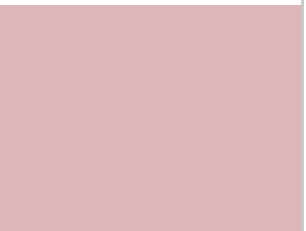




**FINANCIAL**  
**REPORT**



## FINANCIAL REPORT

Chairman's report on internal control procedures	44
Draft resolutions to be proposed to the general meeting of shareholders	52
Consolidated Accounts	55
Group risk analysis	106
Board of directors and management	110
General information about the company	116
General information about GL TRADE's capital	118
Statements	125
Auditors' report on consolidated accounts	126
Financial communication	134
Annual report table of contents	136

44
52
55
106
110
116
118
125
126
134
136



# Chairman's report on internal control procedures

## Conditions for the preparation and organisation of the work of the board of directors

### Legal structure

GLTRADE is a French limited liability company (société anonyme) with a board of directors.

### Rules governing the Board's operations

The Board of Directors, in accordance with the company's bylaws, meets as often as is necessary in the interests of the company and at least once each year to approve company accounts. Prior to its meetings, Directors receive full and regular information covering all topics on the agenda.

The Board of Directors has not adopted any internal rules governing its operations and there are no limits on the participation of its members other than those required by law.

The Board of Directors has four members each of whom own a minimum of one share. Two Directors are nominated by Euronext and the other two are chosen from amongst the company's founders. At 31 December 2006, all positions as director were filled. The Board of Directors consists of Euronext SA, represented by Mr. Theodore, and Messrs Harry, Gatignol and Laurent.

There is not currently an independent director on the Board of Directors of GLTRADE.

During 2006 the Board of Directors met seven times, with its members recording an attendance rate of over 78%:

- Quarterly in order to review and approve accounts for the preceding quarter, and to approve the content of press releases concerning turnover and/or income for the period in question.
- On 7 March 2006, to review the conclusions of the Audit Committee, which held its first meeting on 7 March 2006.
- In June 2006, to review and approve the proposed internal restructuring of the Group and authorize the acquisition of Emos.
- In August 2006, to authorize the acquisition of Nyfix Overseas Inc and the acquisition of some of the shares in GLTRADE Americas held by Gérard Varjacques, and to approve the proposals of the Remuneration Committee's meeting of 23 June 2006.
- In early November 2006, to call an Ordinary General Meeting of Shareholders to approve a share repurchase scheme.
- In late November 2006, to approve the sale of Ubitrade GmbH to Fermat, to discuss the proposed acquisition of FNX, to approve the winding up, without liquidation, of Emos Systems SAS, to authorize the creation of a subsidiary in Turkey and to present the business plan for 2007 to 2010.
- In December 2006, to approve the implementation of the share repurchase scheme with a view to regularizing the market making agreement with Oddo, and to carry out a share exchange agreement with Mr Varjacques.
- Where necessary, at each board meeting authorizations may be requested under the provisions on the law regarding regulated agreements, in accordance with article L.225-38 of the French Code of Commerce.

## **Existence of Committees**

### **Remuneration Committee**

The Remuneration Committee has existed for six years. It consists of three members chosen from the Board of Directors. These are currently Messrs Gatignol, Laurent and Harry.

The Remuneration Committee met once during 2006, and all members were present.

Mr Pierre Gatignol submitted for consideration the remuneration of the Group's main managers (members of the Executive Committee, directors of subsidiaries and top executives, for a total of around 25 people).

### **The Audit Committee**

At the meeting of the Board of Directors in March 2005, it was decided that an Audit Committee be created. Messrs Gatignol and Harry were appointed to sit on this committee.

In early 2005 GL TRADE created an internal audit team.

An audit plan is prepared annually, covering all operational functions of the Group in all countries where it is active. The plan takes account of a mapping of risks to the GL TRADE group, which is updated each year.

After approval by the Audit Committee, the audit plan is included in the overall planning of the Euronext Group.

The Audit Committee considers the recommendations made to it, gives its view on their relevance and then supervises their implementation.

The Audit Committee met twice during the year to consider the work of the Internal Audit team, which receives support from technical experts where necessary. Amongst the themes covered in 2006 were procedures for employees leaving the company, the security of the GL NET network, protection of source code, respect for the general terms of sale, the procedure for the issuance of credit notes and the purchasing and investment processes.

The internal control procedures introduced were reviewed, with the actions required to remedy various non-critical weaknesses identified and their implementation monitored from one meeting to the next.

The Audit Committee also reviewed the work carried out by the external auditors regarding internal control and the company's accounts. As the appointment of the current auditors expires after the General Meeting of Shareholders held to approve the 2006 accounts, the Audit Committee also supervised the tender process for the appointment of new auditors.

## **Internal control procedures adopted by the company.**

### **The company's objectives for internal control**

Internal control is defined within the Group as the processes introduced by the management team to meet the following goals:

- protection of assets,
- reliability of financial and accounting transactions,
- compliance with applicable laws and regulations,
- respect for the values of a shared business culture.

The aim of internal control is to provide reasonable assurance as to the realization of the Group's priorities and the accuracy and reliability of its published accounts. Its effectiveness relies on the actions of those responsible for its implementation; there is no absolute guarantee that these objectives will be met.

It seeks to ensure that management actions, the conduct of transactions and personal behavior are in accordance with the applicable laws and regulations and the values, standards and internal rules of the Company. Additionally, it checks that accounting and financial information conforms to the standards in force.

### **Organization of internal control procedures**

#### **General organization of the Group**

The diversification strategy pursued by the GLTRADE Group in recent years, and most notably the acquisitions of Ubitrade SA, GL SETTLE Inc, Emos SAS and Nyfix Overseas Inc, has produced a rapid expansion over the past five years, both geographically and through the launch of new activities. The Group's structure, which had hitherto been based on a geographical, product line and central services matrix, with a focus on the group's main Front Office business, was reviewed by the General Management Team over the course of the year.

The new structure has three main pillars:

- Cross-Group Resources and Distribution Business Units
- The Trading Business Line,
- The Diversification Business Lines, covering all other Business Lines,

The structure is designed to provide more effective support to GLTRADE's growth: building on the expertise of the men and women it employs, whilst at the same time strengthening leadership in each area and clarifying decision-making processes.

The new structure became effective on 1 September 2006.

### **Detailed mission and structure of the three divisions**

#### **Cross-Group Resources and Distribution Business Units**

Its purpose is to provide and manage the most efficient structure possible, both for central services and regional distribution activities. This division provides services to all Group Business Lines and must ensure the availability of the resources and tools required to support the strategy of organic growth and acquisitions. It is also responsible for the control and monitoring of the Business Unit/Business Line budget matrix, to ensure optimized management of the company.

This division consists of:

- The Finance Division
- The Human Resources Division
- The Legal Division
- The Communications Division
- The IT Division
- The regional Business Units

### **The Trading Solutions Business Line**

This Business Line is the Group's largest, generating more than 60% of turnover, and is responsible for implementing the sales and product development strategy in the field of Trading Solutions. The Business Line is based in London to help it put the Group's major UK and US clients at the core of its marketing and product development strategy. It is responsible for promoting a new generation of products ahead of our competitors, introducing both technological improvements and functional innovations. It is also responsible for supervising marketing and product development activities carried out locally in the Regions.

This Business Line consists of:

- The Trading Solutions Marketing Department
- The Trading Solutions Sales Department
- The Trading Solutions Product Development Department

### **Front to Back Business Lines**

The main responsibility of these Business Lines is to coordinate and implement the Group's diversification strategy. Between them they generate turnover of approximately €70m. The specific responsibilities for each Business Line are similar to those described for the Trading Solutions Business Line.

This group consists of the following Business Lines:

- Post Trade Derivatives Business Line
- Post Trade Securities Business Line
- Capital Market Solutions Business Line

This structure is supported by a strategy, partnership and acquisitions team, based in London to improve the focus on

potential US and UK acquisition targets. This team is responsible for consideration and management of the early stage initiatives, upstream of the operational activities, that will allow the group to anticipate changes of direction, and for identifying and bringing forward the solutions that will make these changes possible.

### **Management bodies and decision-making processes**

The management structure is based on two bodies:

- Group Managing Board

This management committee is responsible for the day-to-day management and decision making for the Group. It has six members. It meets at least once every two weeks, alternating between Paris and London.

- The Strategic Executive Committee (G50)

This consists of the Group's 50 operational managers and meets twice every year. It provides a forum for discussion and information on operational and managerial aspects of strategy.

## **Principal internal control rules**

### **Procedures for the management of operational risks**

Procedures have been introduced to ensure control of operational risks.

### **Business Units**

Each Business Unit has created a Management Committee. At the operational level, the Managing Director of each subsidiary is responsible for the budget of his or her Business Unit. Directors undertake to meet the measurable targets set for financial performance, sales development and management quality. Through rigorous monitoring of the client database and quarterly review of turnover, each Director guarantees the correct recognition of turnover.

Given the size of distribution units, Managing Directors of these subsidiaries have a considerable concentration of power in their hands. For this reason formalized, regular function-by-function reporting is required, particularly regarding financial information.

### **Business Lines**

Each Business Line is under the management of a Functional Director. Directors are responsible for the budgets of their business lines and undertake to meet measurable targets relating to the financial and sales performance of their Business Line. They are responsible for proper control and management.

### **General management**

General management of the Group is the responsibility of the Cross-Group Resources Division, which is responsible for the production of consolidated financial information and monitors financial control processes. It is responsible for the reliability and accuracy of financial information and in particular for control and monitoring.

**The IT Division** is responsible for the central management of all services shared by various products, in particular for all aspects of the operation and supervision of the Group's IT system, and for shared resources for systems, networks, physical IT equipment and shared IT security standards. This Division has implemented procedures that define, amongst other things, security measures to prevent attack on or hacking of IT systems, the physical security of equipment and back-up tools.

**The Finance Division** is responsible for defining the Group's finance policy and its accounting standards and for ensuring their correct application, for the checking of financial information and for guaranteeing the control and monitoring of the budget matrix that ensures optimized management of the group.

**The Legal Services Division** has procedures in place to allow, at Group level, review of the main contracts with both clients and suppliers and ensure that they comply with current local legislation. It is responsible for the identification and processing of all litigation. The division has introduced procedures for monitoring the legal status of subsidiaries. It is involved in all acquisition or merger contracts. The Group makes occasional use of external legal advice on specific subjects.

**The Human Resources Division** has introduced procedures for payroll management, designed to ensure compliance with local labor laws and proper accounting for staff costs. In addition it has defined rules to be applied prior to the calculation of all variables by managers. Any proposed annual increase in wages must be submitted to the Human Resources Division, Finance Division and Central Management Team for approval. The Division also monitors all recruitment, internal transfers and terminations of employment. In certain circumstances, the Group makes use of specialist lawyers in this area.

