is eligible for hedge accounting provided its effectiveness can be demonstrated.

The value variations with respect to the origin (the fair value of a swap is originally null) are then entered in the balance sheet (as equity capital as a contra to a receivable on the current asset side).

Effectiveness tests , prospective and retrospective have been performed :

- The prospective test consists in calculating the underlying financial flows and those corresponding to the variable leg of the derivative at the date the hedge was set up, then of simulating the respective underlying and derivative financial flows in the case of an unfavourable market trend (shock). The ratio of the variations in the underlying and derivative financial flows determine the coefficient of effectiveness. The shock applied consisted of a 250 bp (base points) translation of the curve of the zero-rated risk-free note.
- The retrospective test followed the same method but replacing the simulated curve with the real-rate curve in force on the closing date.

The tests performed showed that the hedging set up was 100% effective.

The fair value of the swap was calculated at the closing date on the basis of the curve of the zero-rated risk-free note in force and is estimated at € 36,022 on 31 December 2006.

5– Dividends paid

The distribution of the dividends paid out is as follows

- single voting right: € 257,796
- double voting right: € 32,204

6– Events since year-end

Given the suspension of the A380 Freighter programme, as a precautionary measure the development costs have been provisioned for the outstanding total to be amortised at the end of 2006.

The gross amount of these expenses on 31/12/06 represented: k€ 938.

A-V-II – Information relative to the scope of consolidation

Designation	Headquarters	Method	% of control on 31/12/2006	% of control on 31/12/2005	% of control on 31/12/2004
SOGECLAIR	7 Avenue Albert Durand 31700 BLAGNAC	/	100.00	100.00	100.00
CLAIRIS TECHNOLOGIES Limited	Unit 18 Apex Court Woodlands Almondsbury BS32 4JT BRISTOL – United Kingdom	FC	100.00	None	None
CLAIRIS TECHNOLOGIES	7 Avenue Albert Durand 31700 BLAGNAC	FC	99.91	99.91	99.69
E.D.T.	7 Avenue Albert Durand 31700 BLAGNAC	FC	99.80	99.80	99.80
H.E.E.	Georg Heyken Strasse, 4 HAMBOURG (Germany)	FC	79.16	51.02	51.02
OKTAL S.A	2 rue Boudeville 31100 TOULOUSE	FC	97.92	78.55	66.19
OKTAL SYNTHETIC ENVIRONMENT	2 rue Boudeville 31100 TOULOUSE	FC	65.10	54.00	66.19
S2E CONSULTING	7 Avenue Albert Durand 31700 BLAGNAC	PC	49.98	None	None
SOGEMASA	Pole Industrial Via Tarpeya TOLEDE (Spain)	FC	74.50	74.50	45.00
THARSYS	7 bis rue de Partanaïs 31650 SAINT-ORENS	FC	100.00	100.00	100.00

The variations in the scope for the year 2006 were as follows:

- purchase by the group of a 28.14% minority holding in HEE,
- purchase by the group of a 19.37% minority holding in OKTAL SA,
- sale by the group of a 2.21% minority holding in OKTAL SYNTHETIC ENVIRONMENT

The impact on the minority shareholders' reserves on 31 December 2006 was k€ -1,105.

- creation of CLAIRIS TECHNOLOGIES Limited,
- joint creation with IGE+XAO of S2E Consulting.

A-V-III – Information making it possible to compare the accounts

Accounting method

None

A-V-IV – Explanations on the items on the balance sheet and their variations

- BALANCE SHEET

NON-CURRENT ASSETS

1 - Goodwill

Goodwill and its variation over the financial year can be analysed as follows:

(figures in €)	Goodwill on 31/12/2005	Restatement of setting up charges	Variations of scope 2006	Goodwill on 31/12/2006
CLAIRIS TECHNOLOGIES	174,447			174,447
OKTAL	1,140,906		567,127	1,708,033
THARSYS	137,739			137,739
HEE	982,024	-91,371	1,215,322	2,105,975
TOTAL	**2,435,116**	**-91,371**	**1,782,449**	**4,126,194**

2 - Intangible assets

This section breaks down as follows:

Gross values (in €)	At beginning of the year	Increase	Decrease	Reassignment	Variation of scope	At year-end
Setting up charges	84,981		84,981			0
Research expenses	13,336,804	2,147,348	1,950,216	0	0	13,533,936
Concessions, patents	3,696,981	410,109	411,511	4,320	3,984	3,703,883
Others	0	6,606	0	0	0	6,606
TOTAL	**17,118,766**	**2,564,063**	**2,446,708**	**4,320**	**3,984**	**17,244,425**

Amortisations & provisions (in €)	At beginning of the year	Contributions	Write-back	Reassignment	Variation of scope	At year-end
Setting up charges	84,981		84,981			0
Research expenses	4,736,548	2,566,138	1,902,990	0	0	5,399,696
Concessions, patents	2,811,752	559,898	411,511	0	559	2,960,698
Others	0					0
TOTAL	**7,633,281**	**3,126,036**	**2,399,482**	**0**	**559**	**8,360,394**

The variations in the scope of the intangible assets concern CLAIRIS TECHNOLOGIES Limited and S2E Consulting.

Detail of the immobilised development expenses (as net value):

(net)	31-Dec-06 (12 months)	31-Dec-05 (12 months)
Simulated equipment	423,445	931,656
A380 floor	7,049,817	7,249,676
JAR 21 & 145	7,082	14,163
Agetim	178,287	278,163
Simulation motors	475,609	126,597
TOTAL	**8,134,240**	**8,600,255**

3 - Property, plant and equipment

This section breaks down as follows: (figures in €)

Gross values	At beginning of the year	Increase	Decrease	Reassignment	Variation of scope	At year-end
Technical installations	182,418	2,412	37,078	-61,791	8,731	94,692
Other tangible assets	5,694,018	1,736,403	1,572,137	91,570	60,396	6,010,250
Current immobilisations	174,193	502,641	544,370	-34,099	0	98,365
TOTAL	**6,050,629**	**2,241,456**	**2,153,585**	**-4,320**	**69,127**	**6,203,307**

Amortisations	At beginning of the year - IFRS standards	Contributions	Write-back	Reassignment	Variation of scope	At year-end
Technical installations	114 311	8 086	37 078	-10 650	1 129	75 798
Other tangible assets	3,641,366	1,086,756	1,340,834	10,650	11,874	3,409,812
Current immobilisations	0					0
TOTAL	**3,755,677**	**1,094,842**	**1,377,912**	**0**	**13,003**	**3,485,610**

The variations in the scope of the tangible assets concern CLAIRIS TECHNOLOGIES Limited and S2E Consulting.

Additional information concerning the financial leasing contracts :

Net book value of the current financial leasing contracts: (figures in €)

	Gross value	Amortisation	Net book value 31/12/06
Intangible assets	817,162	419,670	397,492
Tangible assets	1,642,661	810,134	832,527
TOTAL	**2,459,823**	**1,229,804**	**1,230,019**

Term for outstanding payments :

		<1 year	1 to 2 years	3 to 5 years
TOTAL	**1,230,019**	**761,026**	**337,628**	**131,365**

4 – Financial Assets

This section breaks down as follows: (figures in €)

Gross values	At beginning of the year – IFRS standards	Increase	Decrease	Reassignment	Variation of scope	At year-end
Shareholdings	68,435		1			68,434
Borrowings	373,220	42,831	103	0	0	415,948
Other investments	206,440	19,696	22,165			203,971
TOTAL	**648,095**	**62,527**	**22,269**	**0**	**0**	**688,353**

Provisions	At beginning of the year – IFRS standards	Contributions	Write-back	Reassignment	Variation of scope	At year-end
Shareholdings	55,484					55,484
Borrowings	0					0
Other investments	-24,089		-24,089			0
TOTAL	**31,395**	**0**	**-24,089**	**0**	**0**	**55,484**

CURRENT ASSETS

In compliance with the IAS 1 standard (presentation of the financial statements), an asset is classified as current if you are expecting to realise or sell it in the framework of the normal operating cycle, or to realise it in the twelve months following the closure date or, lastly, if it is a cash asset.

The following assets are therefore classified as being current assets:

- inventories
- advances and payments on account
- trade and other receivables ;
- deferred income tax assets;
- cash and cash equivalents;
- prepayments;
- other debts.

EQUITY

5 - Others

Self-owned shares have been sold to the public during the 2006 financial year.

Number of shares sold: 10,000

Net share value: € 21.04

6 - Equity capital group share

The company equity consists of 725,000 shares. The nominal value of the share is € 4, giving an equity capital on 31 December 2005 of € 2,900,000.

It must be remembered that in accordance with notification 2002-D of the Emergency Committee of the CNC on 18 December 2002 and according to the deliberation of the Board of Directors of SOGECLAIR held on 23 December 2002, the self-owned shares are deducted from the consolidated shareholders' equity.

On 31 December 2005, this restatement led to a reduction of € 908,868 in the consolidated shareholders' equity.

7 – Minority interests

The minority interests broke down as follows on 31 December 2006:

(figures in €)

Minority interests on 31/12/2005	2,154,835
Impact on reserves	- 1,288,790
Impact on profits	407,735
Minority interests on 31/12/2006	1,273,780

NON-CURRENT AND CURRENT LIABILITIES

In accordance with the IAS 1 standard (presentation of the financial statements), the liabilities are classified as being current or non-current.

A liability is classified current if it must be settled within the framework of its normal operating cycle, or if it must be paid within the twelve months following the closure date.

The following short-term liabilities are therefore classified as being current:

- the share of financial debts and qualified prepayments reimbursable in less than one year following the closing date;
- trade and other payables;
- tax and social liabilities;
- short-term provisions;
- deferred income tax liabilities;
- other debts.

The other liabilities are classified as non-current.

8 - Provisions for other liabilities and charges

They have changed as follows: (figures in €)

	At beginning of the year	Increase	Decrease	Reassignment	Variation of scope	At year-end
Retirement benefit obligations	295,093	139,187	29,994	0	0	404,286
Other provisions for charges	50,215	48,000	50,215	0	0	48,000
Provisions for risks	310,322	202,700	193,668	0	0	319,354
TOTAL	**655,630**	**389,887**	**273,877**	**0**	**0**	**771,640**

The provisions for charges concern provisions for customer guarantees.

The provisions for risks correspond essentially to losses on completion and to provisions for social risks.

There is no event later than 31 December 2006 liable to put into question operating continuity, nor any non-measurable risk and loss.

The book treatment of retirement benefit obligations has taken into account the provisions of the law n°2003-725 dated 21 August 2003 concerning pension reforms.

9- Current and non-current financial debts

Debt maturity statement: (figures in €)

	Amount	One year at most	1 to 2 years	3 to 5 years	5 years and more
Borrowings and debts with credit institutions					
- one year at most initially	2,762,310	2,762,310			
- more than one year initially	8,512,313	3,181,025	2,521,141	2,644,686	165,462
Sundry loans and financial liabilities	450,583	271,810	0	178,773	0
TOTAL	**11,725,206**	**6,215,145**	**2,521,141**	**2,823,459**	**165,462**

Medium/long term loans contracted during the year (excluding leases) **€ 2,834,901**

Medium/long term loans repaid during the year (excluding leases) **€ 1,759,652**

- INCOME STATEMENT

10 – Sales

Sales are presented by business unit at the level of the sectorial information (see below).

11 – Other operating income

The other operating income breaks down as follows

(figures in €)	31-dec-06 (12 months)	31-dec-05 (12 months)
Production in stock	-39,684	-66,126
Production immobilised	1,745,551	2,601,132
Operating subsidies	440,552	427,626
Write-back of provisions, transfers of charges	692,232	390,013
Other income	222,065	161,639
TOTAL	**3,060,716**	**3,514,284**

12 – Other operating income and charges

The other operating income and charges correspond to the result of non-current operations during the year.

On 31 December 2006, they amounted to the net sum of k€ -745 and essentially included a provision for

k€ -759 for depreciation of the development costs relative to the WP11113 programme (freighter version), posted as a precautionary measure further to the announced suspension of the A380 Freighter programme. The remaining k€ 13 essentially concern the net gains and losses on the transfer of investments.

13 – Cost of net financial debt – Other financial charges and income

The cost of net financial debt includes:

o the income from cash and cash equivalents, that is to say:

o the interest generated by the cash and cash equivalents

o the result of the transfer of cash equivalents

o the cost of the gross financial debt, which essentially corresponds to the interest charges on financing operations.

The other financial income and charges include the income and charges linked to the other financial assets (that is to say excluding cash and cash equivalents).

14- Income tax

The Sogeclair company has opted for the tax consolidation scheme. The scope of this consolidation includes the following companies: SOGECLAIR, CLAIRIS TECHNOLOGIES and E.D.T..

The tax charge posted in the consolidated accounts to 31 December 2006 is then detailed as follows:

- Group tax payable: € 1,170,854
- Deferred tax: €-360,504
- Total group tax: € 810,350

15 – Average workforce for the year

The workforce breaks down as follows :

Full-time Equivalence	2006 12 months	2005 12 months	2004 12 months	2003 12 months
Engineers and managers and senior technicians	780	696	606	526
Technicians and other non-managerial	56	52	45	68
TOTAL	**836**	**748**	**651**	**594**

16 - Financial commitments

Commitments made

Counter-guarantee securities on markets € 13,665

The elements below correspond to commitments made for debts and claims already posted on the balance sheet.

Endorsements, securities and guarantees given € 4,354,966

Non-due assigned debts € 1,134,896

Pledges € 2,841,116

Commitments received

A supplier guarantee security has been received for the amount of € 256,700.

Besides this current commitment, SOGECLAIR has received commitments from its customers on its long-term contracts dependent on their sales representing approximately M€ 11.1 on the basis of firm orders received by those customers.

Other commitments

In the framework of our German subsidiary, the minority shareholders have been granted a buyout option that can be activated on our initiative from the 1 January 2008 until 31 December 2011 according to the price terms agreed on basis of the adjusted average of past results.

17 – Remuneration of the management bodies

General management	€ 222,311
Directors	€ 94,150

(including remunerations, variables, directors fees, non-cash benefits)

18 – Individual right to training

The individual right to training has not been the subject of any provision in the accounts.

To date, this right amounts to 19,558 hours for the 7 French subsidiaries.

A-V-V – OTHER INFORMATION

- SECTORIAL INFORMATION

The group's activity is spread between two sectors of activity:

- the Engineering & Consulting business unit, corresponding to the activities of the Clairis Technologies Ltd, Clairis Technologies, EDT; HEE, S2E Consulting, Sogemasa and Tharsys companies,
- the Simulation business unit corresponding to the activities of the Oktal S.A. and Oktal Synthetic Environment companies.

