

IGE+XAO

Société Anonyme au capital de 6 752 900 euros

Siège social : Immeuble « Le Pythagore », 25-27 boulevard V. Hugo, 31770 COLOMIERS
338 514 987 R.C.S. Toulouse**I. CONSOLIDATED ACCOUNTS AS OF JULY 31, 2006****A. – CONSOLIDATED BALANCE SHEET**

Assets (in euros '000s)	July 31, 2006 12 months	July 31, 2005 12 months
Acquisition of goodwill	519	501
Intangible fixed assets - net	1,327	921
Property and equipment - net	1,296	1,370
Deferred tax	128	42
Shares in the associated companies	582	575
Other long term assets - net (Note 6)	336	613
Non current assets	4,188	4,022
Receivables - net	6,398	5,973
Other current assets	998	, 023
Marketable securities	1,247	645
Cash and cash equivalents	8,947	8,326
Current assets	17,590	15,967
Assets	21,778	19,989
Liabilities (in euros '000s)	July 31, 2006 12 months	July 31, 2005 12 months
Common stock	6,753	6,753
Additional paid-in capital	1,911	1,911
Other consolidated reserves	755	(365)
Accumulated translation adjustment	21	4
Net income	2,053	1,750
Shareholders' equities	11,493	10,053
Minority interests	156	296
Total Shareholders' equities	11,649	10,349
Profit sharing	283	191
Pension reserves, other benefits	232	179
Financial debts – long term	478	478
Deferred income – long term	122	794
Deferred tax	192	105
Other non current debts	120	116
Non current liabilities	1,427	1,863
Current debts	739	807
Social debts	1,287	1,144
Deferred income – short term	4,266	4,031
Other current debts : short term	114	151
Taxes	2,072	1,442
Other current debts	224	202
Current debts	8,702	7,777
Liabilities	21,778	19,989

B. CONSOLIDATED STATEMENT OF OPERATIONS

(in euros '000s)	July 31, 2006 12 months	July 31, 2005 12 months
Total revenues	19,698	18,371
Other operating revenues	334	211
Revenues from operating activities	20,032	18,582
Purchases	(368)	(244)
Other external expenses	(4,774)	(5,351)
Payroll and benefits	(10,372)	(9,256)
Taxes	(437)	(537)
Provisions / long term assets	(833)	(477)
Provision, reserves, net		(105)
Other operating expenses, net	(141)	(34)
Operating expenses, net	(16,925)	(16,004)
Current operating income (loss)	3,107	2,578
Financial income (loss)	(71)	60
Income (loss) of the Group before tax	3,036	2,638
Tax and deferred tax	(1,021)	(863)
Part of net income (loss) from the associated companies	30	61
Net income (loss)	2,045	1,836
Allocated to :		
the Group	2,053	1,750
The minority interests	(8)	86
Number of shares, except own shares booked in deduction of the consolidated shareholders' equity	1,656,969	1,668,188
Earnings per share in euros	1.24	1.05

C. SHAREHOLDERS' EQUITY

Shareholders' equity (in euros '000s)	Common stock and additional paid-in capital	Translation adjustment	Revenues and expenses booked	Other variations	Shareholder s' equity - part of the Group -	Minority interests	Shareholder s' equity
Shareholders' equity as of August 1 st , 2004	8,664	(18)	(154)*	--	8,492	273	8,765
Dividends			(283)		(283)		(283)
Net income			1,750		1,750	86	1,836
Translation adjustments		22			22		22
Scope variations					--	(63)	(63)
Revenues and expenses booked directly in the Shareholders' equity :							
Adjustment on the own shares			67		67		67
Adjustment on the Options plans (IFRS2)			6		6		6
Impact of the actuarial interests of pensions			2		2		2
Other variations				(3)	(3)		(3)
Shareholders' equity as of July 31 st , 2005	8,664	4	1,388	(3)	10,053	296	10,349
Dividends			(301)		(301)	(8)	(309)
Net income			2,053		2,053	(8)	2,045
Translation adjustments		17			17	4	21
Scope variations						(128)	(128)
Merger operation - Financelec**							
Increase in capital							
Additional paid-in capital	2,088				2,088		2,088
Decrease in capital	12,359				12,359		12,359
Cancellation of the additional paid-in capital	(2,088) (12,359)				(2,088) (12,359)		(2,088) (12,359)
Merger operation - Caouec Investissements**							
Increase in capital	1,750				1,750		1,750
Additional paid-in capital	10,359				10,359		10,359
Decrease in capital	(1,750)				(1,750)		(1,750)
Cancellation of the additional paid-in capital	(10,359)				(10,359)		(10,359)
Revenues and expenses booked directly in the Shareholders' equity :							
Adjustment on the own shares			(304)		(304)		(304)
Adjustment on the Options plans (IFRS2)			14		14		14
Adjustment on merger expenses			(43)		(43)		(43)
Impact of the actuarial interests of pensions			6		6		6
Other variations				(2)	(2)		(2)
Shareholders' equity as of July 31 st , 2006	8,664	21	2,813	(5)	11,493	156	11,649