## **Products**

Within each Business Line, **the Product Divisions** are structured so as to optimize maintenance activities relating to the development of existing products and new product development activities.

They have installed project management software and have defined rules and key stages to be met in the management of projects.

They use shared software for the control of development quality and have introduced procedures establishing coding and compiling rules. There is a dedicated team for product testing and final control of new products, which checks that the rules have been complied with.

## **Procedures regarding the production and processing of accounting and financial information**

### **Financial and accounting organization**

Each legally autonomous Group entity is responsible for producing its financial accounts. The Director of each subsidiary is responsible for the financial and accounting information produced. Directors monitor estimated profits from on-going projects, assess the consequences for accounts, and ensure that invoices are produced and duly settled for services provided.

To achieve this, the Director is assisted by an accountant in most subsidiaries, who draws up or revises the accounting systems as a function of local rules. The accountant is also responsible for approving the accounting and financial reporting submitted to the Group HQ. He or she is responsible for ensuring that it complies with the accounting rules and standards laid down by the Group.

The management control and consolidation teams are responsible for analyzing, checking and using the data thus collected.

### **Financial processes**

In order to ensure effective control of these operations the Group has established monthly, quarterly and annual reporting requirements for its operating units, covering budget, forecast and accounting information.

The budgeting process is the fundamental internal control tool. Budgets are drawn up by directors of subsidiaries, based on past performance, expected market trends and the strategic decisions made by central management. Each budget is reviewed by the finance department and central management.

In order to measure the performance of Business Lines and Business Units, the 2007 budget has been drawn up by geographical region and product segment. The Group expects this to improve its ability to respond to changes in its markets.

Each quarter, the management control team consolidates the results from the subsidiaries and draws up provisional accounts to help assess end-of-year forecasts. It checks and analyses differences from the budget so as to draw up, as rapidly as possible, programs of corrective measures.

The budgetary process, which includes a full cost review, enables particularly close monitoring of the financial elements considered to be most critical for the Group, namely turnover, the wage bill and cash and cash equivalents.

The finance department makes a detailed quarterly inspection of turnover per client, comparing the real figures with forecasts and the relevant contract. A common contract basis and

invoicing monitoring software package has been deployed in all Group subsidiaries.

It also checks that client payment recovery is at acceptable levels and that any disputes are correctly represented according to the applicable accounting standards.

The department reports to the central management team and monitors the Group's total wage bill in great detail. It determines variable pay elements for managers as a function of the results obtained.

The finance department centralizes the Group's cash which it consolidates on a monthly basis, and ensures that the subsidiaries meet the cash management standards determined by the Group.

The process of consolidating accounts provides a second level of internal control over financial information. The Group's finance department defines and develops the consolidation software used to collate the financial information that provides the basis for consolidated accounts, in accordance with its requirements and with regulatory constraints. There is only one level of consolidation, with no intermediate stages. As a result the entire consolidation process remains under the direct control of the finance department.

The content of this reporting provides the financial information that allows analysis of revenues, expenses by type and balance sheet items. A reconciliation between the analysis carried out by the management control team and that produced by the consolidation team is performed on the consolidated income statement. This operation is performed each quarter.

#### **Assessment of the adequacy of internal control procedures**

The GLTRADE Group makes continuous efforts to improve its management structures, tools and procedures, so as to ensure the best possible management and control of its business.

The Group's strong growth and the increase in the number of entities it comprises, resulting from a series of acquisitions, have made the control process more complex. For this reason, and in order to assess the relevance of the whole set of existing procedures, an internal audit team was created at the beginning of 2005. This team is managed by the Audit Committee, to which it reports directly.

#### **Limits on the powers of the Chief Executive Officer**

The Group's bylaws do not include any limits on the powers of the Chief Executive Officer, other than those set down in law.

There are limits established in the shareholders' agreement. The Chairman of the Board of Directors and the Chief Executive Officer of GLTRADE undertake not to take any action in the areas identified below without the prior authorization of the Board of Directors, in a decision that has the support of at least one of the representatives of Euronext Paris sitting on the Board and of the founder shareholder(s) on the Board:

- any change in the company bylaws, particularly any transaction regarding the company's capital, including the issue of any security giving access to capital;
- any decision relating to a change in the Group's strategic direction;
- any investment, including the acquisition of equity stakes, or disposal with a value of more than five million euros; or

- any disposal, mortgage or leasing of assets with a market value of more than five million euros.

The Board of Directors has also set a limit of two million euros per transaction to the power of the Chief Executive Officer and the Delegated Managing Director to sign payments alone.



# Draft resolutions to be proposed to the general meeting of shareholders on wednesday 20 june 2007

## First resolution

Following the reading of the Management Report and the Auditors' Reports, the shareholders' meeting approves the financial statements for the financial year ending 31 December 2006 as presented, the annual financial statements for this year reporting net income of 11,794,618.79 euros.

The shareholders' meeting also approves the transactions reflected in these statements or summarized in these reports.

The shareholders' meeting discharges the Directors for the performance of their duties for the last financial year.

## Second resolution

Following the reading of the Management Report and the Auditors' Reports regarding consolidated financial statements, the shareholders' meeting approves consolidated financial statements for the financial year ending 31 December 2006, as presented.

The shareholders' meeting also approves the transactions reflected in these statements or summarized in these reports.

## Third resolution

Following a motion submitted by the Board of Directors, the shareholders' meeting votes to allocate the net income for the financial year as follows:

<b>Net income for the year</b>	<b>€11,794,618.79</b>
Additional allocation to the legal reserve so that it represents 10% of the share capital	€0.00
<b>Distributable net income:</b>	<b>€11,794,618.79</b>
payment of a dividend of €1.10 per share, to each of the 9,601,221 shares	€10,561,343.10
balance to be carried over to Other Reserves	€1,233,275.69

## The shareholders' meeting resolves that dividend payments should be made on 6 July 2007.

The shareholders' meeting officially notes that:

- a dividend of 7,236,801.60 euros, or 0.70 euros per share, was paid against income for the 2003 financial year, together with a tax credit of 0.35 euros.
- a dividend of 9,560,741.00 euros, or 1.00 euro per share, was paid against income for the 2004 financial year.
- A dividend of 13,438,909.40 euros, or 1.40 per share, was paid against income for the 2005 financial year.

## Fourth resolution

Following the reading of the Special Report of the Statutory Auditors regarding agreements and undertakings governed by articles L.225-38 et seq of the French Commercial Code, the shareholders' meeting approves the aforesaid agreements and report.

## Fifth resolution

The shareholders' meeting noting that the mandates of the statutory auditors, AD Conseils (Audit Développement Conseils) and KPMG SA expire on the day of the meeting, resolves not to renew their appointment.

### **Sixth resolution**

The shareholders' meeting approves the motion submitted by the Board of Directors that the statutory auditors be replaced, for a period of six years, that is to the end of the shareholders' meeting held in 2013 to approve financial statements for the financial year ending 31 December 2012, by:

**1) PricewaterhouseCoopers Audit**

63, rue de Villiers  
92200 Neuilly sur Seine  
RCS Nanterre: 672 006 483  
Represented by Jean-François Châtel

**2) Continentale d'Audit**

22, Place du Général Catroux  
75017 Paris  
RCS Paris: 311 901 359  
Represented by Maïr Fereres

### **Seventh resolution**

The shareholders' meeting, noting that the mandates of the substitute auditors, Claude Mittelette and Jean-Paul Griziaux, expire on the day of the meeting, resolves not to renew their appointment.

### **Eighth resolution**

The shareholders' meeting approves the motion submitted by the Board of Directors that the substitute auditors be replaced, for a period of six years, that is to the end of the shareholders' meeting held in 2013 to approve financial statements for the financial year ending 31 December 2012, by:

**1) Etienne Boris**

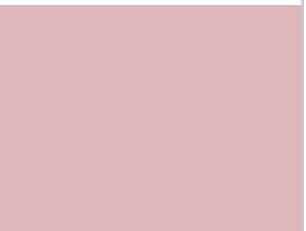
63, rue de Villiers  
92200 Neuilly Sur Seine  
Born 20 February 1956  
at Boulogne Billancourt (Hauts de Seine)

**2) ATD France**

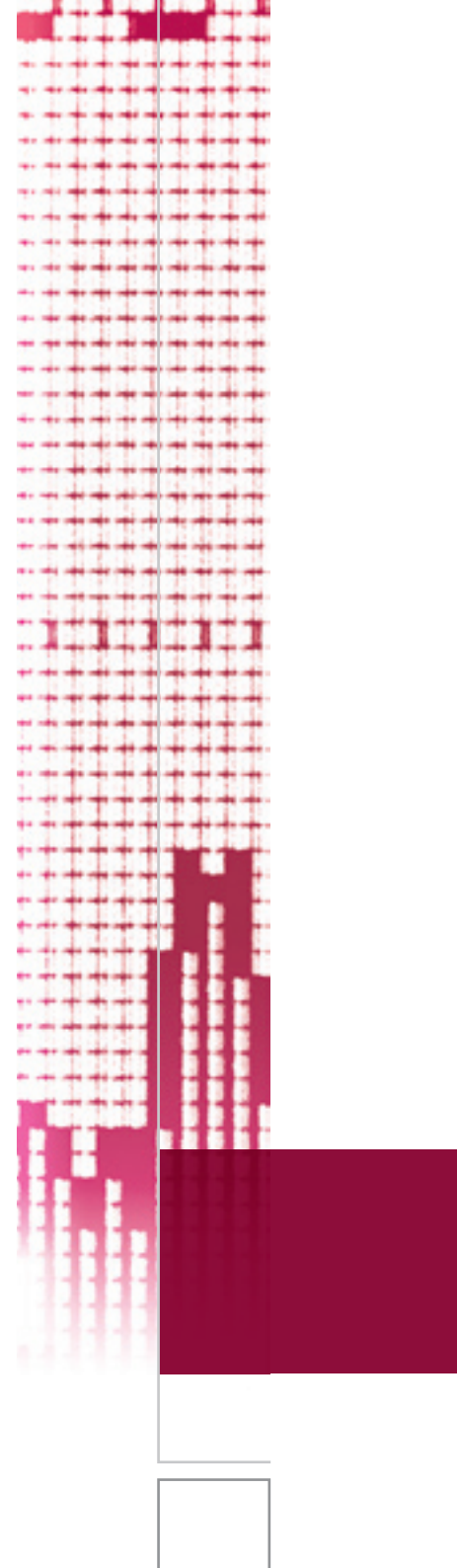
22, Place du Général Catroux  
75017 Paris  
RCS Paris 418 917 266  
Represented by Jean-Luc Sfez

### **Ninth resolution**

The shareholders' meeting gives full powers to the bearer of the original, an extract or a copy of the minutes of this meeting to carry out any publicity, filing or other formalities necessary.