On 31 December 2006, the operating profit broke down per sector of activity as follows :

	Engineering & Consulting	Simulation	Holding	TOTAL
SALES	**68,622,720**	**11,607,580**	**0**	**80,230,300**
Other income from the activity	1,842,229	1,187,996	30,491	3,060,716
Cost of goods sold	-26,846,074	-3,883,785	-1,123,666	-31,853,525
Personnel charges	-32,538,804	-7,778,315	-1,358,696	-41,675,815
Taxes and duties	-1,211,719	-285,952	-123,933	-1,621,604
Amortisations and provisions	-3,232,130	-610,944	-76,789	-3,919,863
Other charges	-111,385	-2,105	-30,264	-143,754
CURRENT OPERATING PROFIT	**6,524,837**	**234,475**	**-2,682,857**	**4,076,455**
Other operating profit and charges	-769,697	4,095	20,245	-745,357
OPERATING PROFIT	**5,755,140**	**238,570**	**-2,662,612**	**3,331,098**

Sales :

The group's consolidated sales break down as follows :
85% for the Engineering & Consultancy business unit
14% for the Simulation business unit

Available assets:

ASSETS	Engineering & Consulting	Simulation	Holding
IMMOBILISED ASSETS			
Goodwill	1,983,857	1,572,831	569,505
Intangible assets	8,130,977	737,722	15,332
Property, plant and equipment	2,350,624	234,106	132,967
Financial Assets	505,769	70,573	56,528
TOTAL IMMOBILISED ASSETS	**12,971,227**	**2,615,232**	**774,332**
CIRCULATING ASSETS			
Inventory and work in-process	85,507	8,476	0
Trade and other receivables	24,771,141	6,387,903	4
Other circulating assets	924,656	297,429	368,275
Current tax asset	162,713	162,685	149,358
Cash and cash equivalents	1,153,679	1,120,678	266,734
Adjustments for intra-group eliminations	-11,293,039	-2,829,520	14,122,559
CIRCULATING ASSETS	**15,804,657**	**5,147,651**	**14,906,930**
TOTAL ASSETS	**28,775,884**	**7,762,883**	**15,681,262**

Liabilities payable:

LIABILITIES	Engineering & Consulting	Simulation	Holding
EQUITY CAPITAL			
Capital contribution	0	0	2,900,000
Issue premium	0	0	2,629,849
Reserves and consolidated result	-311,050	666,556	4,945,751
Others (including other own funds, own shares, etc.)	0	0	-908,868
Equity capital, group share	-311,050	666,556	9,566,732
Minority interests	917,145	356,639	-4
TOTAL EQUITY CAPITAL	**606,095**	**1,023,195**	**9,566,728**
NON-CURRENT LIABILITIES			
Long Term Provisions	531,610	207,082	32,948
Reimbursable and other financial liabilities	1,647,756	635,000	0
Borrowings	2,806,103	6,210	2,697,749
TOTAL NON-CURRENT LIABILITIES	**4,985,469**	**848,292**	**2,730,697**
CURRENT LIABILITIES			
Current part of reimbursable subsidies and other liabilities	0	101,000	0
Current part of borrowings	1,985,436	134,875	1,332,523
Short-term borrowings and financial debts	2,372,883	1,980	387,447
Trade and other payables	7,811,124	1,413,627	333,386
Tax and social liabilities	9,597,703	2,663,805	992,718
Short-term provisions			
Deferred tax liabilities	53,420	12,282	-1
Other liabilities	1,363,754	1,563,827	337,764
Adjustments for intra-group eliminations			
TOTAL CURRENT LIABILITIES	**23,184,320**	**5,891,396**	**3,383,837**
TOTAL LIABILITIES	**28,775,884**	**7,762,883**	**15,681,262**

Related companies

Not applicable.

3.2. Report of the Auditors on the consolidated financial statements

Robert MOREREAU	EXCO FIDUCIAIRE DU SUD-OUEST
10, rue Reyer	2, rue des Feuillants
31200 TOULOUSE	31076 TOULOUSE CEDEX 3

Auditors

Members of the "Compagnie Régionale de Toulouse"

S.A. SOGECLAIR
7, avenue Albert Durand
31700 - BLAGNAC

FINANCIAL YEAR ENDING 31 DECEMBER 2006
REPORT OF THE AUDITORS ON THE CONSOLIDATED ACCOUNTS

In performing the duty entrusted to us by your General Meeting, we have proceeded with the verification of the consolidated accounts of the SOGECLAIR company relative to the year ending 31 December 2006, such as they are appended to this report.

The consolidated financial statements were closed by your Board of Directors. It is our duty to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED ACCOUNTS

We conducted our audit in accordance with the professional auditing standards in France; these standards require that we conduct proceedings with due care to give reasonable assurance that the consolidated accounts are free from significant irregularities. An audit entails examining, on a test basis, evidence supporting the amounts and disclosures these financial statements contain. An audit also involves assessing the accounting principles used and significant estimates made in preparing the accounts, as well as evaluating the overall presentation. We believe that our audit provides a reasonable basis for the opinion expressed below.

We certify that the consolidated accounts are, in view of the IFRS standard such as adopted in the European Union, honest and sincere and give a true view of the assets and financial situation, as well as of the results of all the companies included in the consolidation.

II. SUBSTANTIATION OF THE ASSESSMENTS

In application of the provisions of article L. 823-9 of Commercial Law relative to the substantiation of our assessments, we draw your attention to the following points as they are reported in the "valuation methods and rules" in relative to:

- the valuation of goodwill,
- the appreciation of the development costs.

In this framework, we have also examined the reasonable nature of the hypotheses adopted and the resulting valuations.

The assessments thus made enter into our approach to auditing the consolidated accounts, taken in their entirety, and have therefore contributed to forming our opinion without any reservations, as expressed in the first part of this report.

III. SPECIFIC VERIFICATION

Furthermore, we have also reviewed, in accordance with the professional standards in force in France, the information given in the group's management report. We have no special comment to make regarding their fairness and conformity with the consolidated financial statements.

Toulouse, 23 April 2007
The Statutory Auditors

	For EXCO Fiduciaire du Sud-Ouest
Robert MOREREAU	Jean-Marie FERRANDO

3.3. INDIVIDUAL ACCOUNTS

I – Balance Sheet to 31 December 2006 (in euros)

ASSETS	31/12/2006	31/12/2005	31/12/2004
Intangible assets	15,333	12,830	54,173
Property, plant and equipment	98,063	72,190	83,206
Financial Assets	12,008,600	9,327,127	7,489,452
IMMOBILISED ASSETS	**12,121,996**	**9,412,147**	**7,626,833**
Trade and other receivables	1,486,842	828,553	1,900,670
Other debts	3,290,584	3,390,385	3,769,042
Cash and cash equivalents	266,729	278,221	261,006
Charges paid in advance	25,448	29,136	26,420
CIRCULATING ASSETS	**5,069,603**	**4,526,156**	**5,957,139**
TOTAL ASSETS	**17,191,599**	**13,938,305**	**13,583,973**

LIABILITIES	31/12/2006	31/12/2005	31/12/2004
Share capital	2,900,000	2,900,000	2,900,000
Share premium account	2,629,849	2,629,849	2,629,849
Other reserves	1,442,550	570,100	545,816
Retained earnings	1,584,163	1,584,163	1,133,678
Profit for the financial year	1,162,050	1,162,452	619,766
EQUITY	**9,718,612**	**8,846,564**	**7,829,111**
PROVISIONS	**32,948**	**18,272**	**471,142**
Borrowings and debts with credit institutions	4,234,886	2,835,537	2,813,007
Sundry loans and financial liabilities	1,479,662	778,582	875,649
Trade and other payables	395,010	326,757	492,206
Tax and social liabilities	992,717	548,162	509,734
Debts on immobilisations	0	0	0
Other debts	337,764	403,431	5,623
Income earned in advance	0	181,000	587,500
DEBTS	**7,440,039**	**5,073,469**	**5,283,719**
TOTAL LIABILITIES	**17,191,599**	**13,938,305**	**13,583,973**

II – INCOME STATEMENT (in Euros)

	31/12/2006 (12 months)	31/12/2005 (12 months)	31/12/2004 (12 months)
SALES	**3,219,407**	**2,574,345**	**2,946,229**
Operating subsidies	0	0	0
Write-back on provisions, transfers of charges	29,770	462,203	494
OPERATING INCOME	**3,249,177**	**3,036,548**	**2,946,724**
Purchases and external expenses	1,216,218	1,261,963	1,248,057
Taxes, duties and assimilated	132,386	112,812	82,464
Payroll expenses	1,358,699	1,136,924	850,147
Amortisations	39,340	67,396	97,231
Provisions for risks and charges	14,676	5,314	458,185
Other operating expenses	30,264	28,704	27,000
OPERATING PROFIT	**457,594**	**423,435**	**183,638**
Financial income	825,422	768,156	425,713
Financial expenses	211,437	146,119	237,506
FINANCIAL EARNINGS	**613,985**	**622,037**	**188,206**
CURRENT INCOME BEFORE TAX	**1,071,579**	**1,045,472**	**371,844**
EXTRAORDINARY INCOME	**656,333**	**279,522**	**122,501**
EXTRAORDINARY EXPENSES	**255,996**	**156,560**	**148,685**
EXTRAORDINARY PROFIT	**400,337**	**122,962**	**-26,184**
Income tax	309,866	5,982	-274,106
NET PROFIT	**1,162,050**	**1,162,452**	**619,766**

Appendix to the individual accounts

Note to the balance sheet before net income appropriation for the year ended 31/12/2006 the total of which amounts to € 17,191,599 and to the income statement of the year presented in the form of a list, the total of which amounts to € 4,730,933, showing a profit of € 1,162,050.

The financial year runs for 12 months from 1 January 2006 to 31 December 2005.

The notes (or tables) below are an integral part of the annual financial statements.

These annual accounts were closed by the Board of Directors on 16 March 2007.

Item No.	Appendix to the balance sheet and income statement from 01/01/2006 to 31/12/2006	Informations			
		Produced		Not produced	
		note n°	Tax status	not significant	not applicable
1	**I – Accounting rules and methods**				
	Valuation methods	1			
	Calculation of amortisation and provisions	1			
	Dispensations	1			
	Additional information to provide a true reflection				X
	II – Additional information relative to the balance sheet and income statement				
2	Immobilised assets statement	2			
3	Amortisation statement	2			
4	Provisions statement	3			
5	Debt and liabilities due dates statement	4			
6	Additional information on :				
	Elements relevant to several items in the balance sheet				*X*
	Revaluation				*X*
	Setting up charges				*X*
	Applied research and development expenses				*X*
	Goodwill				*X*
	Immobilised interests				*X*
	Interest on elements of the circulating assets				*X*
	Difference of valuation on fungible elements of the circulating assets				*X*
	Advances to directors				*X*
	Prepaid charges and income	*5*			
	Composition of the equity capital	*6*			
	Rights participating in profits	*7*			
	Convertible obligations				
	Apportionment of net sales			*X*	
	Apportionment of income tax	*9*			
	III – Financial commitments and other information				
7	Lease			X	
8	Financial commitments	10			
9	Debts guaranteed by real sureties				X
10	Impact of dispensary tax valuations				X
11	Increasing and lightening of the future tax debt	11			
12	Remuneration of the directors	12			X
13	Average workforce	13			
14	Identity of the parent companies consolidating the company's accounts				
15	List of subsidiaries and participations	14			
	IV – Other significant information				**X**

APPENDIX NOTE No.1

Accounting rules and methods

Valuation methods

General principles and conventions

The accounts for the past financial year were drawn up and presented in compliance with the accounting rules and with the principle of prudence and independence of accounting periods and assuming operating continuity.

The basic method adopted for the valuation of the items posted in the accounts is the historical costs method.

The accounting conventions have been applied in compliance with the provisions of Commercial Law (Art. 123-12 to 123-23), of the decree dated 29 November 1983 and of the general accounting plan (CRC 99.03).

Consistency of methods

No change of method has been made with respect to the previous financial year.

Main accounting methods used

Intangible assets

Patents, concessions and other immobilised intangible assets have been valued at their cost of acquisition, but excluding the expenses incurred for their acquisition. These items are amortised over the duration of their utilisation by the company (that is to say between 1 and 3 years).

Property, plant and equipment

The company applies the CRC 2002-10, CRC 2003-07 and 2004-06 regulations.

The amortised historical cost reconstitution method has been applied to all of the company's immobilisations.

Amortisation method

The company applies the CRC 2002-10 regulation.

The amortisations applied, both on the accounting and tax levels, are representative of the economic amortisation; as a consequence, no dispensatory amortisation has been posted to the liabilities on the balance sheet.

The amortisation plans applied in the individual accounts are maintained in consolidation. The group has determined the following amortisation durations:

Category	Mode	Duration
Software	Straight-line	3 years
Other fixtures, and fittings, installations	Straight-line	10 years
Transport equipment	Straight-line	3 years
Computer hardware	Straight-line	3 to 5 years
Office furniture	Straight-line	5 to 10 years

Fixed investments

The shareholdings and other fixed investments have been valued at their cost of acquisition, but excluding the expenses incurred for their acquisition.

A depreciation test, carried out annually, consists of checking that the fair value of the subsidiary's equity capital is higher than its book value.

The fair value of the subsidiary's equity capital is estimated in the following way:

- a prospective business plan is drawn up on the basis of past performance and the foreseeable trends for its markets and of the influence of the action plans implemented on its positioning; this plan is established for an eight-year period and reflects the subsidiary's operational plan and its directors' objectives;
- the value of the company is calculated by actualising the free cash flows over the horizon of the business plan, increased by the terminal value by application of a fixed growth rate to infinity; the value of the equity capital is deduced by taking into account the subsidiary's net debt; the hypotheses adopted for establishing these accounts are:
  - the actualisation rate for the cash-flows has been calculated at 12.7% by adding a risk-free long-term investment rate and a market premium for listed companies modified by a risk factor Beta specific to the group,
  - the growth rate to infinity has been limited to 2.0%, a conservative value given the effective historical growth rates of the various subsidiaries and the values commonly adopted;
- this company value is then brought to a multiple of the EBIT so that it can be compared with comparable units on the market, making it possible to cross the method with an overall dissimilar method;
- the value of the shareholders' equity is deduced from this by taking into account the impact of the subsidiary's net debt; for subsidiaries that control another subsidiary, this value is corrected by the share of the sub-subsidiary's value,
- lastly a "shock" is applied to the most sensitive underlying parameters (growth of the activity, level of the operating margin) to test the sensitivity of the estimation to an unfavourable change in the subsidiary's economic environment;
- the hypotheses adopted for the shock consist of halving the activity's growth rate and reducing the level of the operating margin (EBITDA) by 30%, with respect to the values of the basic business plan.