*of which K (501) € of revenues and expenses directly booked in the shareholders' equity as follows :

+ K(43)€→ K(65)€of brut actuarial interests concerning retirement indemnities with a tax impact amounted to K22.

+ K(212)€: deferred tax on Goodwill

+K(246)€: own shares booked in deduction from the shareholders' equity

** Impact of the mergers of the holding companies Financelec and Caouec Investissements by IGE+XAO S.A. (see merger documentation available at the AMF website (E06-004) and at the IGE+XAO website).

D. CONSOLIDATED STATEMENT OF CASH FLOWS

(in euros '000s)	July 31, 2006 12 months	July 31, 2005 12 months
Net income – Part of the Group	2,053	1,750
Increase (decrease) in Cash from:		
Minority interests	(8)	86
Amortizations and provisions, net	708	602
Deferred tax	25	42
Part of the net income in the associated companies	(30)	(61)
Dividends received from the associated companies	23	8
Others	5	
Increase (decrease) in Cash from:		
(Increase) decrease in the customers	(425)	(160)
(Increase) decrease in the other current assets	(311)	(149)
Increase (decrease) in the suppliers	788	1 125
Increase (decrease) in the deferred revenues	(408)	(462)
Increase (decrease) other liabilities	90	
Net cash used in operating activities	2,510	2,781
Purchases of long-term intangible assets	(503)	(384)
Purchases of long-term tangible assets	(312)	(200)
Sales of long-term assets	8	44
Other variations in other long-term assets	72	--
Net cash (acquisitions) sales of subsidiaries	(221)	(231)
Decrease in cash from net acquisitions	(956)	(771)
Dividends paid	(561)	(303)
Repayment of bank loans	(136)	(167)
Others	365	64
Decrease in cash from financing	(332)	(406)
Net increase (decrease) in cash and cash equivalent	1,222	1,604
Incidences of changes in exchange rate	1	30
Net increase (decrease) in cash and cash equivalent	1,223	1,634
Cash and cash equivalent, beginning of year	8,971	7,337
Cash and cash equivalent, end of year	10,194	8,971
Net increase (decrease) in cash and cash equivalent	1,223	1,634

II. CONSOLIDATED ACCOUNTS FOR 2005/2006 (IFRS NORMS)

PROFITABILITY BEYOND THE OBJECTIVES

In €	2005/2006	2004/2005	Increases
Turnover	19,698,405	18,370,965	7.2%
Other operating revenues (including operating tax credit)	333,993	211,273	58.1%
Total operating revenues	20,032,398	18,582,238	7.8%
Operating income	3,107,699	2,577,042	20.5%
Net income - Own equity holding in Group	2,052,946	1,750,090	17.3%

During 2005/2006, IGE+XAO entrenched its development with a turnover of €19,698,405 an increase of 7.2% on the previous fiscal.

On its plans for profitability, the Company's performance is significant with an operating profit rising to € 3,107,699 up 20.5% and with the net income reaching € 2,052,946 an increase of 17.3%. The net margin of 10.4% of turnover thus achieved, underwrites the objective between 8% and 10% announced by the Group Board of Directors.

At the same time, IGE+XAO strengthened its financial position with the absence of long-term financial debt, cash-at-bank of € 10,193,927 (€ 8,970,715 in 2004/2005), and a total shareholder's equities of €11,649,114 (€10,348,618 in 2004/2005).

This very healthy financial position gives the Group the ability to achieve its commercial and technical development objectives. In 2005/2006, the Group thereby increased its international presence with the acquisition of its Swiss distributor Hibatec GmbH, the creation of a marketing subsidiary in the United States and the opening of a representative office in China. Significant commercial agreements have been signed notably with Schneider Electric in June 2006 and Embraer very recently in October 2006. On the technical plan, IGE+XAO has persuaded a large research and development effort in order to market in particular an integrated program to manage the life cycle of an electrical installation (PLM).

Finally, and in accordance with IGE+XAO policy, the Board of Directors will propose at the Annual General Meeting, a dividend distribution amounting to € 350,800 compared to € 315,720 in 2004/2005.