**CONSOLIDATED**  
**ACCOUNTS**





# Consolidated Accounts

## Consolidated income statement

€ '000s	Notes	Financial year to 31 December						2005	2004*
		Continuing businesses	Discontinued businesses	2006	Continuing businesses	Discontinued businesses			
Turnover	(4)	172,619	12,215	<b>184,834</b>	164,370	14,858	179,228	150,068	
Other operating income		831	55	<b>886</b>	624	5	629	545	
Personnel charges	(5)	(87,184)	(1,104)	<b>(88,288)</b>	(84,443)	(1,199)	(85,642)	(71,692)	
Depreciation, amortization and provisions		(3,757)	(22)	<b>(3,779)</b>	(4,277)	(18)	(4,295)	(4,762)	
Other operating costs	(6)	(51,852)	(8,931)	<b>(60,783)</b>	(50,087)	(9,263)	(59,350)	(47,159)	
<b>Operating income before amortization of intangible assets resulting from the application of the method of accounting for acquisitions</b>		<b>30,657</b>	<b>2,213</b>	<b>32,870</b>	<b>26,187</b>	<b>4,383</b>	<b>30,570</b>	<b>27,000</b>	
Amortization of intangible assets resulting from the application of the method of accounting for acquisitions		(995)	(1,100)	<b>(2,095)</b>	(1,450)	(1,900)	(3,350)	0	
<b>Operating income</b>		<b>29,662</b>	<b>1,113</b>	<b>30,775</b>	<b>24,737</b>	<b>2,483</b>	<b>27,220</b>	<b>27,000</b>	
Interest on cash and cash equivalents		935	0	<b>935</b>	743	0	743	1,032	
Other financial income		1,752	12	<b>1,764</b>	1,381	1	1,382	655	
Cost of financial debt		(639)	0	<b>(639)</b>	(393)		(393)	(432)	
Other financial costs		(2,911)	0	<b>(2,911)</b>	(1,204)		(1,204)	(1,595)	
<b>Net financial income</b>	(7)	<b>(864)</b>	<b>12</b>	<b>(852)</b>	<b>527</b>	<b>1</b>	<b>528</b>	<b>(340)</b>	
Profit from sale of stake in affiliated company		0	0	<b>0</b>	8,119	0	8,119	0	
Share in profit of affiliated companies		0	0	<b>0</b>	739	0	739	1,213	
<b>Profit before tax</b>		<b>28,798</b>	<b>1,125</b>	<b>29,923</b>	<b>34,122</b>	<b>2,484</b>	<b>36,606</b>	<b>27,873</b>	
Tax charges	(8)	(9,866)	(505)	<b>(10,371)</b>	(8,930)	(1,089)	(10,019)	(7,860)	
<b>Net income</b>		<b>18,933</b>	<b>620</b>	<b>19,553</b>	<b>25,191</b>	<b>1,395</b>	<b>26,586</b>	<b>20,014</b>	
Attributable to									
Group share		18,836	620	<b>19,456</b>	25,145	1,395	26,540	19,071	
Minority interests		97	0	<b>97</b>	46	0	46	942	
<b>Net income</b>		<b>18,933</b>	<b>620</b>	<b>19,553</b>	<b>25,191</b>	<b>1,395</b>	<b>26,586</b>	<b>20,014</b>	
<b>Earnings per share (attributable to holders of the parent company's shares):</b>	(19)	<b>1.97</b>	<b>0.06</b>	<b>2.03</b>	<b>2.62</b>	<b>0.15</b>	<b>2.77</b>	<b>2.00</b>	
<b>Diluted earnings per share (attributable to holders of the parent company's shares):</b>	(19)	<b>1.96</b>	<b>0.06</b>	<b>2.02</b>	<b>2.61</b>	<b>0.15</b>	<b>2.76</b>	<b>1.99</b>	

(\* ) The impact of discontinued businesses is not significant in 2004, as the Group acquired Ubitrade SA on 1 December 2004, and for this reason no comparative figures for this discontinued business have been presented for this year.

## Consolidated balance sheet

€ '000s	Notes	Financial year to 31 December		
		2006	2005	2004
Tangible fixed assets	(12)	6,247	5,790	6,646
Investment property		0	0	350
Goodwill	(9)&(10)	79,301	66,706	60,154
Other intangible assets	(11)	3,154	4,317	519
Non-current financial assets	(13)	2,526	2,150	2,442
Stakes reported under the equity method		0	0	1,800
Deferred tax assets	(14)	1,553	1,511	505
<b>Non-current assets</b>		<b>92,781</b>	<b>80,474</b>	<b>72,416</b>
Trade and other receivables	(15)	56,737	75,745	47,004
Current tax assets		0	418	216
Current financial assets	(16)	1,139	1,102	0
Cash and cash equivalents	(17)	36,829	42,791	30,868
Assets earmarked for sale	(18)	5,258	385	0
<b>Current assets</b>		<b>99,964</b>	<b>120,441</b>	<b>78,088</b>
<b>Total</b>		<b>192,744</b>	<b>200,914</b>	<b>150,504</b>
Share capital		293	292	290
Share premium		1,277	888	214
Reserves		35,614	24,433	13,970
Consolidated profit for the period (attributable to the Group's shareholders)		19,456	26,540	19,071
Shareholders' equity – attributable to the Group's shareholders		56,639	52,153	33,545
Minority interests		914	817	1,855
<b>Total Shareholders' Equity</b>		<b>57,553</b>	<b>52,970</b>	<b>35,400</b>
Financial debts	(20)	15,845	9,982	12,280
Deferred tax liabilities	(21)	1,315	1,727	1,196
Employment liabilities	(22)	50	43	334
Other non-current liabilities	(23)	0	1,378	1,073
<b>Non-current liabilities</b>		<b>17,210</b>	<b>13,130</b>	<b>14,883</b>
Financial debts	(24)	7,381	8,324	7,505
Current tax liabilities	(25)	2,704	2,798	1,983
Trade and other payables	(25)	43,089	42,832	40,152
Provisions	(26)	595	756	534
Other current liabilities	(27)	60,821	80,103	50,047
Liabilities earmarked for sale	(28)	3,391	0	0
<b>Current liabilities</b>		<b>117,981</b>	<b>134,814</b>	<b>100,221</b>
<b>Total liabilities</b>		<b>135,191</b>	<b>147,944</b>	<b>115,104</b>
<b>Total liabilities and shareholders' equity</b>		<b>192,744</b>	<b>200,914</b>	<b>150,504</b>

## Recognition of income and costs

€ '000s	Financial years to 31 December		
	2006	2005	2004
Conversion differences	(1,867)	789	(465)
Actuarial differences	(87)	(82)	0
<b>Total of income and costs recognised directly against shareholders' equity</b>	<b>(1,955)</b>	<b>707</b>	<b>(465)</b>
Profit for the year	19,553	26,586	20,013
<b>Balance of income and costs recognised for the year</b>	<b>17,598</b>	<b>27,293</b>	<b>19,548</b>
Attributable to:			
- Group share	17,502	27,243	18,636
- Minority interests	97	50	912

## Consolidated cash flow statement

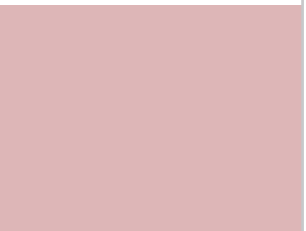
€ '000s	Financial years to 31 December						
	Continuing businesses	Discontinued businesses	2006	Continuing businesses	Discontinued businesses	2005	2004*
<b>Net profit from consolidated companies after tax</b>	<b>18,933</b>	<b>620</b>	<b>19,553</b>	<b>25,191</b>	<b>1,395</b>	<b>26,586</b>	<b>20,014</b>
<b>Add back non-cash items</b>							
Add back depreciation, amortization and provisions	3,998	1,122	5,120	5,828	1,918	7,746	4,563
Add back changes in deferred taxes	478	(384)	94	1,372	(664)	708	(362)
Add back capital gains or losses on disposal	(344)		(344)	(7,682)		(7,682)	41
Add back share in profit of affiliated companies	0			(739)		(739)	(1,213)
Other non-cash items	34		34	0			187
Tax charges	9,393	884	10,277	7,558	1,753	9,311	8,222
<b>Cash flow from operations</b>	<b>32,492</b>	<b>2,242</b>	<b>34,734</b>	<b>31,528</b>	<b>4,402</b>	<b>35,930</b>	<b>31,451</b>
Change in working capital used in operations	4,298	(4,642)	(344)	418	(1,486)	(1,068)	5,791
Cash tax payments	(9,678)	(275)	(9,953)	(8,392)		(8,392)	(7,987)
Financial charges paid	(444)		(444)	(372)		(372)	
<b>Net cash provided/(used) by operating activities (A)</b>	<b>26,668</b>	<b>(2,675)</b>	<b>23,993</b>	<b>23,182</b>	<b>2,916</b>	<b>26,098</b>	<b>29,255</b>
Acquisition of fixed assets	(5,910)	(17)	(5,927)	(4,738)	(28)	(4,766)	(4,803)
Disposal of fixed assets	1,432		1,432	417		417	455
Short-term investments	(1,139)		(1,139)	(1,102)		(1,102)	
Disposal of short-term investments	1,102		1,102	0			
Acquisition of subsidiaries less cash acquired	(16,196)		(16,196)	(4,340)		(4,340)	(34,879)
Disposal of subsidiaries	1,080		1,080	9,000		9,000	
Dividends from affiliated companies	0			1,725		1,725	1,303
<b>Net cash provided/(used) by investing activities (B)</b>	<b>(19,631)</b>	<b>(17)</b>	<b>(19,648)</b>	<b>961</b>	<b>(28)</b>	<b>933</b>	<b>(39,227)</b>
Dividends paid by the parent company	(13,440)		(13,440)	(9,559)		(9,559)	(7,236)
Dividends paid to minority interests	0			0			(166)
Capital increase	390		390	725		725	306
Repurchase of own shares	0			0			(20,925)
New borrowings	7,181		7,181	0			19,444
Repayment of borrowings	(3,110)		(3,110)	(7,301)		(7,301)	(1,051)
<b>Net cash provided/(used) by financing activities (C)</b>	<b>(8,979)</b>	<b>-</b>	<b>(8,979)</b>	<b>(16,136)</b>	<b>-</b>	<b>(16,136)</b>	<b>(9,628)</b>
Impact of changes in exchange rates (D)	(1,111)		(1,111)	1,028		1,028	8
<b>Change in net cash (A)+(B)+(C)+(D)</b>	<b>(3,053)</b>	<b>(2,692)</b>	<b>(5,745)</b>	<b>9,036</b>	<b>2,888</b>	<b>11,924</b>	<b>(18,289)</b>
Opening net cash	39,882	2,909	42,791	30,847	21	30,868	49,157
<b>Closing net cash</b>	<b>36,829</b>	<b>217</b>	<b>37,046</b>	<b>39,882</b>	<b>2,909</b>	<b>42,791</b>	<b>30,868</b>

(\*) The impact of discontinued businesses is not significant in 2004, as the Group acquired Ubitrade SA on 1 December 2004, and for this reason no comparative figures for this discontinued business have been presented for this year.