On 31 December 2006, the valorisations thus calculated exceeded the book values for each subsidiary, even after a significant shock and are comparable with the multiples observed for the type of companies concerned. Consequently, the tests performed have been found to be conclusive for all the subsidiaries and lead us to maintain the value of the goodwill

Own-shares

in accordance with notification 2002-D of the Emergency Committee of the CNC on 18 December 2002, the own-shares owned by the company have been posted as other fixed investments. On 31 December 2005, Sogeclair owned 53,097 of its own shares for a value of € 1,119,269. 7,000 of these own-shares were sold during the year 2005. Given the shares' latest quoted price (€ 37.40 on 31 December 2005), no depreciation was recorded.

Valuation of receivables and debts

The receivables and debts have been evaluated at their nominal value.

Depreciation of receivables

The receivables have, where applicable, been depreciated through the creation of provisions to take into account the recovery difficulties that they are liable to give rise to.

Valuation of investments

The investments have been evaluated at their cost of acquisition excluding the expenses incurred for their acquisition.

In the case of sale of a set of securities of the same nature and providing the same rights, the value of the securities has been estimated using the "first-in first-out" method.

Depreciation of investments

The investments have, where applicable, been depreciated through the creation of provisions to take into account:

- for listed securities, the average price for the last month of the financial year;
- for unlisted securities, their probable negotiable value at year-end.
- no depreciation was carried out for the 2006 financial year.

Tax consolidation accounting method

SOGECLAIR has opted for the tax consolidation scheme. The scope of this consolidation includes the following companies: SOGECLAIR, CLAIRIS TECHNOLOGIES and E.D.T.

The tax charge is recorded in the subsidiaries on the basis of their own tax result.

APPENDIX NOTE No.2

Statement of fixed

The transactions for the financial year were as follows :

Gross values	At the beginning of the year	Increase	Decrease	At year end
Intangible assets	€ 700,386	€ 15,641	€ 300,071	€ 415,956
Property, plant and equipment	€ 281,830	€ 71,931	€ 143,131	€ 210,630
Investments in associates	€ 9,357,616	€ 2,925,998	€ 244,524	€ 12,039,090
	€ 10,339,832	**€ 3,013,570**	**€ 687,726**	**€ 12,665,676**

Amortisations and provisions	At the beginning of the year	Increase	Decrease	At year end
Intangible assets	€ 687,556	€ 13,138	€ 300,071	€ 400,623
Property, plant and equipment	€ 209,640	€ 26,203	€ 123,276	€ 112,567
Investments in associates	€ 30,489			€ 30,489
	€ 927,685	**€ 39,341**	**€ 423,347**	**€ 543,679**

APPENDIX NOTE No.3

Statement of provisions

Nature of the provisions	At the beginning of the year	Contributions	Write-back for the year[1]	At year end
Retirement benefit obligations and similar[2]	€ 18,272	€ 14,676		€ 32,948
Provision for financial depreciation	€ 30,489			€ 30,489
	€ 48,761	**€ 14,676**		**€ 63,437**

(1) including provisions used: none

(2) the accounting of the retirement benefit obligations has taken into account the provisions of law No. 2003-725 dated 21 August 2003 relative to pension reform

APPENDIX NOTE No.4

Statement of maturity of receivables and debts

Accounts receivable	Gross amount	Liquidity of assets	
		Less than 1 year	More than 1 year
Fixed asset debts			
Loans	€ 2,248		€ 2,248
Others	€ 963,147		€ 963,147
Current asset debts			
Trade notes and accounts receivable	€ 1,486,842	€ 1,486,842	
Others	€ 3,290,581	€ 3,290,581	
Deferred charges	€ 25,448	€ 25,448	
TOTAL	**€ 5,768,266**	**€ 4,802,871**	**€ 965,395**

Debts	Gross amount	Term of liability realisation		
		One year at most	More than one year	More than five years
Borrowings and debts with credit institutions				
One year at most initially	€ 387,445	€ 387,445		
More than one year initially	€ 3,847,441	€ 1,168,671	€ 2,513,309	€ 165,461
Sundry loans and financial liabilities	€ 1,479,662	€ 1,429,170	€ 50,492	
Trade notes and accounts payable	€ 395,007	€ 395,007		
Social and tax debts	€ 992,717	€ 992,717		
Debts on fixed assets				
Other debts	€ 337,764	€ 337,764		
Prepaid income				
TOTAL	**€ 7,440,036**	**€ 4,710,774**	**€ 2,563,801**	**€ 165,461**

Detail of charges payable	Amount
Borrowings and debts with credit institutions	
Interest paid on borrowings	€ 3,295
Trade notes and accounts payable	€ 133,536
Social and tax debts	
Debt provisions/Paid Leave and Time Savings Account	€ 56,107
Charges payable on salaries	€ 171,122
Charges/ Paid Leave and Time Savings Account	€ 27,363
Social charges payable	€ 66,564
Tax charges payable	€ 2,318
TOTAL	**€ 460,305**

Receivables and debts with respect to related companies
(excluding current accounts, detailed in the table of subsidiaries and participations)

	Receivables	Debts
CLAIRIS TECHNOLOGIES	€ 637,164	€ 422
EDT	€ 540,152	€ 0
THARSYS	€ 81,587	€ 53,820
HEE	€ 182,150	€ 3,844
OKTAL SA	€ 45,077	€ 1,974
CLAIRIS TECHNOLOGIES LIMITED	€ 712	
TOTAL	**€ 1,486,842**	**€ 60,060**

APPENDIX NOTE No.5

Deferred charges and prepaid income

	Charges	Income
Operating charges or income	€ 25,448	
Financial charges or income		
Extraordinary charges or income		
TOTAL	**€ 25,448**	**€ 0**

APPENDIX NOTE No.6

Breakdown of share capital

	Number	Nominal value
Shares or partnership shares comprising the capital at the beginning of the financial year	725,000	€ 4
Shares or partnership shares issued during the financial year		
Shares or partnership shares cancelled during the financial year		
Shares or partnership shares comprising the capital at year-end	725,000	€ 4

APPENDIX NOTE No.7

Financial charges and income with respect to related companies

	Charges	Income
CLAIRIS TECHNOLOGIES LIMITED		€ 712
CLAIRIS TECHNOLOGIES	€ 1,422	€ 1,892,374
EDT	€ 13,995	€ 1,216,633
THARSYS	€ 9,095	€ 97,243
OKTAL SA		€ 37,690
OKTAL SE		€ 2
HEE	€ 5,762	€ 870,043
SOGEMASA		€ 1,060
TOTAL	**30,274 €**	**4,115,757 €**

APPENDIX NOTE No.8

Extraordinary profit

The extraordinary profit breaks down as follows :

Capital gain on sale of own-shares	€ 294,600
Sale of fixed assets	€ 22,004
Write-back of receivables	€ 68,493
Others	€ 17,240
	€ 402,337

APPENDIX NOTE No.9

Breakdown of corporate income tax

	Before tax	Corresponding tax	After tax
Operating profit	€ 1,071,579	€ 129,264	€ 942,315
Exxtraordinary profit	€ 400,338	€ 133,446	€ 266,892
Tax expense linked to tax consolidation		€ 47,157	€ -47,157
	€ 1,471,917	**€ 309,867**	**€ 1,162,050**

There is a tax consolidation agreement between SOGECLAIR and the following subsidiaries:

- CLAIRIS TECHNOLOGIES
- E.D.T.

According to the terms of the agreement, the tax saving that may be made on the companies remains acquired to SOGECLAIR, the parent company. Simultaneously, any tax surcharge is borne by SOGECLAIR.

The tax effectively payable amounts to € 309,867.

APPENDIX NOTE No.10

Financial commitments

Commitments made	Amount
Notes receivable discounted	€ 100,000
Supplier sureties and backing	€ 2,940,000
Collateral	€ 2,758,116
Other commitments made:	
Outstanding financial leasing payments	€ 18,979
Outstanding real estate leasing payments	None
Individual Right to Training	488 hours
Others	€ 2,546,542

APPENDIX NOTE No.11

Increase and decrease in the future tax debt

Variation in deferred or latent taxes	Beginning of financial year		Variation		End of financial year	
	Asset	Liability	Asset	Liability	Asset	Liability
CHARGES TEMPORARILY NON DEDUCTIBLE						
To be deducted next year						
Organic	€ 1,799		€ -594		€ 1,205	
To be deducted later						
Provisions for pensions	€ 6,090		€ 4,892		€ 10,982	
	€ 7,889		**€ 4,298**		**€ 12,187**	

APPENDIX NOTE No.12

Remuneration of the directors

This includes the remuneration of the President & CEO, Executive Vice-President and the directors (fixed and variable remuneration, directors' fees and non-cash benefits), giving a total amount of € 43,200.

APPENDIX NOTE No.13

Average workforce

Managerial and Senior Technicians	10
Technicians and other non-managerial	3
TOTAL	**13**

APPENDIX NOTE No.14

Table of subsidiaries and shareholdings (in €)

Financial information	Capital	Equity capital after result	Share of capital held	Book value of securities held		Loans and advances granted not yet paid back	Amount of sureties and cautions granted	Sales excl. VAT at last year-end	Profit/Loss at last year-end	Dividends received
				Gross	Net					
Subsidiaries and shareholdings										
A) Detailed information concerning subsidiaries and shareholdings										
1 - Subsidiaries										
Clairis Technologies Limited	1,458	-235,207	100.00%	1,458	1,458	295,594		201,056	-236,665	
Clairis Technologies	2,012,517	2,136,297	99.91%	4,159,916	4,159,916	2,261,424	2,940,000	29,677,141	91,444	
E.D.T.	68,000	621,149	99.80%	9,227	9,227	389,426		7,711,535	449,011	262,957
OKTAL S.A.	1,000,000	1,726,325	97.92%	2,814,375	2,814,375			9,521,911	-302,171	
S2E consulting	60,000	59,022	49.90%	29,990	29,990			101,836	-978	
Tharsys	150,000	284,362	100.00%	166,214	166,214	66,305		2,470,351	149,648	
HEE	25,580	3,298,714	79.16%	3,490,264	3,490,264			25,783,839	1,429,636	474,980
SOGEMASA	300,000	746,389	74.50%	371,748	371,748	77,419		2,526,438	-85,930	
2 - Shareholdings										
B) General information concerning the other subsidiaries and shareholdings				10	10					

3.4. General report of the Auditors on the annual financial statements

Robert MOREREAU
10, rue Reyer
31200 TOULOUSE

EXCO FIDUCIAIRE DU SUD-OUEST
2, rue des Feuillants
31076 TOULOUSE CEDEX 3

Auditors
Members of the "Compagnie Régionale de Toulouse"

S.A. SOGECLAIR
7, avenue Albert Durand
31700 - BLAGNAC

FINANCIAL YEAR ENDING 31 DECEMBER 2006

GENERAL REPORT OF THE AUDITORS

In performing the duty entrusted to us by your general meeting, we hereby present our report relative to the financial year ending 31 December 2006 on:

- the verification of SOGECLAIR's consolidated accounts, such as they are appended to this report;
- the substantiation of our assessments;
- the specific verifications and the information stipulated by law.

The annual accounts were prepared by your Board of Directors at its meeting held on 17 March 2006.

It is our duty to express an opinion on these financial statements based on our audit.

I - OPINION ON THE ANNUAL ACCOUNTS

We conducted our audit in accordance with the professional auditing standards in France; these standards require that we conduct proceedings with due care to give reasonable assurance that the annual accounts are free from significant irregularities. An audit entails examining, on a test basis, evidence supporting the amounts and disclosures these financial statements contain. An audit also involves assessing the accounting principles used and significant estimates made in preparing the accounts, as well as evaluating the overall presentation. We believe that our audit provides a reasonable basis for the opinion expressed below.

We certify that the annual accounts are, in view of the French accounting rules and principles, honest and sincere and give a true view of the result of the operations of the past year and of the company's assets and financial situation at year-end.

II - SUBSTANTIATION OF THE ASSESSMENTS

In application of the provisions of article L. 823-9 of Commercial Law relative to the substantiation of our assessments, we draw your attention to the following points as they are reported in the appendix to the consolidated accounts:

The methods used to assess the shareholdings are identical for determining your company's annual accounts and its consolidated accounts. They are subject to tests whose purpose is to check that the fair value of the subsidiary's equity capital is greater than the book value of the shareholdings.

We have also examined the reasonable nature of the hypotheses adopted to settle the accounts and make the resulting valuations.

The assessments thus made enter into our approach to auditing the annual accounts, taken in their entirety, and have therefore contributed to forming our opinion without any reservations, as expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION

We have also carried out the specific verifications stipulated by law, in accordance with the standards of the profession in France.

We do not have any remarks to make concerning:

- the sincerity of the information provided in the Board of Directors' annual report and in the documents sent to the shareholders relative to the financial situation and the annual accounts,
- the sincerity of the information provided in the annual report relative to the remunerations and advantages paid to the directors concerned and to the commitments made in their favour at the time they assumed, ceased or changed their function or at a later time.

Toulouse, 23 April 2007

The statutory auditors

Robert MOREREAU

For EXCO Fiduciaire du Sud-Ouest
Jean-Marie FERRANDO

3.5. General report of the Auditors on the annual financial statements

Robert MOREREAU	EXCO FIDUCIAIRE DU SUD-OUEST
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Auditors

Members of the "Compagnie Régionale de Toulouse"

S.A. SOGECLAIR
7, avenue Albert Durand
31700 - BLAGNAC

FINANCIAL YEAR ENDING 31 DECEMBER 2006

SPECIAL REPORT OF THE AUDITORS

In our capacity as Auditors of your company we hereby present you with our report on the regulated agreements.

It is not our task to determine the existence of agreements and commitments but rather to inform you, on the basis of the information at our disposal, of the characteristics and key terms of those that have been notified to us, without having to express an opinion on their usefulness or merits. It is your duty, pursuant to article R.225-31 of Commercial Law, to assess the advantages of concluding these agreements and commitments with a view to approving them.

AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE FINANCIAL YEAR

We hereby inform you that we have not been informed of any agreement or of any commitment subject to the provisions of article L.225-38 of Commercial Law.

AGREEMENTS APPROVED DURING PREVIOUS FINANCIAL YEARS WHOSE EXECUTION HAS CONTINUED DURING THE PAST FINANCIAL YEAR

Furthermore, pursuant to Commercial Law, we have been informed that the execution of the following agreements, approved during previous fiscal years, has continued during the last financial year.