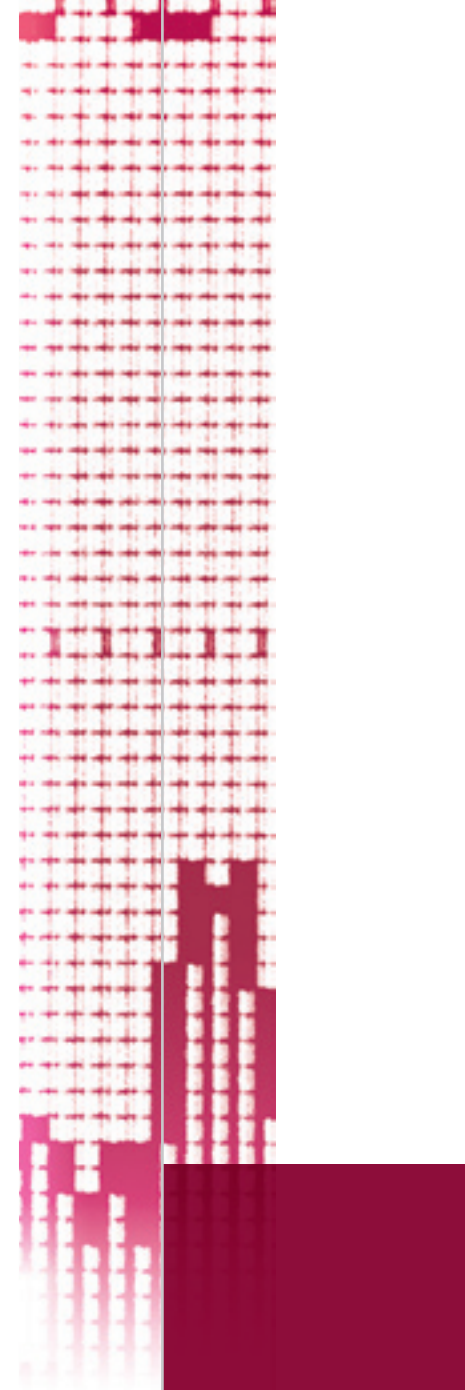
## Changes in shareholders' equity

€ '000s	Attributable to shareholders in the parent company						Total	Minority interests	Total shareholders' equity
	Share capital	Issue premium	Own shares	Reserve of stock options	Conversion differences	Profit and retained earnings			
<b>Balance at 1 January 2004</b>	<b>315</b>	<b>4,918</b>	-	<b>70</b>	-	<b>37,339</b>	<b>42,642</b>	<b>943</b>	<b>43,585</b>
<b>Change in shareholders' equity in 2004</b>									
Conversion differences on the conversion of businesses abroad					(435)		(435)	(30)	(465)
Income and costs booked directly to shareholders equity						-			
<b>Total changes booked directly to shareholders' equity</b>					<b>(435)</b>	<b>-</b>	<b>(435)</b>	<b>(30)</b>	<b>(465)</b>
Profit for the period						19,071	19,071	942	20,013
<b>Total income and costs booked for the period</b>					<b>(435)</b>	<b>19,071</b>	<b>18,636</b>	<b>912</b>	<b>19,548</b>
Dividend payments						(7,236)	(7,236)	(166)	(7,402)
Stock option costs				373			373		373
Repurchase of own shares			(20,925)				(20,925)		(20,925)
Cancellation of own shares	(25)	(4,999)	20,925			(15,901)			
Exercise of options		296					296		296
Other changes						(240)	(240)	167	(73)
<b>Balance carried forward at 31 December 2004</b>	<b>290</b>	<b>214</b>	-	<b>443</b>	<b>(435)</b>	<b>33,033</b>	<b>33,545</b>	<b>1,855</b>	<b>35,400</b>
<b>Changes in shareholders' equity in 2005</b>									
Conversion differences on the conversion of businesses abroad						785	785	4	789
Income and costs booked directly to shareholders equity						(82)	(82)		(82)
<b>Total changes booked directly to shareholders' equity</b>					<b>785</b>	<b>(82)</b>	<b>703</b>	<b>4</b>	<b>707</b>

€ '000s	Attributable to shareholders in the parent company						Total	Minority interests	Total shareholders' equity
	Share capital	Issue premium	Own shares	Reserve of stock options	Conversion differences	Profit and retained earnings			
Profit for the period						26,540	26,540	46	26,586
<b>Total income and costs booked for the period</b>					785	<b>26,458</b>	<b>27,243</b>	<b>50</b>	<b>27,293</b>
Dividend payments						(9,561)	(9,561)		(9,561)
Other changes to minority interests								49	49
Stock option costs				402			402		402
Exercise of options	2	674					676		676
Undertaking to acquire minority interests								(1,138)	(1,138)
Other changes					(6)	(146)	(152)		(152)
<b>Balance carried forward at 31 December 2005</b>	<b>292</b>	<b>888</b>	-	<b>845</b>	<b>344</b>	<b>49,784</b>	<b>52,153</b>	<b>817</b>	<b>52,970</b>
<b>Changes in shareholders' equity in 2006</b>									
Conversion differences on the conversion of businesses abroad					(1,867)		(1,867)		(1,867)
Income and costs booked directly to shareholders' equity						(87)	(87)		(87)
<b>Total changes booked directly to shareholders' equity</b>					<b>(1,867)</b>	<b>(87)</b>	<b>(1,954)</b>	-	<b>(1,954)</b>
Profit for the period						19,456	19,456	97	19,553
<b>Total income and costs booked for the period</b>					<b>(1,867)</b>	<b>19,369</b>	<b>17,502</b>	<b>97</b>	<b>17,599</b>
Dividend payments						(13,439)	(13,439)		(13,439)
Stock option costs				33			33		33
Exercise of options	1	389					390		390
<b>Balance at 31 December 2006</b>	<b>293</b>	<b>1,277</b>	-	<b>878</b>	<b>(1,523)</b>	<b>55,714</b>	<b>56,639</b>	<b>914</b>	<b>57,553</b>



# APPENDIX TO THE CONSOLIDATED **ACCOUNTS**





# Appendix to the consolidated accounts

GLTRADE SA (the Company) is a French domiciled company.

Its registered offices are at 42, rue Notre Dame des Victoires, 75002 Paris. Financial statements consolidated by the company for the financial year to 31 December 2006 include the accounts of the company and its subsidiaries (herein 'the Group') and the Group's share in affiliated companies. GLTRADE provides the international financial community with a full range of software solutions to cover the entire order flow, from the dispatch of an order to post-trade settlement.

## Accounting principles and methods

### Statement of compliance

Consolidated accounts have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union at 31 December 2006.

The Group applied the amended form of IAS 19 in anticipation for the financial year to 31 December 2005. Other standards which became mandatory on 1 January 2006 had no effect on the financial statements for the year.

For the year to 31 December 2006, the Group elected not to apply any new standards or interpretations in anticipation of their mandatory application.

Analysis of such standards and interpretations has not yet been completed and their potential impact has not been definitively assessed.

The standards and interpretations likely to have a significant impact on financial statements from 1 January 2007 are as follows:

- IFRS 7: Financial instruments
- IFRS 8: Segment reporting
- IAS 1R: Information regarding share capital

It should be noted that these standards will have only a presentational impact on the notes to the consolidated financial statements.

Financial statements were approved by the Board of Directors' meeting on 6 March 2007. They will be submitted to shareholders for their approval at the General Meeting of Shareholders on 20 June 2007.

### Principles for the production of financial statements

Consolidated financial statements are presented in euros, which is the operational currency of the Company. These financial statements are drawn up in thousands of euros. They are established on the basis of historic cost, except for the following assets and liabilities which are given at fair value: derivative financial instruments, financial instruments held for trading purposes, financial instruments considered as being available for sale.

Non-current assets and the group of assets earmarked for sale are valued at the lower of their book value and their fair value less disposal costs.

Preparation of financial statements under IFRS requires of the company's management the use of judgment, the production of estimates and the application of hypotheses which have an impact on the way in which accounting methods are applied and on the values of assets and liabilities and of income and

costs. The underlying estimates and hypotheses are made on the basis of past experience and of other factors considered to be reasonable in the circumstances. These thus serve as the basis for the exercise of judgment, made necessary by the requirement to determine values for assets and liabilities that can not be obtained directly from other sources. Actual values may differ from these estimated values.

Estimates and the underlying hypotheses are reviewed continuously. The effect of a change in an estimate is accounted for in the period during which the change is made, if this is the only period affected by the change, or during the period of the change and subsequent periods if these are also affected by the change.

The judgments exercised by the Management Team in the application of IFRS that have a significant effect on the financial statements and those estimates carrying substantial risk of adjustment in subsequent years are detailed in the appendices to accounts. The main entries affected by such judgments are Other Intangible Assets, Goodwill, Deferred Taxation, Financial Debts and Provisions.

Accounting methods have been applied uniformly by all Group entities.

## **Note 1 - Consolidation principles**

### **Consolidation method**

#### **Subsidiaries**

Subsidiaries are defined as those companies over which the Group exercises control. Control is established where the Group can direct the financial and operational policies of an entity in order to derive benefit from its activities. The accounts of subsidiaries are

consolidated into the consolidated financial statements from the date such control comes into being until the date it ceases to exist.

Acquisitions of subsidiaries are accounted for on the purchase method of accounting, and are consolidated on the full consolidation method under which all balance sheet and income statement accounts of the consolidated companies (after necessary restatements for consolidation and elimination of internal transactions and accounts) are consolidated, with shareholders' equity and profit divided between GLTRADE SA and other shareholders or minority interests.

#### **Affiliated companies**

Affiliated companies are those companies where the Group exercises significant influence over financial and strategic decisions, but not control as such. The consolidated accounts include the group's share of the total profit or loss reported by the affiliated company, on the equity method, from the date on which notable influence begins to the date on which it ceases. If the group's share of losses in an affiliated company is greater than the value of its holding in this company, the value of the shares on the Group's books is written down to zero and the group no longer accounts for its share of future losses, unless the Group has a legal or implied obligation to bear some proportion of the affiliated company's losses or to make payments on its behalf.

#### **Joint ventures**

Joint ventures are those entities over which the Group exercises joint control under a contractual agreement. Consolidated financial statements include the Group's share of assets, liabilities, income and costs of joint ventures grouped, line by line, with the corresponding captions of its own financial statements, from the date that joint control begins to the date it ceases.

**Reciprocal accounts and transactions**

Intra-Group transactions, balances on intra-Group accounts and any realized or unrealized gain on intra-Group transactions are eliminated in the consolidation process.

**Currency translation method**

The euro is the functional currency of GLTRADE SA and is the currency in which the accounts of the company and of its subsidiaries, other than those registered outside the euro zone, are presented.

Monetary assets and liabilities denominated in foreign currencies at the closing of accounts are converted to euros at the exchange rate effective on this date. The translation difference is recorded as income or charges on the income statement.

Non-monetary assets and liabilities denominated in foreign currencies and valued at their historic cost are translated using the exchange rate in effect on the transaction date. Non-monetary assets and liabilities denominated in foreign currencies and valued at fair value are translated at the exchange rate in effect on the date on which this fair value was determined.

The assets and liabilities of a foreign business, including goodwill and adjustments to fair value resulting from the consolidation, are converted into euros at the exchange rate in effect on the balance sheet date. Income and charges for foreign entities other than those operating in economies experiencing hyper-inflation are translated into euros using the average exchange rate for the period, provided that there are no significant seasonal fluctuations in sales or major movements in the exchange rate (IAS 21.22). Income and charges of a foreign entity operating in an economy experiencing hyper-inflation are translated into euros at the exchange rate effective on the balance sheet date.

The exchange differences resulting from these translations are reported under the caption "Translation difference" as a separate component of shareholders' equity.

Prior to translation of the accounts of a foreign subsidiary in a hyperinflationary economy, accounts, including those provided for comparison purposes, are restated to take account of the purchasing power of local currency. The restatement is carried out using relevant price indices at the balance sheet date.

**Net investment in a foreign business**

Translation differences arising from the conversion of a net investment in a foreign business and the associated hedging are accounted for under translation reserves. They are accounted for on the income statement if and when the Group withdraws from the foreign business.

**Deferred taxes**

Deferred taxes are determined using the balance sheet method. The group treats deferred tax using the 'variable carry forward method' for all timing differences between the inclusion of assets and liabilities on the consolidated balance sheet at their reported value and their value for tax charges, with the exception of:

- goodwill, the amortization of which is not tax deductible,
- the initial recording of an asset or liability in a transaction which is not a merger of companies and which affects neither reported profit nor taxable profit,
- timing differences relating to holdings in subsidiaries to the extent that these will not revert in the foreseeable future.

The valuation of deferred tax assets or liabilities is determined by the manner in which the Group expects to recover or settle

the value of assets or liabilities on the balance sheet, using the tax rates that have been adopted, or effectively adopted, at the balance sheet date.

The net balance of deferred tax items is determined on the basis of the tax status of each company or the income for tax purposes of all companies included in the tax consolidation scope. A net deferred tax credit is only recognized as an asset if the company or tax unit is reasonably certain that it will crystallize in future years. Tax losses carried forward are only recognized as assets if their use is likely.

#### **Dividendes**

Any dividends paid by one consolidated company to another consolidated company are eliminated in the calculation of net profit for the GLTRADE Group.

#### **Goodwill**

All mergers of companies are accounted for using the purchase method.

For acquisitions of companies taking place since 1 January 2004, goodwill represents the difference between the acquisition cost and the corresponding share of the fair value of the net identifiable assets acquired and any identifiable liabilities.

For acquisitions prior to this date, goodwill is maintained at its deemed value, being the book value calculated under previous accounting methods. The classification and accounting treatment of acquisitions occurring prior to 1 January 2004 were not changed in preparing the opening balance sheet for the Group under IFRS at 1 January 2004.

Goodwill is valued at cost less cumulative impairment of value. Goodwill is allocated to cash generating units and is not amortized, but is subject to an impairment test on an annual basis or at any time that there is an indication that value may have been impaired. For affiliated companies, the book value of goodwill is included in the book value of the shares held in the affiliated company.

Negative goodwill on an acquisition is immediately accounted for on the income statement after a re-examination of the fair values of the assets, liabilities and potential liabilities acquired.

## **Note 2 - Accounting rules**

#### **Turnover recognition**

Revenue is reported for the financial year to which it relates. Operating revenue is generated from the services provided by GLTRADE to its clients. Revenue from these services is recognized according to one of the following models, depending on the type of product sold:

- **Solutions sold as a subscription:** under this billing model, GLTRADE grants its clients the right to use software and provides them with associated maintenance, technical support, hot-line and update services, at no extra cost, over the subscription period. Revenue is billed in advance and recognized linearly over the life of the contract starting from the installation date.
- **Associated services:** the sale of solutions is often accompanied by the provision of associated services, such as project management, installation and training. These services are billed and recognized as revenue as work is completed.

- **Solutions sold in the form of a license with associated maintenance contract:** licenses give the right to use software and are generally granted for a limited period (3 to 5 years). Revenue from licenses is recognized in its entirety at the time of installation at the latest, with revenue from maintenance contracts recognized linearly over the contract period.
- **Projects including a license and specific development and/or significant integration services:** at the project proposal phase, complex projects are divided up into a number of phases corresponding to the operational work packages accepted by the client. Revenue is recognized as work is completed, on the basis of technical milestones achieved. The degree of completion is determined by assessing the work already completed at the end of the financial year.

#### **Rental contracts**

Rental contracts are treated as lease contracts if they transfer to the renter nearly all the risks and advantages inherent in ownership of the rented assets.

In particular, contracts are considered as lease contracts if:

- they allow for the automatic transfer of ownership at the end of the contract, or
- they offer a purchase option that is likely to be exercised during or at the end of the contract, or
- they have a term close to the expected useful life of the asset, or
- the present value of minimum payments under the contract is close to the fair value of the asset.

Leased assets and the corresponding liabilities are shown on the balance sheet as fixed assets and depreciation on the one hand and as short- or long-term debt on the other hand.

Lease contracts are accounted for at the lower of the fair value of the asset and the present value of minimum payments under the lease contract at the date of its commencement. Payments under the contract are split between financial charges and reductions in the outstanding balance of debt.

The depreciation policy for assets covered by lease contracts is similar to that used for tangible fixed assets of the same type.

Payments under straightforward rental agreements are accounted for as charges on the income statement, spread linearly over the period of the contract. Rent reductions under straightforward rental contracts are spread linearly over the fixed period of the contract.

#### **Personnel charges**

##### **Defined contribution retirement plan**

Charges relating to the defined contribution retirement plans are reported as charges on the income statement as incurred.

##### **Retirement benefits: defined benefit plans**

The Group's liabilities under defined benefit retirement plans are calculated separately for each plan, on the basis of the rights accrued by each employee under their employment contract for the current financial year and previous years. This figure is discounted to its current value and the fair value of assets in the plans concerned is deducted. Valuation and other calculations are made by a qualified actuary using the projected unit credit method. The company's actuarial debt is the sum of the liabilities thus calculated for each of its employees.

In calculating the Group's liabilities with regard to a plan, actuarial gains or losses are recorded directly against shareholders' equity.

When the valuation results in a profit for the group, the asset reported is limited to the total of the cost of unrecorded services in prior years and the discounted present value of any future repayments by the plan or future reduction in contributions to the plan.

#### **Transactions based on shares and settled by the transfer of capital instruments or of cash**

There are non-transferable stock option plans that enable some employees to acquire shares in the Group. The cost of benefits paid in shares is booked as a charge, balanced by an increase in shareholders' equity, over a period ending when the employees concerned become the beneficial owners of the shares.

When options are exercised, net equity is increased by the value of the payment received. The cost of stock option plans is determined on the basis of the fair value of the capital instruments granted, assessed at the granting date. Fair value is determined using a Black and Scholes model.

The Group applied the transitional provisions of IFRS 1 regarding payments based on shares, limiting application to payments made after 7 November 2002.

For transactions where the payment is based on shares and which are settled in cash, the Group values the goods or services acquired as well as any liabilities accrued at fair value. Until the liability is settled, the fair value is reviewed at the closure of each set of accounts, and any change in fair value is recorded on the income statement.

#### **Earnings per share**

Earnings per share are calculated on the basis of the weighted average number of ordinary shares in issue over the course of the year.

The average number of ordinary shares in issue is calculated on the basis of any changes in the share capital and corrected for shares held in treasury by the Group.

Diluted earnings per share are calculated by dividing net profit by the weighted average number of shares in issue plus the shares potentially to be issued under dilutive instruments in issue during the year. Potentially dilutive instruments are those stock options where the strike price is lower than the fair value of a GLTRADE share.

The method used to calculate the dilutive effect of these instruments is the share purchase method. This method consists of determining the theoretical number of shares that could be bought at the market price for the amount of the strike price of such instruments. The number of shares thus calculated is subtracted from the total number of shares that would be issued if all dilutive instruments in issue were exercised, to give the additional number of shares to be used in calculating the diluted earnings per share figure.

#### **Financial results**

The net financial result consists of interest to be paid on loans, calculated using the effective interest rate method, interest to be received on investments, income from other dividends, foreign exchange gains and losses and gains and losses on hedging instruments which are reported in the income statement.

Interest income is recorded on the income statement as it is accrued, using the effective interest rate method.

Dividend income is recorded on the income statement when the group acquires the right to receive payments or, in the case of listed shares, on the date of detachment of the coupon.

Interest costs included in payments under a lease contract are recorded using the effective interest rate method.

### **Taxes on profits**

Taxes on profits due for the financial year consist of current taxes and deferred taxes. Taxes are generally reported on the income statement apart from the fraction relating to items that are reported as shareholders' equity. In this case, tax is also reported as shareholders' equity.

Current tax is the tax to be paid on taxable income for the financial year and is calculated at the actual or most probable rate at the balance sheet date. Deferred tax or changes in tax payable against previous financial years must also be added to this amount.

### **Intangible assets**

#### **Research and development costs**

Expenditure for research activities undertaken with a view to gaining technical knowledge is recorded as a charge as incurred.

Expenditure for development work with a view to developing or industrializing a new product or production process is automatically capitalized if the company can demonstrate that:

- that it is technically feasible to develop the intangible asset to the stage of use or sale;
- it has the intention, and financial capacity, to pursue the development project to completion;
- it has the capacity to use or sell the intangible asset thus created;
- it has available to it adequate financial and technical resources to complete the development and the sale;
- the intangible asset will generate probable future economic advantages in a given manner;
- the cost of this asset can be assessed in a reliable way.

The expenditure thus recorded includes direct labor charges and a proportional share of general charges directly attributable to the preparation of the asset for use.

Capitalized expenditure is recorded as an intangible asset at cost less amortization and cumulative impairment of value.

Other development expenditure is recorded on the income statement as it occurs.

### **Other intangible assets**

Other intangible assets acquired by the Group are reported on the basis of their acquisition cost after deduction of any amortization and impairment of value.

### **Amortization**

Amortization is recorded on the income statement on a straight-line basis or on an accelerated basis where the latter gives a

better reflection of the rate at which the future advantages of the intangible asset will be consumed, over the estimated useful life of the intangible asset except where this is indeterminate.