- With the SOCIETE CIVILE IMMOBILIERE SOLAIR, real estate company with capital of € 1,524.49 headquartered at BLAGNAC - 31700 - Avenue Albert Durand.

Nature of the agreement: Commercial lease

Amount covered:	€ 463,806
- Rent	€ 351,269
- Property taxes	€ 65,058
- Occupancy expenses	€ 43,010
- Insurance	€ 4,469

- With Jean-Louis ROBARDEY, taken in his capacity as a private individual

Nature of the agreement:

Life annuity:

Under the terms of an act under private writing drawn up in TOULOUSE dated 27 December 1985, Jean-louis ROBARDEY transferred to S.A. "ECLAIR-INTERIM", which has since become "E.D.T.", a temporary employment agency business, run from 39, Rue de Metz in TOULOUSE against payment of the sum of € 304,998, € 45,734 has been paid, the balance of € 259,204 having been converted into a life annuity of € 18,294 to his benefit for the rest of his life, and transferable after his death to his spouse, Huguette ROBARDEY, for the rest of her life.

This annuity being indexed on the cost of living throughout the time that it is due.

In 1994, subsequent to the moth-balling of "ECLAIR INTERIM" your company has continued to assume responsibility for the commitments contracted by its subsidiary.

A probabilistic revaluation of the commitment gives € 243,750

The restated sum paid for the fiscal year to Jean-Louis ROBARDEY amounted to € 31,764.

We have accomplished our mission according to the professional standards that apply in France; these standards require we apply all due diligence to check the concordance of the information that was given to us with the basic documents from which it was taken.

Toulouse, 23 April 2007
The Statutory Auditors

Robert MOREREAU

For EXCO Fiduciaire du Sud-Ouest
Jean-Marie FERRANDO

4.1. President's report to the Combined General Meeting of 25 May 2007

Dear Shareholders,

I have the honour of reporting to you on the conditions under which the work of the Board of Directors was prepared and organised, on the principles and rules laid down by the Board concerning the remuneration of the Directors and on the internal control procedures set up in our company.

1. Preparation and organisation of the Board of Director's work

The Board, may we remind you, has seven members:

- Mr. Philippe ROBARDEY, president of the board of directors, born on 14 October 1959, renewed in 2001 for six years, that is to say until the end of the general meeting held in 2007 to approve the accounts of the previous financial year.
- Mr. Jean-Louis ROBARDEY, director, born on 22 July 1931, renewed in 2001 for six years, that is to say until the end of the general meeting held in 2007 to approve the accounts of the previous financial year.
- Mr. Michel GRINDES, director, born on 28 March 1937, appointed in 2001 for six years, that is to say until the end of the general meeting held in 2008 to approve the accounts of the previous financial year.
- Mr. Jacques RIBA, director, born on 21 August 1944, renewed in 2005 for six years, that is to say until the end of the general meeting held in 2011 to approve the accounts of the previous financial year.
- Mr. Alain RIBET, director, born on 16 January 1944, co-opted in 2004 to replace Mr. Paul ROBARDEY, that is to say until the end of the general meeting held in 2007 to approve the accounts of the previous financial year.
- Mr. Bernard ZIEGLER, director, born on 12 March 1933, appointed in 2001 for six years, that is to say until the end of the general meeting held in 2008 to approve the accounts of the previous financial year.
- Mr. Alberto Fernandez, director, born on 1 April 1949, appointed in 2006 for six years, that is to say until the end of the general meeting held in 2012 to approve the accounts of the previous financial year.

Mr. Philippe ROBARDEY, President of the Board of Directors, is the company's chief executive officer.

Besides the members of the Board, Mrs. Huguette Robardey, who is no longer a Director, has been appointed Secretary of the Board.

The number and nature of the other mandates and functions exercised by the directors are given in the Board of Directors' annual report.

Given a certain number of factors, in particular the size of the company, the number of directors and the absence of stock-options, no specific formal committee has been set up to date, with the exception of the Remuneration Committee.

The Board of Directors includes four independent directors: Mr. Michel Grindes, Mr. Jacques Riba, Mr. Bernard Ziegler and Mr. Alberto Fernandez.

The Board of Directors applies the definition given in the AFEP-MEDEF consolidated report, that is to say:

- Not to be an employee or managing agent of the company, employee or director of its parent company or of a company that it consolidates and not to have been so during the preceding five years.
- Not to be a managing agent of a company in which the company holds directly or indirectly a directorship or in which an employee designated as such or a managing agent of the company (currently or during the previous five years) holds a directorship.
- Not to be a customer, supplier, merchant banker, financing banker:

- in a significant way for the company or its group,
- or for which the company or its group represent a significant share of its revenues,

- Not to have any close family relationship with a managing agent.
- Not to have been an auditor of the company during the previous five years.
- Not to have been a director of the company for more than twelve years.

The auditors are invited to the meeting of the board of directors at which the annual accounts and the half-yearly accounts are approved.

They effectively take part in this meeting.

The convocations to the meetings of the Board of Directors are issued by the President & CEO in writing, at least 10 days in advance, except under special circumstances.

The meetings are held at headquarters.

The Board of Directors met five times during the year 2006.

The members' attendance rate was very good, with no particular absences.

None of the meetings of the Board of Directors was held in the absence of the President & CEO.

No meetings were called on the initiative of directors.

Internal Regulations for the Board of Directors were established as of 16 March 2007.

To allow the members of the board to prepare the meetings effectively, the President makes every effort to provide them with all the necessary information or documents beforehand. Furthermore, the directors receive the minutes of the meetings of the Board of Directors (4 a year).

Whenever a member of the Board so requests, the President provides him, insofar as possible, with the additional information and documents that he wishes to receive.

Before any communication of financial information, the data and documents are sent in advance to all the directors.

At the time of each meeting of the Board of Directors, the President presents the key points and various issues examined in the form of documents issued to the directors. Each meeting thus makes it possible to follow up the activity of the Company subsidiary by subsidiary.

Twice yearly, for the half-yearly and annual accounts, the President presents the draft documents to the board for SFAF (Society of French Financial Analysts) results presentation meetings.

The board examines and/or orients and authorises the negotiations relative to the variation in the scope of growth through acquisitions.

In the framework of the strengthening of the role of the Board of Directors, since the end of 2004 it comments on the budgets and plans of each subsidiary prior to approval by the President and Chief Executive Officer.

Lastly, the Board of Directors examines and authorises the company's commitments to projects requiring significant financing or guarantees, securities or amendments that could be associated with them.

2. Limit on the powers of the CEO

No limitations have been imposed on the powers of the President & CEO by the Board of Directors.

3. Principles and rules laid down by the Board of Directors to determine the remuneration and advantages granted to the directors

There is a Remunerations Committee which includes all of the directors with the exception of Mr. Philippe ROBARDEY

Once a year, the Committee analyses the remunerations of the Board of Directors.

It decides on any changes to be made to the President & CEO's fixed remuneration and proposes a remuneration framework for the other members of the Board of Directors.

It submitted its report on 18 January 2007.

4. Internal control procedures

Allocation of responsibilities

The President & CEO defines the objectives relative to internal control and distributes the responsibilities for ensuring the regular evaluation of the company's activities.

In the framework of internal control, the following responsibilities have been assigned to the various management bodies:

- Group General Management

  General Management is responsible for setting up accounting and operational reporting systems, their structures, the choice of consistent indicators and setting reasonable deadlines for information reporting. It sets the goals of the Financial and Planning Directorate and facilitates the auditors' mission. It is also responsible for providing feedback to the subsidiaries on the consolidated level at the time of the quarterly meetings.

- Group Financial and Planning Directorate

  This directorate is responsible for collecting the accounting and operational data from the subsidiaries, for their consolidation as group data, interfacing with the subsidiaries' and group's auditors, internal auditing and compliance with the group's procedures, and the internal reporting system and its updating. It detects and analyses any drift, informs Group General Management and validates the corrective and/or preventive action plans with the subsidiaries. It has the authority, skills and tools required to accomplish these control missions.

- The subsidiaries' General Management bodies

  These are responsible for collecting information from the operational units, and for providing the Financial and Planning Directorate with their reporting indicators.

  They establish the action plans in the event of a confirmed or probable risk of drift, inform their Board of Directors and Group General Management and implement the validated measures.
  Lastly, they regularly inform their operational units of any changes in the group's control procedures, of any drift detected and of the measures taken.

- The subsidiaries' Operational Directorates

  They are responsible for the reliability of the accounting and operational data relative to their activity and for the lowest level application of the group's control procedures. In this respect, they are responsible for selecting and implementing the most appropriate rules for preventing errors and/or misconduct, detecting deviations at the earliest possible time, limiting their effect and reporting without delay to General Management.

Objectives pursued

The objectives of internal control are to set up tools and organisations making it possible to guarantee the reliability of the financial information provided, identify the risks and prevent their occurrence, detect any malfunctioning and secure the value of the company's assets.

The main risks identified are financial and commercial risks linked to problems of:

- initial estimation and execution of contracts,
- project financing,
- commercial or technical dependence,

sensitivity to economic factors: interest and exchange rates, market growth.

In the face of these risks, the accent has been placed in particular on the following instruments applied to all of the subsidiaries.

- Quarterly accounts

  The quarterly accounting statements are established under the responsibility of each subsidiary and are recorded according to procedures and a harmonised plan with the group in order to conform to the national legal obligations and facilitate their presentation in IFRS format.

  These data are, for the joint stock companies in the group, subject to examination by the auditors (limited for the half-year, complete for the year), and for all the companies subject to a likelihood verification by the group Financial and Planning Directorate (on reception of the statements, and an on-site examination of the subsidiaries in turn).

  They are submitted to the group for consolidation on D + 30 for the odd quarters (1st and 3rd quarters) and D + 45 for the half-yearly statements.

- Operational Reporting management chart

  An operational and financial reporting system aiming to provide a frequent and prospective vision of the performance of the group's various operational units and subsidiaries in France and abroad was set up in 2004.

  This system was improved in 2005 resulting in a monthly Reporting management chart, deployed in a unified format providing the following information on D + 15:

- performance indicators (commercial, financial, utilisation of resources),
- activity and result projection to the year-end,
- remarks on any drift on the operational level and measures taken,
- follow-up of projects in terms of meeting the termination costs in relation to their degree of completion.

The goal of the continuous improvement actions is to:

- shorten the production cycles and the risks of error,
- increase the group's visibility of the data from the subsidiaries and procure multi-dimensional analysis capacities (subsidiaries, products, markets),
- offer top management customised indicators better suited to their management needs

Project control

Monitoring of the risks taken by the subsidiaries in their projects has been in place since 2005, both before commitments are made and during execution.

- Before commitment: a standardised profitability analysis tool – including a "degraded" scenario and minimum thresholds to be respected – has been added to the Offer Review process and made applicable for all projects that could significantly affect the subsidiary's result.
- Likewise, before commitment and for those same projects, a detailed examination of the contractual clauses has been made obligatory, including the definition of the points on which the subsidiary is not authorised to negotiate.
- During execution, all the expenses and invoicing relative to each project are recorded immediately in an IT tool that has been tried and tested for several years and offering real-time visibility of production, the costs engaged, the remaining work and any drift with respect to the initial budget.
- The data provided by this tool are used directly to establish the monthly follow-up of the critical projects included in the Reporting Management Chart.

Current limits

Internal control cannot eliminate all errors, anomalies or fraud, in particular those resulting from unidentified collusions or malfunctioning.

Internal control also relies on the reliability and pertinence of the indicators chosen, on the performance of the tools and methods used to draw up and consolidate the data and on the organisational rules set up at every level to guarantee its independence.

It has not yet been formalised by means of a procedures manual, no more than the control instruments described above are the subject of a systematic internal audit, prior to the intervention of our auditors.

This formalisation of the procedures and actions is amongst the objectives that have been set for the group Financial and Planning Directorate.

The President of the Board of Directors

4.2. Report of the auditors in application of Article L. 225-235 of Commercial Law, on the President of the Board of Directors' report concerning to the internal control procedures relative to the drawing up and processing of the accounting and financial data

Robert MOREREAU	EXCO FIDUCIAIRE DU SUD-OUEST
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Auditors

Members of the "Compagnie Régionale de Toulouse"

S.A. SOGECLAIR
7, avenue Albert Durand
31700 - BLAGNAC

FINANCIAL YEAR ENDING 31 DECEMBER 2006

In our capacity as the Auditors of SOGECLAIR and in application of the provisions of article L. 225-235 of Commercial Law, we are presenting our report on the report established by the President of your company pursuant to the provisions of article L. 225-37 of Commercial Law with respect to the year ending on 31 December 2006.

Under the responsibility of the Board of Directors, it is the task of Management to implement adequate and effective internal control procedures. It is the responsibility of the President to report, in particular, on the conditions under which the Board of Directors' work is prepared and organised and on the internal control procedures set up in the company.

It is our task to notify to you any remarks we may have concerning the information and declarations given in the President's report concerning the internal control procedures relative to the drawing up and processing of the accounting and financial information.

We have carried out our work according to the professional doctrine that applies in France. This requires that we exercise due diligence for assessing the sincerity of the information given and the declarations made in the President's report concerning the internal control procedures relative to the drawing up and processing of the accounting and financial information.

This due diligence concerns the following in particular:

- taking cognizance of the goals of the general internal control organisation, and of the internal control procedures relative to the drawing up and processing of the accounting and financial information, presented in the President's report;
- taking cognizance of the work backing up the information thus given in the report.

On the basis of this work we do not have any remarks to make on the information given and the declarations made concerning the company's internal control procedures relative to the drawing up and processing of the accounting and financial information, contained in the President of the Board's report, established in application of the provisions of the last paragraph of article L. 225-37 of Commercial Law.