Goodwill and intangible assets with an indeterminate useful life are not subject to amortization. Impairment tests are systematically carried out at the balance sheet date, and at any time when there is an indication that the value of an asset may have been impaired.

Intangible assets are amortized from the date on which they are available for use by the company. The amortization periods used vary from 1 to 5 years.

## Tangible fixed assets

### Freehold fixed assets

Fixed assets are reported at acquisition cost after deduction of amortization and any charge for impairment of value. When a tangible fixed asset comprises different components with significant values and different useful lives, these are reported on different lines under the tangible fixed assets caption.

### Expenditure occurring after acquisition

The Group includes in the book value of a tangible fixed asset the cost of replacing a component of this asset when it occurs, provided that it is likely that the future economic advantages of the asset will accrue to the Group and that its cost can be assessed in a reliable manner. All on-going upkeep and maintenance costs are recorded as charges as they occur.

## Depreciation

Provision for depreciation is recorded on the income statement using the decreasing charge method where this gives a better reflection of the use of the future advantages of the asset, or the straight-line method over the estimated useful life of the asset. Depreciation takes account of a residual value corresponding to the amount the Group would currently receive for the disposal of the asset, after deduction of related costs, if the asset was already of the age and in the expected condition at the end of its useful life.

Land is not depreciated.

Estimated useful lives are as follows:

Tangible fixed assets	Period	Method
Buildings and investment property	20 years	Straight-line
Technical and IT equipment	3 to 4 years	Decreasing charge
General fittings	5 to 10 years	Straight-line
Vehicles	4 to 5 years	Straight-line
Office equipment and furniture	3 to 5 years	Straight-line

## Financial instruments

Loans and receivables are those non-derivative financial instruments producing payment flows that are or can be determined and which are not listed on an active market. They exclude those assets that the entity has reclassified as being held for transaction purposes or those available for sale. In particular, these loans and receivables include deposits and guarantees paid as surety for leases taken out and loans granted to partners.

Assets held for transaction purposes are those financial assets acquired mainly to generate a profit, from price variations, in the short term.

Assets available for sale are those financial assets which are not held for transaction purposes, issued by the group or held until their due date, or designated as such.

Investments held until their due date and loans and receivables issued by the group are recorded on the balance sheet at the date of issue or of their transfer to the Group. The management intention that applies on the date of initial recording determines the category in which financial assets are reported and the valuation method used.

At the time of initial recording, financial assets are valued at their fair value plus directly attributable transactions costs in the case of those assets which are not subsequently to be valued at their fair value.

After initial recording, assets held for transaction purposes and assets available for sale are valued at fair value. As an exception, financial instruments for which a trading price on a liquid market is not available and whose fair value may not be determined in a reliable manner are kept at cost price, including any transaction costs, after deduction of any impairment.

Gains or losses caused by variation in the fair value of assets available for sale are recorded directly in shareholders' equity. When the assets in question are sold, transferred or cashed in, gains or losses are recorded on the income statement. When a reduction in the fair value of assets available for sale is non-temporary in nature, the inventory value of the assets

in question is adjusted and depreciation is recorded on the income statement under Net financial income.

Gains and losses on securities held for transaction purposes are recorded on the income statement.

Financial liabilities, other than those held for transaction purposes, are valued at amortized cost calculated on the effective interest rate method. The fair value of financial instruments is determined by the market price at the balance sheet date after deduction of transaction costs.

### **Trade receivables and other circulating assets**

Trade receivables and other current assets are non-derivative financial instruments. They are recorded at fair value when first entered on the balance sheet, and then at gross value less any depreciation that may prove necessary.

### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank, sight deposit accounts and short-term money market investments. Bank overdrafts, repayable on demand and which form an integral part of the Group's cash management, are included as an element of cash and cash equivalents for the purposes of the cash flow statement.

### **Impairment**

The book values of the Group's assets are analyzed at the close of accounts to determine whether there are any signs of an impairment of value carrying an asset depreciation risk. If such a

risk is identified, an estimation of the realizable value of the asset is carried out.

For intangible fixed assets that are not depreciated, and in particular for goodwill, the company carries out impairment tests at least once a year, even in the absence of any indication of impairment of value.

The realizable value of other assets is the higher of their fair value less disposal costs and their utility value. To assess utility value, future cash flows are discounted to their present value using a discount rate, before tax, that reflects current market conditions for the time value of money and the specific risks relating to the asset. For an asset that does not generate, largely independently, cash income, the realizable value is determined for the cash-generating entity to which the asset belongs.

Impairment tests are carried out using discounted future cash flow methods. Their purpose is to ensure that the realizable value at the closing of accounts is greater than the net value of the asset recorded on the balance sheet. Should this not be the case a depreciation charge will be made equal to the difference between the recoverable value of these assets and their net book value.

For goodwill, intangible assets with an indeterminate useful life and intangible assets which are not yet ready to be put into service, realizable value is estimated on at least each balance sheet date. Impairment of value is recorded if the book value of an asset or of its cash generating unit is higher than the realizable value. Depreciation charges covering this impairment of value are recorded on the income statement.

An impairment of value recorded for a cash generating unit is initially set against the book value of any goodwill allocated to the

cash generating unit (or group of units), then against the book value of the other assets of the unit (or group of units) pro rata to the book value of each individual asset of the unit (or group of units).

An impairment of value set against goodwill may not be reversed. An impairment of value set against the value of any other asset may be reversed if there is a change in the estimates determining the realizable value.

If the book value of an asset is increased as the result of a reversal of an impairment of value charge, its resulting value may not be higher than the value it would have had, net of depreciation, in the absence of the impairment charge.

## **Financial liabilities**

### **Financial liabilities relating to undertakings to buy out minority interests**

Undertakings to acquire minority shareholdings in fully-consolidated subsidiaries are recorded as financial debts. The counterpart of this debt is booked against minority interests with the balance being recorded as goodwill.

It is revalued at its fair value at each financial year end. Changes in fair value are recorded against goodwill.

### **Loans**

Interest-bearing loans are initially recorded at face value after deduction of related transaction costs. Subsequently loans are recorded at their depreciated value; the difference between the cost and the redemption value is reported as a charge on the income statement over the period of the loan, using the effective interest rate method.

## Provisions

A provision is recorded on the balance sheet when the Group notes that a past event has created a current legal or implied liability and that it is probable that an outward transfer of resources representing economic advantages will be necessary to settle this liability.

Where the effect of the time value of money is significant, the amount of the provision is determined by discounting expected future cash flows relating to the liability at a rate, before tax, that reflects current market conditions for the time value of money and, where appropriate, any specific risks relating to this liability.

A provision for loss-making contracts is recorded when the economic advantages the Group expects from a contract are less than the inevitable costs that will have to be borne to meet contractual obligations.

## Trade payables and other liabilities

Trade payables and other liabilities are initially recorded at fair value and then at their amortized cost.

## Current assets earmarked for sale

Immediately prior to an asset being earmarked for sale, the book value of these assets (and of all Group assets and liabilities earmarked for disposal) are assessed according to the standards applicable to them. Then, at the time of the initial classification as earmarked for sale, non-current assets and groups of assets earmarked for sale are recorded at the lower of their book value and their fair value less disposal costs.

Value impairment resulting from the classification of an asset (or group of assets) as earmarked for sale is charged to the income statement, irrespective of whether or not the assets have previously been recorded under the periodic revaluation method. Gains and losses arising from subsequent valuations are treated in the same way. No gain recorded may exceed total impairments of value previously recorded.

## Segment reporting

A market segment is a distinguishable business component the purpose of which is to supply similar ranges of products or services or to market services or products in a distinct economic environment. Each has its own inherent profitability and specific risks. The Group has identified various segments within its range of products.

Segmentation by product type is the primary segmentation used. For the marketing of its products, GLTRADE has structured its segment reporting by product lines:

- Trading Solutions (formerly Front Office)
- PostTrade Derivatives
- PostTrade Securities (formerly Back Office Securities)
- Capital Market Solutions (formerly TRADIX)
- Banking Risk: Fermat (discontinued business)

For none of these Business Lines did the change of name in 2006 result in a reallocation of their respective activities relative to previous years. Each business line is in a position to sell all products in the range, and adapts the Group's overall strategy

into regional and local action plans. Each has its own inherent profitability and specific risks.

The Group's financial reporting system is organized in such a way as to monitor the accounts of each Product Line. Budgeting and quarterly budget reporting are carried out by Product Line in order to monitor the profitability of each area of the business.

Geographical segmentation is the secondary segmentation used.

### Note 3 - Scope of consolidation

At 31 December 2006, the following companies were included in the scope of consolidation:

Company	Head office	Holding company	12/31/2006		12/31/2005		12/31/2004	
			%	Method	%	Method	%	Method
<b>GL TRADE SA</b>	France				Parent company	Parent company	Parent company	
GL MULTIMEDI@ SA	France	GL TRADE SA	82.04%	FC	82.04%	FC	82.04%	FC
GL TRADE LTD	UK	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL TRADE AG	Germany	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL TRADE BV	Netherlands	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL TRADE IBERICA S.L.	Spain	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL TRADE SCHWEIZ AG	Switzerland	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL TRADE BELGIUM	Belgium	GL TRADE SA	100%	FC	100%	FC	100%	FC
GLESIA (*)	Italy	GL TRADE SA	100%	FC	100%	FC	51%	FC
GL TRADE AMERICAS INC (ex GL CONSULTANTS INC)	USA	GL TRADE HOLDINGS INC	100%	FC	100%	FC	95%	FC
GL TRADE SOLUTIONS PTE LTD	Singapore	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL TRADE SYSTEMS LTD HK	Hong Kong	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL TRADE AUSTRALIA PTY LTD	Australia	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL TRADE JAPAN KK	Japan	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL TRADE SOUTH AFRICA PTY LTD	South Africa	GL TRADE SA	100%	FC	100%	FC	100%	FC
GL SETTLE LTD	UK	GL TRADE SA	100%	FC	100%	FC	100%	FC
DAVIDGE DATA SYSTEMS INC	USA	GL TRADE AMERICAS INC (formerly GL Consultants Inc)	merged	FC	merged	FC	100%	FC
Ubitrade SA	France	GL TRADE SA	100%	FC	100%	FC	100%	FC
Ubitrade LTD	UK	Ubitrade SA	liquidated	FC	100%	FC	100%	FC
Ubitrade GMBH	Germany	Ubitrade SA	100%	FC	100%	FC	100%	FC
Ubitrade PTY LTD	Australia	Ubitrade SA	liquidated	FC	liquidated	FC	100%	FC
Ubitrade INC	USA	Ubitrade SA	liquidated	FC	100%	FC	100%	FC
GL TRADE MENA (ex Ubitrade MSP)	Tunisia	Ubitrade SA	100%	FC	100%	FC	100%	FC
Ubitrade OSI	Tunisia	Ubitrade SA	100%	FC	100%	FC	100%	FC
GL SOFTWARE UNIPESAOAL LDA	Portugal	GL TRADE SA	100%	FC	100%	FC	100%	FC
4D TRADING	UK	GL TRADE SA	liquidated	FC	100%	FC	-	-
TFC SAS	France	GL TRADE SA	51%	FC	51%	FC	-	-
BOURSE CONNECT SA	France	GL TRADE SA	sold	EM	sold	EM	34.37%	EM
GL SETTLE INC (ex OASIS)	USA	GL TRADE HOLDINGS INC	100%	FC	100%	FC	-	-
GL TRADE HOLDINGS INC	USA	GL TRADE SA	100%	FC	100%	FC	-	-
EMOS SYSTEMS SAS	France	merged	-	-	-	-	-	-
EMOS FUTURES LTD	UK	GL TRADE SA	100%	FC	-	-	-	-
EMOS SYSTEMS INC	USA	GL TRADE SA	100%	FC	-	-	-	-
GL OVERSEAS INC (ex NYFIX OVERSEAS INC)	USA	GL TRADE SA	100%	FC	-	-	-	-
GL Bilgsayar Hizmetleri Ticaret Ltd Sirketi	Turkey	GL TRADE SA	100%	FC	-	-	-	-

**FC:** Full Consolidation  
**EM:** Equity Method

(\*) Legally 51% owned by GL TRADE SA, but included at 100% in consolidated accounts from the year to 31 December 2005 as a result of the application of IAS 32.