Toulouse, 23 April 2007

The Statutory Auditors

	For EXCO Fiduciaire du Sud-Ouest
Robert MOREREAU	Jean-Marie FERRANDO

4.3. Agenda and proposed draft resolutions submitted to the general meeting of 25 May 2007

AGENDA

1. Coming within the scope of the Ordinary General Meeting

- Board of Directors' management report on the year ending 31 December 2006 including the group management report, Report of the President of the Board of Directors,
- Approval of the annual financial statements, the consolidated financial statements and of the agreements covered by article 225-38 of Commercial Law,
- Appropriation of profit,
- Delegation to be given to the Board of Directors to authorise the company to buy back its own shares in the framework of the provisions of article L225-209 of Commercial Law,
- Renewal of directors' mandates
- Appointment of a new director

. Coming within the scope of the Extraordinary General Meeting

- Board of Directors' Report,
- Bringing the articles of association into line with the provisions of decree No. 2006-1566 dated 11 December 2006,
- Delegation to be given to the Board of Directors to authorise the company to increase its capital either by issuing ordinary shares and/or securities providing access to the capital with upholding of the preferential right to subscribe, or by incorporation of reserves, premiums and profits,
- Delegation to be given to the Board of Directors to authorise the company to increase its capital either by issuing, with cancellation of the preferential right to subscribe, ordinary shares and/or securities providing access to the capital,
- Authorisation to increase the amount of the issues in case of excess demand,
- Delegation to be given to the Board of Directors to authorise the company to increase its capital, within the limit of 10 %, with a view to remunerating contributions in kind, equity capital or securities providing access to the capital,
- Delegation to be given to the Board of Directors to authorise the company to increase its capital by issuing shares reserved for subscribers to a company savings scheme established in application of articles L 443-1 et seq. of Labour Law,
- Delegation to be given to the Board of Directors to cancel the shares bought back by the company in the framework of the provisions of article L 225-209 of Commercial Law,
- Authorisation to be given to the Board of Directors with a view to granting share subscription and/or purchasing options to the members of staff (and / or certain directors),
- Authorisation to be given to the Board of Directors with a view to granting shares free of charge to the members of staff (and / or certain directors),
- Powers for accomplishing formalities.

Text of the resolutions:

1. Coming within the scope of the Ordinary General Meeting
First resolution – Approval of the company accounts

The general meeting, having taken cognizance of the Board of Directors', the President of the Board's and the Auditors' reports relative to the year ended 31 December 2006, approves the annual financial statements closed on that date, such as they were presented, resulting in € 1,584,163.74 being carried forward and a net profit of € 1,162,050.41.

Consequently, the General Meeting discharges the Directors and the Auditors fully and without reserve for the accomplishment of their mission for the said financial year.

The General Meeting especially approves the overall sum, amounting to € 2,961, of the expenses and charges covered by para. 4 of article 39 of General Tax Law, as well as the corresponding tax amounting to € 987.

Second resolution – Approval of the consolidated accounts

The general meeting, after having taken cognizance of the Board of Directors' and Auditors' reports on the consolidated financial statements to 31 December 2006 approves those statements such as they were presented, and showing a profit (group share) of € 1,876,262.

Third resolution - Agreements covered by articles L. 225-38 et seq. of Commercial Law

Deliberating on the special report that was submitted to it on the agreements covered by articles L. 225-38 et seq. of Commercial Law, the General Meeting approves the conclusions of said report and the agreements mentioned therein.

Fourth resolution – Appropriation of company profits

As proposed by the Board of Directors, the general meeting decides to distribute the profit for the financial year ended on 31 December 2006 amounting to € 1,162,050.41 to which must be added the sum of € 1,584,163.74 carried forward, as follows:

Origin		
- Carried forward		€1,584,163.74
- Result for the financial year: profit.........		€ 1,162,050.41
Appropriation		
- carried forward		
thus increased from € 1,584,163 to		
€ 2,383,714.15		
- to the shareholders, as dividends		
Giving a dividend of € 0.50 per share	€ 362 500,00	
Totals	€ 2,746,214.15	€ 2,746,214.15

The overall dividend payable per share is therefore set at € 0.50.

The distribution is eligible, for physical individuals domiciled in France for tax purposes, for the 40% reduction mentioned in article 158-3-2° of General Tax Law.

The dividends will be paid as from 14 June 2007.

It is stated that in the case where, at the time these dividends are paid out, the company holds certain of its own shares, the sums corresponding to the unpaid dividends relative to these shares shall be carried forward.

Pursuant to the provisions of article 243 bis of General Tax Law, the General Meeting acknowledges that it has been reminded that, in respect of the previous three fiscal years, the dividends distributed per share were respectively :

For the financial year	dividend distributed	Tax credit	Real revenue
2003	€ 0.40	€ 0.20	€ 0.60

For the financial year	Revenue eligible for the rebate		Revenue not eligible for the rebate
	Dividends	Other revenues distributed	
2004	€ 145,000 thatis € 0.20 per share	None	None
2005	€ 290,000 that is € 0.40 per share	None	None

Fifth resolution - Share buy-back programme

The General Meeting, having taken cognizance of the Board of Directors' report, authorises the Board for a period of eighteen months, pursuant to articles L 225-209 et seq. of Commercial Law, to buy back in one or more transactions at times that it shall decide, shares in the company within the limit of 2 % of the number of shares making up the company's equity capital, that is to say, on the basis of the current capital, 14,500 shares.

This authorisation puts an end to the authorisation given to the Board of Directors by the Ordinary General Meeting held on 17 May 2006.

The acquisitions may be made with a view to:

- ensuring market making or the liquidity of the SOGECLAIR shares through the intermediary of an investment service provider by means of a liquidity contract that is conform to an AFEI code of ethics recognised by the AMF,
- keeping the purchased shares and putting them at a later time up for exchange or in payment in the framework of external growth operations, it being stated that the shares purchased for this purpose may not exceed 5 % of the company's capital,
- ensuring the coverage of share option purchase plans and other forms of share allocation to the group's employees and/or directors under the conditions and according to the procedures stipulated by law, in particular in respect of participation in the company's results, of the company savings plan or the free allocation of shares,
- ensuring the coverage of the securities giving the right to the allocation of the company's shares in the framework of the regulations in force,
- proceeding with the possible cancellation of the shares purchased, subject to the authorisation proposed in the sixteenth resolution being granted by this General Meeting.

These purchases of shares may be carried out by all means and at any time that may be decided upon by the Board of Directors, including during periods of public offerings within the limits of the stockmarket regulations. However, the company does not intend to use derivative instruments.

The maximum purchase price is set at € 70 per share. In the event of transactions on the capital, in particular of a split or reverse split of stock or of a free allocation of shares, the amounts indicated above shall be adjusted in the same proportions (multiplication coefficient equal to the ratio between the number of shares making up the capital before the operation and the number of shares after the operation).

The maximum amount of the transaction is therefore set at € 2,537,500.

The General Meeting grants all powers to the Board of Directors to proceed with these operations, decide the terms and conditions, reach any agreements and accomplish all formalities.

Sixth resolution - Mr Philippe Robardey's directorship

After having taken cognizance of the report drawn up by the Board of Directors, the General Meeting renews for a term of six years the directorship of Mr. Philippe Robardey through until the end of the General Meeting that will be convened in 2013 to approve the accounts for the 2012 financial year.

Seventh resolution - Mr. Jean-Louis Robardey's directorship

After having taken cognizance of the report drawn up by the Board of Directors, the General Meeting renews for a term of six years the directorship of Mr. Jean-Louis Robardey through until the end of the General Meeting that will be convened in 2013 to approve the accounts for the 2012 financial year.

Eighth resolution - Mr. Alain Ribet's directorship

After having taken cognizance of the report drawn up by the Board of Directors, the General Meeting renews for a term of six years the directorship of Mr. Alain Ribet through until the end of the General Meeting that will be convened in 2013 to approve the accounts for the 2012 financial year.

Ninth resolution - Appointment of a new director

After having taken cognizance of the report drawn up by the Board of Directors, the General Meeting appoints Mr. Gérard BLANC, born in TLEMCEN (ALGERIA), on 6 March 1943, residing at 17 rue Joseph Marignac – 31300 TOULOUSE in the capacity of director for a term of six years through until the end of the General Meeting that will be convened in 2013 to approve the accounts for the 2012 financial year.

2. Coming within the scope of the Extraordinary General Meeting

Tenth Resolution – Harmonisation of the articles of association with the provisions of decree No. 2006-1566 dated 11 December 2006

After having taken cognizance of the report drawn up by the Board of Directors, the General Meeting decides to:

- bring the company's articles of association into line with the provisions of decree No. 2006-1566 dated 11 December 2006 ;
- modify as a consequence the third paragraph of article 15 of the articles of association, "Meeting of the shareholders", as follows:

Article 15 "Meeting of the shareholders"

Former wording of the 3rd paragraph:

"Any shareholder has the right to take part in the general meetings or to have him/herself represented, however many shares he/she owns, provided that those shares have been fully paid up and registered in his/her name at least five days before the date of the meeting. The Board of Directors may shorten this deadline as a general measure benefiting all the shareholders."

New wording of the 3rd paragraph

"Any shareholder has the right to take part in the general meetings or to have him/herself represented, however many shares he/she owns, provided that those shares have been fully paid up. However, the right to take part in the general meetings is subject to registration of the shares in the name of the shareholder or of the intermediary registered on his/her behalf, on the third working day preceding the meeting at midnight, Paris time, or in the nominative securities account held by the approved intermediary".

Eleventh resolution – Delegation of powers given to the Board of Directors to increase the capital by issuing ordinary shares or securities giving access to the capital reserved for the shareholders and/or by incorporation of reserves, profits or premiums

The General Meeting, having taken cognizance of the Board of Directors' report and of the auditor's special report, in accordance with the provisions of Commercial Law and, in particular of its article L. 225-129-2:

1) Delegates to the Board of Directors the powers of the general meeting to proceed with an increase of the capital, in one or more times, in the proportions and at the times that it shall deem appropriate:

a/ by issuing – either in euros, or in foreign currencies or in any other unit of account established in reference to a set of currencies – ordinary shares and/or securities giving access either immediately or in the longer term, at any moment or at a fixed date, to ordinary shares in the company or, pursuant to article L 228-93 of Commercial Law, in any company that owns directly or indirectly half of its capital or of which it owns directly or indirectly more than half of the capital, whether this is done by subscription, conversion, exchange, reimbursement, presentation of a bond or in any other way;

b/ and/or by incorporation in the capital of premiums, reserves, profits or otherwise in the form of an allocation of free shares or of raising the nominal value of the existing shares;

2) Fixes at twenty-six months the validity of this delegation, to run from the date of the present Meeting.

3) Decides to fix, as stipulated below, the limit of the authorised amounts of the issues in the event of utilisation of the present delegation of powers by the Board of Directors:

The overall nominal amount of the shares that may be issued by virtue of the present delegation may not exceed € 3,000,000.

The ceiling thus established includes the overall nominal value of the additional shares that may have to be issued to uphold, pursuant to the law, the rights of the holders of securities giving access to the capital.

Furthermore, the overall nominal amount of the shares issued, whether directly or not, by virtue of the following resolution shall be imputed to this ceiling.

The nominal amount of the securities representative of claims against the company that may be issued shall not exceed € 12,000,000.

4) In the event of utilisation of the present delegation of powers by the Board of Directors in the framework of the issues mentioned in 1/a/ above, it may:

a/ decide that the issue(s) shall be reserved by preference to the shareholders who may apply as of right for new shares,

b/ decide that if the application as of right for new shares and, if applicable, the application for excess shares, have not taken up the complete issue, the Board of Directors may use the possibilities stipulated by law and, in particular, offer all or part of the unsubscribed shares to the public,

c/ concerning any incorporation in the capital premiums, reserves, profits or otherwise, decide that, if applicable, the rights relative to fractional shares shall not be negotiable and that the corresponding shares shall be sold, with the sums raised by the sale being allocated to the holders of the rights within the period of time set by the legal provisions,

5) Decides that the Board of Directors shall have, within the limits set above, the powers required, in particular, to fix the conditions for the issue(s), ascertain the accomplishment of the resulting capital increases, proceed with the related modification of the articles of association, impute, on its sole initiative, the expenses relative to the capital increases to the amount of the premiums relative to them and deduct from this amount the sums required to bring the legal reserve up to one tenth of the new capitalisation after each increase and, more generally, to do the necessary in this area.

6) Notes that the present delegation cancels the effect of any earlier delegation relative to the same subject.

Twelfth resolution – Delegation of powers given to the Board of Directors to increase the capital by issuing ordinary shares and/or securities giving access to the capital, with cancellation of the preferential right to subscribe

The General Meeting, having taken cognizance of the Board of Directors' report and of the auditor's special report, in accordance with the provisions of Commercial Law and, in particular of its article L 225-129-2:

1. Delegates to the Board of Directors the powers to proceed with an increase of the capital, in one or more times, in the proportions and at the times that it shall deem appropriate, on the French and/or international market, by making a public offering – either in euros, or in of a bond or in any other way; it being stated that the said shares may be issued with a view to remunerating shares contributed to the Company in the framework of a public offer to exchange shares

meeting the conditions stipulated by article L 225-148 of Commercial Law.

Pursuant to article L 228-93 of Commercial Law, the securities to be issued may give access to ordinary shares in any company that owns directly or indirectly half of its capital or of which it owns directly or indirectly more than half of the capital.

2. Fixes at twenty-six months the validity of this delegation, to run from date of the present Meeting.
3. Decides to fix, as stipulated below, the limit of the authorised amounts of the issues in the event of utilisation of the present delegation of powers by the Board of Directors:

   The overall nominal amount of the shares that may be issued by virtue of the present delegation may not exceed € 3,000,000.

   Furthermore, the overall nominal amount of the shares issued by virtue of the previous resolution shall be imputed to this ceiling.

   The nominal amount of the securities representative of claims against the company that may be issued shall not exceed € 12,000,000.
4. Decides to cancel the shareholders' preferential right to subscribe to the shares that are the subject of the present resolution while leaving, however, the Board of Directors the possibility of granting the shareholders a right of priority pursuant to the law.
5. Decides that the sum due, or that should be due, to the Company for each of the ordinary shares issued in the framework of the present delegation of powers, after having taken into account, in the case of the issue of share warrants and of the issue price of the said warrants, shall be at least equal to the minimum required by the legal and regulatory provisions applicable at the time the Board of Directors makes use of the delegation.
6. Decides, in the case of the issue of shares intended to remunerate the shares contributed in the framework of a public exchange offering, that the Board of Directors shall have, within the limits set above, the powers required to determine the list of shares contributed to the exchange, fix the issue conditions, the exchange parity as well as, if applicable, the amount of the payment in cash to be made, and determine the issue procedures.
7. Decides that the Board of Directors shall have, within the limits set above, the powers required, in particular, to fix the conditions for the issue(s), ascertain the accomplishment of the resulting capital increases, proceed with the related modification of the articles of association, impute, on its sole initiative, the expenses relative to the capital increases to the amount of the premiums relative to them and deduct from this amount the sums required to bring the legal reserve up to one tenth of the new capitalisation after each increase and, more generally, to do the necessary in this area.
8. Notes that the present delegation cancels the effect of any earlier delegation relative to the same subject.

Thirteenth resolution – Authorisation to increase the amount of the issue in the case of surplus demands

For each of the issues decided on in application of resolutions eleven and twelve, the number of shares to be issued may be increased under the conditions provided for in article L 225-135-1 of Commercial Law and within the limit of the ceilings set by the meeting, when the Board of Directors observes a surplus demand.

Fourteenth resolution – Authorisation given to the Board of Directors to increase the share capital within the limit of 10% with a view to remunerating contributions in kind

The General Meeting, having taken cognizance of the Board of Directors' report, and in accordance with article L 225-147 of Commercial Law:

1. Authorises the Board of Directors to proceed, further to the report of the non-cash contributions auditor, with an increase in capital with a view to remunerating contributions in kind made to the company and made up of capital bonds or securities providing access to the capital when the provisions of article L 225-148 of Commercial Law are not applicable.
2. Fixes at twenty-six months the validity of this delegation, to run from the date of the present Meeting.
3. Decides that the overall nominal amount of ordinary shares that may be issued by virtue of the present delegation may not exceed 10% of the equity capital.

   This ceiling is independent from all the ceilings stipulated by the other resolutions submitted to the present meeting.
4. Delegates all powers to the Board of Directors, with a view to proceeding with the approval of the valuation of the contributions, to decide the resulting capital increase, ascertain the accomplishment, impute if applicable all the expenses and duties incurred by the capital increase to the share premium, take from the share premium the sums required to bring the legal reserve up to one tenth of the new capitalisation after each increase, proceed with the related modification of the articles of association, and do the necessary in this area.

Fifteenth resolution – Authorisation to proceed with a capital increase reserved for PEE (corporate savings plan) subscribers

The General Meeting, having taken cognizance of the Board of Directors' report and of the auditor's special report, in accordance with the provisions and, in particular of articles L. 225-129-6 and L. 225-138-1 of Commercial Law and L. 443-5 of Labour Law:

1. Authorises the Board of Directors, if it considers it opportune, on its sole decisions, to increase the equity capital in one or more times by issuing ordinary shares for cash and, if applicable, by the free allocation of ordinary shares or of other securities giving access to the capital, reserved for the employees (and directors) of the company (and of companies linked to it in the sense of article L. 225-180 of Commercial Law) who subscribe to a corporate savings plan,
2. Cancels in favour of these people the preferential right to subscribe to the shares that may be issued by virtue of the present authorisation,
3. Fixes at twenty-six months the validity of this authorisation, to run from date of the present Meeting,
4. Limits the maximum nominal amount of the increase(s) that may be made through the utilisation of the present authorisation to 3 % of the amount of the share capital reached when the Board of Directors takes the decision to proceed with this increase,
5. Decides that the price of the shares to be issued, in application of 1/ of the present delegation, may not be more than 20 % lower – or 30 % lower when the period of unavailability provided for in the plan in application of article L. 443-6 is greater than or equal to ten years – than the average of the first share prices quoted at the time of the 20 stockmarket sessions preceding the Board of Director's deci-

sion relative to the capital increase and to the corresponding issue of shares, nor may it be higher than that average.

6. Grants all powers to the Board of Directors to implement the present authorisation, take all measures and accomplish all the necessary formalities,

7.Notes that the present delegation cancels the effect of any earlier delegation relative to the same subject.

Sixteenth resolution – Delegation for the reduction of capital in the framework of a share buyback programme

The General Meeting, having taken cognizance of the Board of Directors' report and of the auditor's report:

1°) authorises the Board of Directors to cancel on its sole decisions, in one or more times, within the limit of 10 % of the capital, that is to say 72,500 shares, the shares that the company holds or may hold further to buybacks made in the framework of article L. 225-209 of Commercial Law as well as to reduce the share capital in due proportion pursuant to the legal and regulatory provisions in force,

2°) fixes at 24 months to run from the present Meeting, that is to say until 24 May 2009, the term of validity of the present authorisation,

3°) Grants all powers to the Board of Directors to accomplish the operations required for said cancellations and related reductions of the share capital, modify the company's articles of association as a consequence and accomplish all the necessary formalities.

Seventeenth resolution – Authorisation to be given to the Board of Directors with a view to granting share subscription and/or purchase options to members of the salaried personnel (and / or certain directors)

The General Meeting, having taken cognizance of the Board of Directors' report and of the auditor's special report:

- Authorises the Board of Directors, in the framework of the provisions of articles L.225-177 to L. 225-185 of Commercial Law, to grant in one or more times, to the benefit of the people indicated below, options giving the right to subscribe to new shares in the company to be issued as an increase of capital or to buy existing shares in the company resulting from the buyback operations accomplished under the conditions stipulated by law,
- fixes at thirty-eight months to run from the present Meeting the term of validity of the present authorisation,
- decides that the beneficiaries of these options may only be:
  - on the one hand, staff or certain members of staff, or certain categories of staff,
  - on the other hand, the directors, as defined by law,

of the SOGECLAIR companies or of companies or consortiums that are linked to it under the terms of article L. 225-180 of Commercial Law,

- the total number of options that may be granted by the Board of Directors in respect of the present delegation of powers may not give the right to subscribe to or purchase a number of shares greater than 2% of the existing share capital on the day of the first allocation, in compliance with the legal limits and in particular those of articles L.225-182 of Commercial Law and 174-17 of the decree dated 23 March 1967,
- decides that the price of subscription and/or purchasing shares by the beneficiaries shall be fixed on the day when the options will be granted by the Board of Directories and may not be lower than the minimum price determined by the applicable legal provisions in force,
- decides that no option may be granted:
  - within the ten stockmarket sessions preceding and following the date on which the consolidated accounts are made public,
  - or within the time comprised between the date on which the company's governing bodies take cognizance of a piece of information which, if it was made public, could have a significant impact on the price of the company's shares, and the date ten stockmarket sessions later than the date on which said information was made public,
  - less than twenty stockmarket sessions after the detachment from the shares of a coupon giving the right to a dividend or to an increase of capital,
- takes note that the present authorisation comprises, with respect to the beneficiaries of share subscription options, the express renunciation of the shareholders to their preferential right to subscribe to the shares that will be issued gradually as the options are exercised,
- delegates all powers to the Board of Directors to fix the other conditions and procedures for granting and exercising options and in particular for:
- fixing the conditions under which the options will be granted and determining the list or categories of beneficiaries such as provided for above; fixing, where applicable, the seniority conditions that the beneficiaries must meet; deciding the conditions under which the price and number of shares must be adjusted in particularly in the cases provided for in articles 174-8 to 174-16 of the decree dated 23 March 1967,
- fixing the period(s) during which the options thus granted can be exercised, it being stated that the length of the options may not exceed a period of 5 years, to run from their date of granting,
- providing the possibility of temporarily suspending the exercising of the options during a maximum period of three months in the case of financial operations being accomplished implying the exercising of a right attached to the shares,
- accomplishing or having accomplished all acts and formalities with a view to making definitive the increases of capital that may, where applicable, be made by virtue of the authorisation that is the subject of the present resolution; modifying the articles of association as a consequence and generally doing everything necessary,
- on its sole decision and if it considers it opportune, charge the expenses of the increase of share capital to the amount of the premiums relative to these increases and take from this amount the sums required to bring the legal reserve up to ten percent of the new share capital after each increase.

Eighteenth resolution – Authorisation to be given to the Board of Directors with a view to granting shares free of charge to members of the salaried personnel (and / or certain directors)

The General Meeting, having taken cognizance of the Board of Directors' report and of the auditor's special report, authorises the Board of Directors to proceed, in one or more times, pursuant to articles L 225-197-1 and L 225-197-2 of Commercial Law, with the granting of ordinary shares in the company, existing or to be issued, to the benefit:

- of staff members of the company or of companies that are linked to it directly or indirectly in the sense of article L 225-197-2 of Commercial Law,

- and/or of directors who meet the conditions stipulated by article L. 225-197-1 of Commercial Law.

The total number of shares thus granted free of charge may not exceed 3% of the share capital that exists on the day the Board of Directors takes the decision to grant them.

The allocation of the shares to the beneficiaries will become definitive at the end of an acquisition period of:

- a minimum period of time of two years for beneficiaries who are resident in France for tax purposes on the date of granting. Furthermore, the latter must keep the shares granted for a minimum period of two years. The Board of Directors will have the possibility of extending the length of these two periods.
- at least four years for beneficiaries who are not resident in France for tax purposes on the date of granting. The Board of Directors will have the possibility of extending the length of this period. These beneficiaries are not however subject to the obligation of conservation mentioned above, except in the case of a fiscal provision to the contrary.

As an exception, the definitive granting will take place before the term of the acquisition period in the case of invalidity of the beneficiary corresponding to the classification in the second and third categories provided for in article L. 341-4 of Social Security Law.

All powers are entrusted to the Board of Directories enabling it to:

- fix the conditions and, where applicable, the criteria for granting the shares,
- determine the identity of the beneficiaries and the number of shares allocated to each one of them,
- determine the impact on the rights of the beneficiaries, of the operations modifying the capital or that could affect the value of the allocated shares and that are accomplished during periods of acquisition and of conservation and, consequently, modify or adjust, if necessary, the number of allocated shares in order to uphold the rights of the beneficiaries,If applicable:
- ascertain the existence of sufficient reserves and proceed at the time of each allocation with the transfer to an unavailable reserve account of the sums required for releasing the new shares to be allocated,
- decide, in due time, the capital increases by incorporation of reserves, premiums or profits relative to the issue of the new shares allocated free of charge; the amount of this (these) capital increase(s) being imputed to that of the overall authorisation given by the 7th resolution.
- take all useful steps to ensure compliance with the obligation of conservation required of the beneficiaries,
- and, generally, do everything in the framework of the legislation in force, that will be made necessary by the implementation of the present authorisation.

The present authorisation implies the express renunciation of the shareholders to their rights to the fraction of the reserves, premiums and profits to be incorporated in the capital to enable the releases of the allocated shares.

It is given for a period of thirty-eight months to run from the date of the present meeting.

Nineteenth resolution – Formalities

The General Meeting grants all powers to the bearer of a copy or of an extract of these minutes with a view to accomplishing all registration and publicity formalities required by the Law.

5. Informations concerning the issuer and its capital

5.1. General information

Corporate name: SOGECLAIR

Corporate headquarters: 7, avenue Albert Durand - BP 69 - 31703 BLAGNAC CEDEX

Date of creation: 1st February 1986

Legal form: Société Anonyme (Joint Stock Company) with a Board of Directors, governed by the law on commercial companies.

Duration: 60 years to run from the date of registration on the corporate and trade register, that is until 2046.

Corporate and Trade Register: 335 218 269 RCS Toulouse

APE code (business activity code): 741 J.

Corporate object: The object of the company is directly or indirectly to:

- create a group by acquiring stakes in any companies whose main activity involves technical engineering in the areas of simulation/design, design quality, training multimedia, documentation engineering, configuration management and all related or connected products or services.
- acquire stakes in any companies, acquire any securities and perform all operations related to portfolio management and to exercise all the rights resulting from the ownership of those shares.
- administer, manage, control and develop these shareholdings.
- provide all services, rental of equipment essentially for the benefit of the companies in the group and, in particular, to carry out coordination, direction, management and control functions.
- lastly, the direct or indirect participation of the company in any civil or commercial operations, under any form whatsoever, provided that these operations can be attached directly or indirectly to the management of the assets and cash or the corporate object or any similar connected or complementary objects.

It may carry out any operations that are compatible with this object, that relate to it and contribute to achieving it.

Financial year: 1 January to 31 December.

Place of consultation of the documents made available to the shareholders : The articles of association, minutes of the general meetings and other corporate documents can be consulted at company headquarters.

5.2. Main legal and statutory provisions

5.2.1. Shareholders' meetings

(Article 15 of the articles of association)

ARTICLE 15 – SHAREHOLDERS' MEETINGS

Shareholders' meetings are convened and hold their debates under the conditions provided for by the law and regulations.

They are held at company headquarters or at any other place in the same département.

All shareholders are entitled to attend the General Meetings or to be represented, regardless of the number of shares they hold, provided the shares are fully paid up and are registered in their name at least five days before the date of the meeting. The Board of Directors may shorten this period through a general measure benefiting all the shareholders.

Any shareholder who owns shares of a given class may take part in the special shareholders' meetings for that class under the conditions stipulated above.

Shareholders taking part in the meeting by means of videoconference or telecommunications systems within the limits and under the conditions stipulated by the legislation and regulations in force are considered to be present for the calculation of the quorum and of the majority.

Voting shall be by a show of hands or by a nominal call. A secret ballot, whose procedures shall be set by the General Meeting, may only be held at the request of members representing, either themselves or in the capacity of representatives, the majority required to vote the resolution concerned.

Each shareholder at the meeting is entitled to as many votes as the number of votes he/she holds or represents, without limitation, subject to the legal or statutory provisions that could restrict the exercising of this right.

5.2.2. Limitation on the voting rights and multiple voting rights

Article 15 of the articles of association

A double voting right is however granted to holders of fully paid-up nominal shares, if these shares have been registered for at least two years in the name of the same shareholder. Double voting rights are also granted, as soon as they are issued, to nominal shares allocated free of charge to a shareholder on the basis of former shares for which the shareholder already has double voting rights.

The double voting right automatically ceases for any share that has been converted to the bearer or undergone a transfer of ownership, subject to any exceptions provided for by law.

5.2.3. Exceeding of thresholds

There are no provisions in the articles of association concerning the exceeding of thresholds.

Consequently, it is the legal provisions that apply.

5.2.4. Identifiable bearer securities in accordance with article L.228-2 of Commercial Law

The company is authorised at any moment to ask the organisation responsible for the clearing of securities, for the information provided for by law, relative to the identification of the holders of shares giving, either immediately or in the longer term, voting rights at the shareholders' meeting. (from the moment of listing). SOGECLAIR asked EUROCLEAR, in January 2006 for the nominative list of holders registered on the shareholders' register. The number of shareholders identified amounted to 1654.

5.2.5. Appropriation and distribution of profits

(Article 18 of the articles of association)

The difference between the revenues and expenses for the fiscal year, after deduction of amortisation and provisions, represents the profit or loss for the fiscal year.

Five percent is taken from the profit, less any earlier losses if applicable, to form the legal reserve. This deduction ceases to be compulsory when the reserve fund reaches a sum equal to one tenth of the company's share capital. It is resumed if, for any reason whatsoever, the legal reserve falls below this amount.

The profit available for distribution is made up of the profit for the fiscal year, less any earlier losses and less the deduction stipulated above, plus any retained earnings.