All fully-consolidated companies have a financial year end of 31 December.

The company has not carried out any securitization transactions nor created any ad hoc entities.

Logic Invest, in which GL multimed@ held a 19% stake, ceased trading in December 2006. This company is not included in the scope of consolidation.

#### Changes in the scope of consolidation

- Following their closure for the purposes of simplifying the Group's legal and accounting structure, Ubitrade Inc, 4D Trading and Ubitrade Ltd were removed from the scope of consolidation during the first half of 2006 and were struck from the register of companies in their countries of incorporation. Staff and business activities were transferred to subsidiaries of the GLTRADE Group in the USA and the UK, and these closures do not therefore represent a change in the scope of consolidation in terms of business activities.
- In July 2006, GLTRADE SA acquired all shares in Emos Systems SAS. This French company held 100% stakes in Emos Futures Ltd in the UK and Emos Systems Inc in the USA. On 31 December 2006, Emos Systems SAS was wound up without being liquidated and its assets were fully transferred to its sole shareholder, GLTRADE SA. On 29 December 2006, Emos Futures Ltd made a partial asset transfer to GLTRADE Ltd. Emos Systems Inc is in the process of being wound up. These restructuring measures were taken for the purposes of simplifying the Group's legal structure. Employees and business activities have been transferred to existing Group subsidiaries (see Notes 9 and 31).

- On 25 August 2006, GLTRADE SA acquired all the shares in Nyfix Overseas Inc (since renamed GL Overseas Inc) in the USA with a view to strengthening its position in the UK market. This US registered company generated the bulk of its turnover in the UK, where it had a branch (see Notes 9 and 31).
- In December 2006, GLTRADE SA created a distribution subsidiary, GL Bilgsayar Hizmetleri Ticaret Ltd Sirketi, in Turkey.

#### Currency translation method

The average exchange rates for 2006 and the exchange rates at 31 December 2006 were as follows:

Currency	Average euro exchange rate	Closing euro exchange rate
Australian \$1	0.59999	0.59913
Swiss franc 1	0.63569	0.62232
£1 Sterling	1.46666	1.48920
Hong Kong \$1	0.10251	0.09765
Yen 1	0.00685	0.00637
Singapore \$1	0.50151	0.49500
Tunisian dinar 1	0.59937	0.58327
US \$1	0.79639	0.75930
South African rand 1	0.11734	0.10855

#### Income statement details

On actual figures, turnover rose 3.1% to €184.8m in 2006. At constant scope of consolidation, turnover would have been €182.5m in 2006. The adjusted figure is calculated by subtracting turnover at Emos and GL Overseas Inc (formerly Nyfix Overseas), which were acquired on 1 July and 25 August 2006 respectively.

There was no significant impact from currency movements in 2006 (less than 0.5%). At constant exchange rates turnover would have reached €185.6m for the year.

#### Note 4 - Analysis of turnover by client

	12/31/2006	12/31/2006*	12/31/2005	12/31/2004
<b>20 largest clients or groups</b>				
Value	€84.9m	€83.7m	€76.9m	€58.9m
% of turnover	45.9%	45.9%	42.9%	39.2%
<b>10 largest clients or groups</b>				
Value	€62.8m	€61.8m	€58.5m	€41.1m
% of turnover	34.0%	33.9%	32.6%	27.4%
<b>5 largest clients or groups</b>				
Value	€42.4m	€41.9m	€40.3m	€25.3m
% of turnover	22.9%	23.0%	22.5%	16.9%

\* excluding Emos and GL Overseas Inc

The Group has around 700 clients (excluding individual GL multimedi@ clients). By number of clients, the Group's client

base is equally divided between Tier 1, Tier 2 and Tier 3. GLTRADE has grouped its clients into these three categories according to the scale of the brokerage services they offer to their clients, their turnover and their global scope, with Tier 1 considered as the most important group.

In terms of client numbers, our Sell Side clients account for around 72% of the total and Buy Side clients around 24%. The majority of the balance are Back Office clients.

Around 57% of our clients are equities specialists and 30% are derivatives specialists.

#### Analysis of turnover by Business Line

€ '000s	Like-for-like perimeter				Current perimeter			
	2006	2005	2006/2005	2004	2006***	2005*	2006/2005	2004**
<b>BL Trading Solutions</b>	<b>133,411</b>	<b>129,163</b>	<b>+3%</b>	<b>135,236</b>	<b>131,760</b>	<b>129,163</b>	<b>+2%</b>	<b>139,417</b>
GL STREAM	87,810	85,116	+3%	87,965	86,159	85,116	+1%	92,146
GL NET	16,730	17,762	(6%)	21,106	16,730	17,762	(6%)	21,106
Market Data	15,836	15,666	+1%	16,294	15,836	15,666	+1%	16,294
Professional services	11,058	8,721	+27%	8,088	11,058	8,721	+27%	8,088
Stock exchanges	1,978	1,898	+4%	1,783	1,978	1,898	+4%	1,783
<b>BL FAST</b>	<b>4,155</b>	<b>4,277</b>	<b>(3%)</b>	<b>-</b>	<b>4,155</b>	<b>4,277</b>	<b>(3%)</b>	<b>-</b>
<b>BL Post Trade Derivatives</b>	<b>20,631</b>	<b>19,068</b>	<b>+8%</b>	<b>7,787</b>	<b>19,959</b>	<b>19,068</b>	<b>+5%</b>	<b>18,631</b>
UBIX	12,211	13,002	(6%)	1,265	12,211	13,002	(6%)	12,109
GL CLEARVISION	7,748	6,066	+28%	6,522	7,748	6,066	+28%	6,522
EMOS	672	-	na	-	-	-	na	-
<b>BL Post Trade Securities</b>	<b>9,871</b>	<b>7,429</b>	<b>+33%</b>	<b>6,152</b>	<b>(9,871)</b>	<b>8,355</b>	<b>+18%</b>	<b>6,152</b>
SETTLE UK	6,600	5,871	+12%	6,152	6,600	5,871	+12%	6,152
SETTLE US (Oasis)	3,271	1,558	+110%	-	3,271	2,484	+32%	-
<b>BL Capital Market Solutions</b>	<b>4,552</b>	<b>4,433</b>	<b>+3%</b>	<b>691</b>	<b>4,552</b>	<b>4,433</b>	<b>+3%</b>	<b>3,928</b>
<b>BL Fermat</b>	<b>12,215</b>	<b>14,858</b>	<b>(18%)</b>	<b>202</b>	<b>12,215</b>	<b>14,858</b>	<b>(18%)</b>	<b>2,283</b>
<b>Total</b>	<b>184,834</b>	<b>179,228</b>	<b>+3%</b>	<b>150,068</b>	<b>182,511</b>	<b>180,154</b>	<b>+1%</b>	<b>170,411</b>

\* incl. 12 months turnover at GL Settle Inc - \*\* incl. 12 months turnover at Davidge Data Systems Inc (Trading) and Ubitrade - \*\*\* Excluding EMOS and NYFIX.

## Analysis of turnover by region

€ '000s	2006	2005	Change on reported figures (%)	2006*	Change at constant scope (%)	2004
France	33,880	35,128	(4%)	33,828	(4%)	31,439
Europe / South Africa	101,261	101,250	0%	99,282	(2%)	86,310
Americas	23,896	19,926	20%	23,749	19%	13,082
Asia Pacific	25,797	22,925	13%	25,652	12%	19,236
<b>Total</b>	<b>184,834</b>	<b>179,228</b>	<b>3.1%</b>	<b>182,511</b>	<b>1.8%</b>	<b>150,068</b>

\* excluding Emos and GL Overseas Inc

This analysis is based on the location of the end client.

## Turnover trends in Europe, South Africa and the Middle East

€ '000s	2006	2005	Change 2006/2005	2004	Change 2005/2004
UK	33,957	32,254	5%	36,613	(12%)
Netherlands	10,525	16,212	(35%)	5,196	212%
Italy	16,315	15,687	4%	18,433	(15%)
Germany	7,281	8,365	(13%)	4,075	105%
Switzerland	5,933	5,471	8%	3,755	46%
Belgium	5,294	5,235	1%	5,155	2%
Spain	5,212	5,042	3%	4,777	6%
Luxembourg	2,252	2,482	(9%)	2,200	13%
Austria	4,182	2,111	98%	191	1,005%
Portugal	1,671	1,858	(10%)	1,856	0%
South Africa	1,598	1,507	6%	1,404	7%
Russia and Eastern Europe**	3,034	1,960	55%	885	122%
Sweden	841	840	0%	585	44%
United Arab Emirates	958	631	52%	36	1,653%
Others*	2,209	1,595	39%	1,149	39%
<b>Total</b>	<b>101,262</b>	<b>101,250</b>	<b>0%</b>	<b>86,310</b>	<b>17%</b>

\* mainly Lichtenstein, Ireland and Greece - \*\* Including Poland

## Turnover trends in the Americas

€ '000s	2006	2005	Change 2006/2005	2004	Change 2005/2004
USA	21,915	17,589	25%	11,217	57%
Canada	1,465	1,789	(18%)	1,280	40%
Brazil	418	509	(18%)	539	(6%)
Others*	98	39	151%	45	(13%)
<b>Total</b>	<b>23,896</b>	<b>19,926</b>	<b>20%</b>	<b>13,082</b>	<b>52%</b>

\* Bermuda and Uruguay.