This profit is placed at the disposal of the General Meeting which, upon the recommendation of the Board of Directors, can carry forward all or part of it, allocate it to general and special reserve funds or distribute it to the shareholders as dividends.

Furthermore, the General Meeting may decide to distribute sums taken from the reserves that are at its disposal; in which case, the decision must expressly state the reserve items from which the sums are to be deducted. However, as a priority the dividend must be taken from the distributable profit for the year.

The General Meeting called to approve the annual accounts may, for all or part of the dividend or interim dividend to be distributed, offer each shareholder the option between payment of the dividend or of interim dividends in cash or in shares.

5.2.6. Share registration

The shares are, at the owner's option, registered on the pure nominative account, on the administered nominative account or as identifiable bearer shares with an approved intermediary. CM CIC Securities provides the securities and pure nominative administration service. You may obtain all information at Company Headquarters.

5.3. Share capital

As of 31 December 2006, the capital of SOGECLAIR amounted to € 2,900,000, divided into 725,000 shares with a nominal value of € 4 each.

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5.3.1. Change in SOGECLAIR's share capital since its creation

Dates	Type of operation	Capital increase	Share premium or contribution	Number of shares created	Total number of shares	Capital after operation
01/02/1986	Creation of the Société Anonyme (joint stock company)	F 250,000	0	2,500	2,500	F 250,000
EGM . on 01/12/1988	Capitalisation of reserves and creation of 12,500 new shares	F 1,250,000	0	12,500	15,000	F 1,500,000
EGM on 11/12/1989	Investment in kind	F 675,000	F 2,025,000	6,750	21,750	F 2,175,000
EGM on 28/12/1989	Capitalisation of the share premium	F 2,025,000	0	20,250	42,000	F 4,200,000
28/03/1997	Cash contribution made by SOFICLAIR	F 1,200,000	0	12,000	54,000	F 5,400,000
EGM on 30/04/1998	Capital increase by issuing 5,400 new shares	F 540,000	F 5,459,400	5,400	59,400	F 5,940,000
EGM on 30/04/1998	Capital increase by capitalisation of part of the share premium and raising of the share's par value from FRF 100 to 190.	F 5,346,000	-	-	59,400	F 11,286,000
EGM on 30/04/1998	Reduction of the share's par value from FRF 190 to 20 by exchanging 2 old shares valued at FRF 190 for 19 new shares valued at FRF 20	-	-	504,900	564,300	F 11,286,000
Board Meeting on 08/09/1998 delegated by EGM on 22/06/1998	Issue in cash of shares proposed to the public	F 2,000,000	F 11,137,296	100,000	664,300	F 13,286,000
Combined General Meeting on 09/04/2001	Capital increase by capitalisation of the issue premium and revaluation differentials and conversion into euros..	F 4,144,089.40	F 807,978 revaluation differentials F 3,336,111.40	-	664,300	F 17,430,089 that is € 2,657,200
Combined General Meeting on 07/06/2004	Capital increase by issue of new shares subsequent to merger by takeover of LPPI	€ 1,641,808	-	410,452	1,074,752	€ 4,299,008

Dates	Type of operation	Capital decrease	Share premium or contribution	Number of shares cancelled	Total number of shares	Capital after operation
Combined General Meeting on 07/06/2004	Reduction of the capital by cancellation of 349,752 shares	€ 1,399,008	-	349,752	725,000	€ 2,900,000

5.3.2. Authorised capital

See above Note 2 of the report to SOGECLAIR's Board of Directors

5.3.3. Share buyback programme

See section 4.4 of the report to SOGECLAIR's Board of Directors

Approval No: 00-362 dated 21 March 2000.

The authorisation to proceed with an own-share buy-back programme was given by the General Meeting held on 12 April 2000 and renewed by the General Meetings of 9 April 2001, 19 April 2002, 23 May 2003, 7 June 2004, 10 June 2005 and 17 May 2006. The information note is available on request from the company's headquarters.

5.3.4. Breakdown of capital and of voting rights over the last 3 years

	Situation on 31/12/2006 (*)			Situation on 31/12/2005			Situation on 31/12/2004		
Shareholders	Number of shares	% of Capital	% voting rights	Number of shares	% of Capital	% voting rights	Number of shares	% of Capital	% voting rights
ROBARDEY family	486,565	67.11	83.34	488,692	67.41	75.88	493,173	68.03	77.40
Others	599	0.08	0.10	789	0.11	0.14	36	0.005	0.005
Public	191,340	26.40	16.55	179,822	24.80	23.98	168,224	23.20	22.60
Own shares	46,496	6.41	-	55,697	7.68	-	63,567	8.77	
TOTAL	**725,000**	**100,00**	**100,00**	**725 000**	**100,00**	**100,00**	**725 000**	**100,00**	**100,00**

(*) on 31/12/2006, the voting rights were calculated on the basis of all the shares that have voting rights attached to them, including the shares that do not have voting rights (RG AMF 222-12 to 222-13)

To the company's knowledge, there are no other shareholders who own directly, indirectly or together in agreement 5 % or more of the capital or voting rights.

5.3.5. Securities providing access to the capital

None.

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5.4. Shareholders' pact and agreements

There are no shareholders' pacts. However, a collective commitment was made at the end of 2004. It concerns the ROBARDEY family and Marc DAROLLES relative to 150,040 shares and voting rights.

5.5. Pledging, guarantees and securities

The Société Générale granted, on 6 June 2002, a loan for € 1,500,000 to the company SOGECLAIR SA. This loan contract stipulates a pledging of the shares held by SOGECLAIR in the company HIGH END ENGINEERING GmbH (HEE) to guarantee the reimbursement of the 84 monthly loan repayments, amounting to € 21,270.

The CIC granted, on 15 May 2006, a loan for € 1,900,000 to the company SOGECLAIR SA. This loan contract stipulates a pledging of the shares held by SOGECLAIR in the company HIGH END ENGINEERING GmbH (HEE) to guarantee the reimbursement of the 60 monthly loan repayments, amounting to € 34,949.

The Caisse d'Epargne and the Société Générale granted, on 30 January 2006, loans for € 400,000 and € 430,000 respectively to the company SOGECLAIR SA. This loan contract stipulates a pledging of the shares held by SOGECLAIR in the company OKTAL SA to guarantee the reimbursement of the:

- 84 monthly loan repayments, amounting to € 5,468.
- 27 quarterly loan repayments, amounting to € 17,623.

Type of pledging	Pledging start date	Pledging end date	Amount of pledged assets
Pledging of 51% of the HEE shares	11/07/2002	11/06/2009	1,387,500
Pledging of 28% of the HEE shares	25/07/2006	25/06/2011	2,102,764
Pledging of 21% of the OKTAL SA shares	30/01/2006	05/03/2013	750,848

5.6. Dividends

5.6.1. Distribution of dividends for the last 3 financial years

	2006	2005	2004
Overall dividend / share (excl. Tax credit)	€ 0.50	€ 0.40	€ 0.20

Total amount of the dividends paid for the last 3 financial years

	2006	2005	2004
Total amount	€ 362,500	€ 290,000	€ 145,000
Percentage of the consolidated overall net profit	15,87%	13,92%	34,78%

5.6.2. Dividend limitation period

The dividend limitation period is 5 years from the time they become payable. After this period, the dividends that have not been claimed will be paid to the State.

5.6.3. Future dividend policy

The company intends to pursue its dividend distribution policy.

5.7. Securities non-representative of the capital

None.

5.8. Control of the company

The company does not belong to a group..

5.9. Key stock market data

5.9.1. Change in stock market price and of the transaction volumes since 1 January 2005

(sources Euronext).

	Highest price in €	Lowest price in €	Transactions in shares	Transactions in thousands of €
January 2005	33.30	28.00	19,523	587.87
February 2005	35.55	30.90	43,371	1,479.08
March 2005	33.99	30.50	17,850	567.43
April 2005	32.19	30.01	5,896	183.07
May 2005	31.50	29.50	11,623	356.12
June 2005	31.50	28.78	13,870	410.50
July 2005	31.14	29.00	6,811	204.85
August 2005	31.94	29.29	8,125	248.02
September 2005	38.35	29.10	40,145	1,368.16
October 2005	38.35	33.60	18,929	698.24
November 2005	34.99	33.20	6,488	220.06
December 2005	37.40	32.82	14,173	501.36

Market capitalisation on 31/12/2005: M€ 27.11
Average exchanges over the year: 17,234 shares a month.

	Highest price in €	Lowest price in €	Transactions in shares	Transactions in thousands of €
January 2006	38.39	36.05	10,267	384.48
February 2006	48.20	37.35	25,279	1,029.09
March 2006	54.30	43.01	41,914	2,063.87
April 2006	53.00	48.20	9,612	481.53
May 2006	50.00	40.00	9,778	447.87
June 2006	42.53	35.00	13,270	503.68
July 2006	42.97	35.57	5,158	200.41
August 2006	39.00	36.00	7,888	295.48
September 2006	43.00	36.10	13,216	538.65
October 2006	42.65	36.00	14,491	554.25
November 2006	37.59	35.00	11,113	403.47
December 2006	39.05	35.20	12,601	464.28

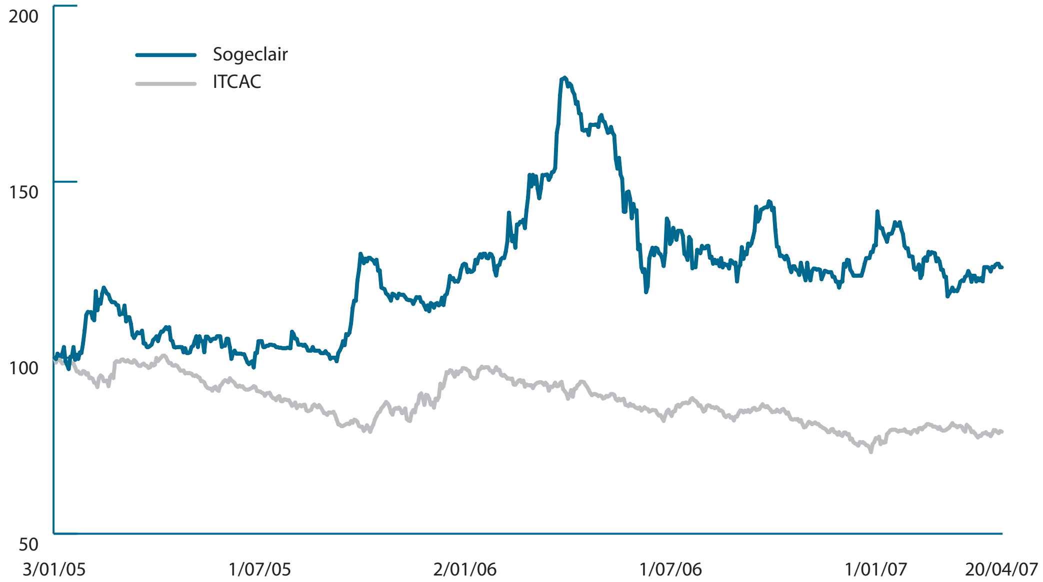
Market capitalisation on 31/12/2006: M€ 28.32
Average exchanges over the year: 14,549 shares a month

	Highest price in €	Lowest price in €	Transactions in shares	Transactions in thousands of €
January 2007	41.90	38.00	10,316	410.02
February 2007	38.50	36.00	13,906	518.85
March 2007	37.44	34.50	13,218	473.98

Identification sheet
Eurolist-C- ISIN FR0000065864
Reuters Code: SCLR.PA
Bloomberg Code: SOG.FP

5.9.2. Stock Exchange graph

SOGECLAIR share price and ITCAC over 2 years



5.10. Information for the shareholders and analysts

Since being listed on the stockmarket, SOGECLAIR has maintained a regular communication programme with a view to keeping all of its shareholders, and the financial community informed.

In 2006, these communication actions have been materialised by:

- An annual report– reference document for the 2005 financial year
- Financial press releases and notifications
- Two SFAF information meetings: 22 March 2006 for the annual results for 2005 and 20 September 2006 for the first half results for 2006.
- Other information meetings with analysts, journalists and investors

Forecast diary

2007

Consolidated sales for 2006	7 February 2007
Annual results for 2006	21 March 2007
Consolidated sales for the 1st quarter 2007	Week 19
General Meeting	25 May 2007
Consolidated sales for the 2nd quarter 2007	Week 32
Consolidated results for the 1st half 2007	Week 37
Consolidated sales for the 3rd quarter 2007	Week 45

2008

Consolidated sales for the 4th quarter 2007	Week 6
Annual results for 2007	Week 12

Information published or made public over the last 12 months

Date	Nature of the information and publication references
22 March 2006	Release of the annual results for 2005 and results presentation slideshow.Available on the www.sogeclair.fr web site
22 March 2006	Publication of the annual results for 2005 - financial notification in La Tribune
24 March 2006	Publication of the annual results for 2005 - financial notification in Le Journal des Finances and in Investir
14 April 2006	Publication in the BALO (Bulletin of Obligatory Legal Announcements) of the convocation to the general meeting on 17 May 2006
24 April 2006	Publication in the La Gazette legal announcements journal of the notice of convocation to the general meeting on 17 May 2006
21 April 2006	Publication in the BALO of the annual results for 2005, consolidated accounts for 2005 and of the appropriation of profits
02 May 2006	Release of the consolidated sales for the 1st quarter 2006. Available on the www.sogeclair.fr web site
05 May 2006	Lodging with the AMF of the reference document 2005. Available on the www.sogeclair.fr web site
10 May 2006	Publication in the BALO of the consolidated turnover for the 1st quarter 2006
17 May 2006	Notification of implementation of the share buyback programme – Available on the AMF's web site and on the www.sogeclair.fr web site
26 May 2006	Publication in the BALO of the number of voting rights at the end of the General Meeting held on 17 May 2006
31 May 2006	Publication in the BALO of the approval of the annual and consolidated accounts for 2005
22 june 2006	Declaration of operations on securities carried out by people linked to the directors or senior managers. Available on the AMF's web site
23 June 2006	Lodging of the updated articles of association with the Commercial Court of Toulouse after the GM
26 June 2006	Appointment of Mr. Alberto FERNANDEZ as new director Published in: La Gazette du Midi
27 June 2006	Lodging of the accounts for 2005 with the Commercial Court of Toulouse
26 July 2006	Half-yearly liquidity contract statement Bilan Available on the AMF's web site
1 August 2006	Release of the consolidated sales for the 1st half 2006 Available on the www.sogeclair.fr web site
9 August 2006	Publication in the BALO of the consolidated sales for the 2nd quarter 2006
20 September 2006	Release of the results for the 1st half 2006 and results presentation slideshow Available on the www.sogeclair.fr web site
21 September 2006	Publication of the results for the 1st half 2006 – financial notification in La Tribune
22 September 2006	Publication of the results for the 1st half 2006 – financial notification in Investir
22 June 2006 29 September 2006 4 October 2006 6 October 2006 10 October 2006 11 October 2006	Declaration of operations on securities carried out by people linked to the directors or senior managers. Available on the AMF's web site
13 October 2006	Publication in the BALO of the consolidated sales for the 1st half 2006
26 October 2006	Release of the consolidated sales for the 3rd quarter 2006 - Available on the www.sogeclair.fr web site
30 October 2006	Declaration of the voting rights on 30 October 2006 - Available on the www.sogeclair.fr web site
3 November 2006	Publication in the BALO of the consolidated sales for the 3rd quarter 2006
30 November 2006	Declaration of the voting rights on 30 November 2006 - Available on the www.sogeclair.fr web site
29 December 2006	Declaration of the voting rights on 29 December 2006 - Available on the www.sogeclair.fr web site
07 February 2007	Release of the annual consolidated sales for 2006 (*) - Available on the www.sogeclair.fr web site
08 February 2007	Declaration of the voting rights on 31/01/2007 (*) - Available on the www.sogeclair.fr web site
14 February 2007	Publication in the BALO of the consolidated sales for 2006
21 March 2007	Releases of the results for 2006 (*) Slideshow for the results presentation meeting Available on the www.sogeclair.fr web site
24 March 2007	Publication of the annual results for 2006 – financial notification in Investir
16 April 2007	Publication in the BALO of the convocation to the general meeting on 25/05/2007
23 April 2007	Publication in the BALO of the annual accounts for 2006, of the consolidated accounts for 2006 and the appropriation of the results

(*) Regulated information distributed by Companynews, distributor approved by the AMF

In order to meet the new obligations on the effective and complete distribution of the regulated information, since February 2007, SOGECLAIR transmits the regulated information by electronic means to a professional distributor included on the list published by the AMF. This information is on-line on the www.sogeclair.fr website, url link http://www.sogeclair.com/communiques.php where in accordance with the regulations, it will remain archived for at least 5 years.

6.1. Members of the Board of Directors on 31 December 2006

First name and surname	Date of appointment or first appointment	Mandate expiring at the General Meeting held to approve the year ending :	Main function exercised in the company	Main function exercised outside the company	Other mandates and functions exercised in any company
Philippe ROBARDEY	Appointed as first director by the company's articles of association signed on 1st February 1986	31-december-2006	President & CEO and director of SOGECLAIR Director of the following : subsidiaries: - CLAIRIS TECHNOLOGIES SA - EDT - OKTAL SA - SOGEMASA Ingenieria - Manager of THARSYS - President of CLAIRIS TECHNOLOGIES Limited		
Jean Louis ROBARDEY	Board Meeting on 20th February 1986	31-december-2006	Director of SOGECLAIR President & CEO and director of EDT Director of CLAIRIS TECHNOLOGIES		Manager of SCI SOLAIR
Jacques RIBA	General Meeting on 28th April 1999	31 December 2010	Director of SOGECLAIR		Director of Courtois Manager of PAGESTRI
Michel GRINDES	General Meeting on 19th April 2002	31-December-2007	Director of SOGECLAIR		Manager of MBZ Consultants
Bernard ZIEGLER	General Meeting on 19th April 2002	31-December-2007	Director of SOGECLAIR Director of SOGEMASA Ingenieria		
Alain RIBET	Board Meeting on on 15th November 2004	31-December-2006	Director of SOGECLAIR Director of CLAIRIS TECHNOLOGIES SA Director of EDT. President of S2E Consulting		
Alberto FERNANDEZ	General Meeting on 17th May 2006	31-December-2011	Director of SOGECLAIR		President and CEO of Jefe Jeronimo SL Member of the Board of Directors of Aresa Membre of comittee of the Strategy of Asco

6.2. Expertise and experience of the members of the board of directors and of the supervisory board in the area of management

Philippe ROBARDEY

Managerial training. Chief Executive Officer of SOGECLAIR for 9 years before becoming President in 2003. Led SOGECLAIR's flotation and international development.

Jean-Louis ROBARDEY

Entrepreneur. Founding President of SOGECLAIR. In all, more than 40 years' experience as a Company Director.

Alain RIBET

More the 40 years' experience in the aeronautical sector. In the framework of his activities in the Airbus France Design Office, responsible for the management and associated budget control for aircraft sections.

Bernard ZIEGLER

X – SUPAERO. Former test pilot and Vice President / technical director of Airbus. Worldwide reference in the area of aeronautical technologies for more than 30 years.

Michel GRINDES

Former President of Airbus North America. Has ensured management control, assistant financial director and procurement manager functions.

Jacques RIBA

Entrepreneur. Founder of the Chipie Junior company, then President of Chipie. Has exercised the functions of director in several listed companies

Alberto FERNANDEZ

Former President of EADS Casa and Airbus Military Company.

Former President of Afarmade (Spanish armament, defence and security equipment association).

6.3. Specific information relative to the directors

Mr. Jean-Louis ROBARDEY is the father of Mr. Philippe ROBARDEY.

The company has 3 independent directors, all of whom were appointed, in particular, due to their skills and the mastery they have of the strategic challenges of the markets in which the company operates. The criteria adopted are those recommended by the AFEP-MEDEF report. The Board of Directors does not include any directors elected by the employees. No non-voting members of the board have been appointed.

The number of shares that each director must hold is set at 1 share.

For the needs of their directorships, the members of Board of Directors are domiciled at the company headquarters.

To the knowledge of the company and on the day that this document was established, none of the members of the board of directors has over the last five years been:

- convicted for fraud,
- associated with a bankruptcy, or a receiving order,
- the subject of an indictment or official public sanction pronounced by a statutory or regulatory authority,
- banned by a court from acting in their capacity as member of a managerial, directorial or supervisory board or from being involved in the management or conducting the business of an issuer.

6.4. Conflicts of interest at the level of general management's administrative, directorial and supervisory bodies

To the knowledge of the company and on the day that this document was established, no conflict of interest has been identified between the duties of each of the members of the Board of Directors with respect to the company in their capacity as director and their private interests and other duties.

To the knowledge of the company and on the day that this document was established, no arrangements or agreements have been reached with the main shareholders, customers or suppliers under the terms of which one of the members of the Board of Directors has been selected in that capacity.

To the knowledge of the company and on the day that this document was established, there are no restrictions accepted by the members of the Board of Directors concerning the transfer of their holding in the company's capital.

6.5. Role and functioning of the Board of Directors

6.5.1. Internal regulations

Internal regulations for the board of directors were established as of 16 March 2007.

6.5.2. Assessment of the Board of Directors

The assessment of the Board of Directors is in progress. During the year 2006, the Board of Directors held 5 meetings. The member's presence rate was 95%.

6.5.3. Works and operating mode of the Board of Directors and/or of the Committees

There is a Remunerations Committee which includes all the directors with the exception of Mr Philippe ROBARDEY

Once a year, the Committee analyses the remuneration of the members of the Management Committee.

It decides on the revision of the fixed remuneration of the President & CEO and proposes a revision framework for the other members of the Management Committee.

The following method has been set up to fix the remunerations and their revision for each of the Management Committee.

Person concerned	Proposition of the President & CEO	Directors consulted	Frequency
President & CEO	NO	All except President & CEO	Once a year
Other Board Members	YES	All	Once a year

6.6. Remuneration and non-cash benefits, direct and indirect, paid to each member of the board in 2006

See § 5.4 and § 5.5 of the Board of Directors' report.

6.6.1. Holdings of the directors in the capital of the issuer, in that of a company that has control of the issuer, in that of a subsidiary of the issuer or in that of a customer or supplier of the issuer

Mr. Michel GRINDES and Mr. Bernard ZIEGLER for MBZ Consultants had an agreement with one SOGECLAIR subsidiary (invoicing: € 30,000 in 2006).

Mr. Alberto FERNANDEZ: agreement with SOGECLAIR (invoicing: € 22,000 in 2006)

6.6.2. Loans and sureties granted or made in favour of the members of the administrative, management or supervisory boards

None.

6.6.3. Assets belonging directly or indirectly to the directors or to the members of the family

- Life annuity for the benefit of Mr. and Mrs. Jean-Louis ROBARDEY as payment for a fully amortised business (E.D.T.).

6.6.4. Stock-options

None.

6.7. Management Committee on 31/12/2006

President & CEO of SOGECLAIR: Philippe ROBARDEY

Senior Vice President of SOGECLAIR: Marc DAROLLES

Chief Financial and Planning Officer: Alain COUPIER

Technical Director: Didier LANGLOIS

Director of SOGEMASA INGENIERIA: Ramon MADRID

Director of HIGH END ENGINEERING: Yves SAGOT

CEO of OKTAL SA: Bruno FARGEON

President and CEO of OKTAL SE: Jean LATGER

Director of CLAIRIS TECHNOLOGIES Limited: John JANKE

The members of the Management Committee received for the year 2006 a gross annual remuneration totalling € 943,986, including non-cash benefits.

6.8. Internal control

See report of the President of the General Meeting.

7. Persons responsible for the reference document and for the audit

7.1. Person responsible for the reference document

Mr. Philippe ROBARDEY, President and Chief Executive Officer

7.2. Declaration of the person responsible for the reference document

I certify, after having taken every reasonable step to that effect, that the information contained in this reference document provides, to my knowledge, a true and fair picture of the existing situation and that there are no omissions that could affect its significance.

I have obtained from the statutory auditors, Mr. Robert MOREREAU and EXCO FIDUCIAIRE SUD OUEST, an end-of-mission letter in which they state that they have verified the information concerning the financial situation and the accounts given in this reference document and have read the complete reference document.

The historical financial information for 2005 incorporated by reference has been the subject of the statutory auditors' reports given on page 43 of the reference document lodged with the AMF on 5 May 2006 under the number D.06-368, which contain remarks relative to the accounting baseline and to the changes of method and the main restatements.

The historical financial information for 2004 incorporated by reference has been the subject of the statutory auditors' reports given on page 36 of the reference document lodged with the AMF on 31 May 2005 under the number D.05-806, which contain remarks relative to the current development expenses and work in process.

Blagnac, 25 April 2007

Philippe ROBARDEY
President and Chief Executive Officer

7.3. Auditors who verified the annual accounts

Statutory Co-Auditor

Mr. Robert MOREREAU

10, rue Reyer

31200 TOULOUSE

Appointed by the Ordinary General Meeting convened extraordinarily on 13 May 1997, following the resignation of his predecessor, for the remaining period of office of his predecessor, that is until the Ordinary General Meeting held to approve the accounts for the year ending on 31 December 1997, with the mission of drawing up the reports for the 1996 fiscal year, as agreed with the resigning Auditor.

Mandate renewed at the Extraordinary General Meeting held on 26 May 1998 for a period of 6 years expiring at the year ending 31 December 2003.

Mandate renewed at the Ordinary General Meeting held on 7 June 2004 for a period of 5 years, expiring at the year ending 31 December 2008.

Statutory Co-Auditor

EXCO FIDUCIAIRE SUD OUEST represented by Mr. Jean-Marie FERRANDO

2 rue des Feuillants

31000 TOULOUSE

Appointed by the Ordinary General Meeting held on 7 June 2004, to replace Mr. Dominique LEDOUBLE for a period of 6 years, that is until the Ordinary General Meeting held to approve the accounts for the year ending on 31 December 2009.

Substitute co-auditor

Mr. Régis MOREREAU

10, rue Reyer

31200 TOULOUSE

Appointed by the Extraordinary General Meeting held on 22 June 1998, for a period of six financial years expiring at the end of the Ordinary General Meeting of the shareholders held in 2004 to approve the accounts for 2003.

Mandate renewed at the Ordinary General Meeting held on 7 June 2004 for a period of 5 years, expiring at the year ending 31 December 2008.

Substitute co-auditor

Mr. Christian DUBOSC

2 rue des Feuillants

31000 TOULOUSE

Appointed by the Ordinary General Meeting held on 7 June 2004, to replace Mr. Olivier VILLEMEUR for a period of 6 years, that is until the Ordinary General Meeting held to approve the accounts for the year ending on 31 December 2009.

7.4. Table of the fees paid by the group to the auditors and to the members of their networks

	Cabinet Morereau				EXCO fiduciaire du Sud Ouest				Cabinet Rosenkrantz			
	Amount (HT)		%		Amount (HT)		%		Amount (HT)		%	
	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1
Audit												
* Auditors, certification, examination of the individual and consolidated accounts												
- Issuer	22,357	20,790	29.5%	28.0%	22,357	20,790	58.0%	73.5%			0.0%	0.0%
- Fully integrated subsidiaries	53,500	53,403	70.5%	72.0%	16,200	7,495	42.0%	26.5%	16,500	6,500	100.0%	100.0%
* Other duties and services directly linked to the auditor's mission												
- Issuer			0.0%	0.0%			0.0%	0.0%			0.0%	0.0%
- Fully integrated subsidiaries			0.0%	0.0%			0.0%	0.0%			0.0%	0.0%
Sub-total	**75,857**	**74,193**			**38,557**	**28,285**			**16,500**	**6,500**		
Other services rendered by the networks to the fully integrated subsidiaries												
* Legal, fiscal, social			0.0%	0.0%			0.0%	0.0%			0.0%	0.0%
* Other (to be detailed if > 10% of audit fees)			0.0%	0.0%			0.0%	0.0%			0.0%	0.0%
Sub-total	**0**	**0**			**0**	**0**			**0**	**0**		
TOTAL	**75,857**	**74,193**			**38, 557**	**28,285**			**16,500**	**6,500**		

7.5. Auditors who verified the annual accounts presented in the reference document

First name and surname	Date of renewal or of first appointment	Mandate expiring at the General Meeting held to approve the accounts for the year ending
Statutory Co-Auditor **Robert MOREREAU** 10 rue Reyer – 31200 TOULOUSE	General Meeting held on 7 June 2004	31 December 2008
Statutory Co-Auditor **EXCO FIDUCIAIRE SUD OUEST** **represented by Jean-Marie FERRANDO** 2 rue des Feuillants – 31000 TOULOUSE	General Meeting held on 7 June 2004	31 December 2009

7.6. Persons responsible for the financial information

Mr. Philippe ROBARDEY, President & Chief Executive Officer

Mr. Marc DAROLLES, Senior Vice President

Mr. Alain COUPIER, Chief Financial and Planning Officer

7, avenue Albert Durand – BP 20069 - 31700 BLAGNAC CEDEX

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