## Turnover trends in the Asia-Pacific region

€ '000s	2006	2005	Variation 2006/2005	2004	Variation 2005/2004
Japan	8,721	9,372	(7%)	8,731	7%
Hong Kong	6,604	5,203	27%	4,747	10%
Singapore	5,237	4,169	26%	2,944	42%
Australia	1,202	683	76%	525	30%
South Korea	1,973	1,932	2%	1,561	24%
Taiwan	1,425	1,129	26%	493	129%
India	445	301	48%	64	369%
Others*	191	137	40%	170	(19%)
<b>Total</b>	<b>25,797</b>	<b>22,925</b>	<b>13%</b>	<b>19,236</b>	<b>19%</b>

\* India, Indonesia, Philippines, China and Thailand.

## Note 5 – Wages and other benefits

### Geographical analysis of employee locations

Subsidiary	Country	2006	%	2005	%	% 2006/2005	2004	%	% 2005/2004
<b>Corporate</b>	<b>France</b>	<b>293</b>	<b>25%</b>	<b>322</b>	<b>30%</b>	<b>(9%)</b>	<b>307</b>	<b>29%</b>	<b>5%</b>
Paris	France	84		67			82		
Brussels	Belgium	18		20			18		
Madrid	Spain	16		21			22		
Lisbon	Portugal	0		1					
Geneva	Switzerland	10		8			6		
Frankfurt	Germany	20		15			21		
Moscow	Russia	5		5					
Zurich	Switzerland	3		4			6		
GL multimed@	France	20		22			47		
<b>Paris Continental Europe</b>		<b>176</b>	<b>15%</b>	<b>163</b>	<b>15%</b>	<b>8%</b>	<b>202</b>	<b>19%</b>	<b>(19%)</b>
London (Trading)	UK	114		119			130		
Amsterdam	Netherlands	27		24			25		
Johannesburg	South Africa	5		5			5		
<b>London North Europe</b>		<b>146</b>	<b>13%</b>	<b>148</b>	<b>14%</b>	<b>(1%)</b>	<b>160</b>	<b>15%</b>	<b>(8%)</b>
<b>Milan</b>	<b>Italy</b>	<b>40</b>	<b>3%</b>	<b>34</b>	<b>3%</b>	<b>18%</b>	<b>33</b>	<b>3%</b>	<b>3%</b>
New York, Chicago	USA	81		68			68		
<b>Americas</b>		<b>81</b>	<b>7%</b>	<b>68</b>	<b>6%</b>	<b>19%</b>	<b>68</b>	<b>6%</b>	<b>0%</b>
Tokyo	Japan	39		44			48		
Hong Kong	China	52		45			41		
Singapore	Singapore	15		10			9		
Sydney	Australia	40		27			18		
<b>Asia</b>		<b>146</b>	<b>13%</b>	<b>126</b>	<b>12%</b>	<b>16%</b>	<b>116</b>	<b>12%</b>	<b>9%</b>
<b>Total Trading</b>		<b>882</b>	<b>76%</b>	<b>861</b>	<b>80%</b>	<b>2%</b>	<b>886</b>	<b>83%</b>	<b>(3%)</b>
London (Back Office)	UK	45		46			48		
GL SETTLE US (Back Office)	USA	18		19					
<b>Back Office Securities</b>		<b>63</b>	<b>6%</b>	<b>65</b>	<b>6%</b>	<b>(3%)</b>	<b>48</b>	<b>5%</b>	<b>35%</b>
Paris	France	76		68			82		
London	UK	40		4			4		
Chicago	USA	1		8			11		
Frankfurt	Germany	8		19			11		
Sydney	Australia	1					1		
Tunis	Tunisia	84		58			30		
<b>Total Ubitrade (UBIX, TRADIX, Fermat)</b>		<b>210</b>	<b>18%</b>	<b>157</b>	<b>15%</b>	<b>34%</b>	<b>139</b>	<b>13%</b>	<b>13%</b>
<b>Total</b>		<b>1,155</b>	<b>100%</b>	<b>1,083</b>	<b>100%</b>	<b>7%</b>	<b>1,073</b>	<b>100%</b>	<b>1%</b>

### Employees by department

Department	2006	2005	2004
Comex & Administration	156	149	144
MDs, Sales & Marketing	120	125	126
Client Services & Operations	470	436	451
Products	409	373	352
<b>Total</b>	<b>1,155</b>	<b>1,083</b>	<b>1,073</b>

**Personnel costs**, which rose 3.2% in 2006, are the largest cost item for the group, accounting for 57.8% of current operating costs (57% in 2005). Since December 2005, employee numbers have increased by 72, including 5 former employees at the Emos group and 45 from GL Overseas Inc. On a constant scope basis, employee numbers would have risen by 25.

In 2006, the Group continued its efforts to rationalize resources.

The number of employees in Europe was reduced, reflecting the trend in turnover. In Paris this trend was accentuated by the regrouping of developers from GL Multimedi@ with Corporate development teams. In Asia, developers were shifted to Australia, the region's main development centre. The number of Ubitrade employees in Tunis increased significantly. This location is establishing itself as the second most important development centre for Europe after Paris.

### Valuation of stock options:

The Group applies IFRS 2 to stock option plans introduced after 7 November 2002. This standard requires that the company records in its accounts a charge corresponding to the fair value of services received over the period before the financial instruments granted may be exercised. Personnel costs therefore included the fair value of stock options awarded to GLTRADE Group employees on 24 October 2003 and 29 November 2004 and to Ubitrade employees on 4 December 2003.

	2006		2005		2004	
	Options	Weighted average exercise price	Options	Weighted average exercise price	Options	Weighted average exercise price
Options in issue at 1 January	304,665	30.01	353,501	27.98	374,221	27.26
Attributed during the period	-	-	-	-	7,500	27.10
Exercised during the period	23,780	16.39	46,166	14.61	20,050	14.78
Cancelled during the period	13,300	17.45	2,670	26.89	2,850	26.89
Options in issue at 31 December	267,585	31.85	304,665	30.01	353,501	27.98
Exercisable options at 31 December	262,585	31.94	164,125	32.68	209,391	28.67

On the date on which options were awarded, the fair value of each option and the evaluation assumptions used were as follows:

Pricing model	Plan of 10/24/2003	Plan of 11/29/2004
	Black & Scholes Model	Black & Scholes Model
Exercise price	€26.89	€27.17
Share price on allocation date	€27.75	€31.94
Risk-free annual interest rate	2%	2%
Share price volatility	10%	10%
Employee turnover rate	3%	3%
Rights acquisition period	2 years	2 years
Maturity date	7 years	7 years
Fair value of option	€5.44	€8.79
Cost corresponding to the fair value to be recorded in the income statement	€759,648	€65,925

The charge is spread over the two years corresponding to the rights acquisition period.

The valuation of options in the stock option plan for Ubitrade employees was carried out using the same approach as for GLTRADE. Each option allocated on 4 December 2003 was valued at €1.03, for a total charge, spread over the rights acquisition period (December 2003 to July 2006) of €116,000.

At 31 December 2006 107,096 options were definitively acquired and 6,125 had definitively lapsed.

For 2006, the total charge recorded for stock option plans introduced after 7 November 2002 was €34,000.

## Note 6 - Other costs

Other external costs were as follows:

€ '000s	2006	2005	Change 2006/2005	2004
Telecommunications costs	5,470	5,649	(3%)	5,076
Hosting costs GL NET and ASP sites	2,795	2,784	0%	2,908
Acquisition of financial market information	7,586	6,787	12%	6,049
Outsourcing and distribution fees to SIA	4,469	5,474	(18%)	6,869
Distribution fees to Fermat	3,267	3,704	(12%)	131
Outsourced consulting	3,590	4,809	NA	0
Purchase of material re-billed to clients	1,898	586	224%	188
<b>Direct cost of sales</b>	<b>29,074</b>	<b>29,793</b>	<b>(2%)</b>	<b>21,220</b>
Rent and service charges	9,869	10,065	(2%)	8,775
Travel and entertainment expenses	4,335	4,811	(10%)	3,730
Advertising, trade fairs, promotions	1,792	1,585	13%	1,314
Telephone	1,569	1,819	(14%)	1,695
Recruitment, accounting, audit and legal fees	6,551	3,827	71%	3,869
Temporary staff and IT outsourcing	2,203	1,314	68%	1,376
Maintenance	700	684	2%	413
Administrative supplies and minor items	787	954	(18%)	535
Insurance	692	984	(30%)	867
Taxes other than on profits	2,211	1,928	15%	2,404
Other costs	999	1,586	(37%)	961
<b>Total other costs</b>	<b>31,709</b>	<b>29,557</b>	<b>7%</b>	<b>25,939</b>
<b>Total other operating costs</b>	<b>60,783</b>	<b>59,350</b>	<b>2%</b>	<b>47,159</b>

In 2006, the reduction in direct costs of around 2% was due mainly to the reduction in distribution royalties paid to SIA, which were renegotiated by GLTRADE and SIA over the course of the year, and to the internalization of consulting fees for Fermat clients in Germany.

Direct costs generated by the Fermat business came to €7,777,000, including €3,267,000 in distribution royalties to Fermat and €3,378,000 in sub-contracted consulting services to various partners. Travel expenses are also re-billed to clients and are recorded as direct costs for a total of €765,000.

### Rental and leasing contracts

GLTRADE has not entered into any financial rental or leasing agreements.

GLTRADE has entered into rental contracts for its vehicle fleet and some office equipment. For its office property GLTRADE has signed standard leases in compliance with local laws. These contracts were initially signed for periods of between 3 and 9 years, with the option to renew on expiry. In general, rent

levels are reviewed on an annual basis to account for market conditions.

Rent payment schedule	2006	2005	2004
Rent falling due in less than one year	5,211	5,750	6,309
Rent falling due between one and five years	8,580	10,602	10,724
Rent falling due in more than five years	2,324	3,651	626
<b>Total</b>	<b>16,115</b>	<b>20,004</b>	<b>17,659</b>

### Note 7 - Financial results

€ '000s	2006	2005	Change 2006/2005	2004
Proceeds from sale of marketable securities and other income	935	720	30%	1,025
Interest received		23	(100%)	7
<b>Income on cash and cash equivalents (A)</b>	<b>935</b>	<b>743</b>	<b>26%</b>	<b>1,032</b>
Interest and similar charges	(639)	(393)	63%	(432)
<b>Cost of gross financial debt (B)</b>	<b>(639)</b>	<b>(393)</b>	<b>63%</b>	<b>(432)</b>
Negative currency translation differences	(2,045)	(1,077)	90%	(1,265)
Provision on equity holdings		0		(100)
Provision for financial contingencies and liabilities		0		(230)
Other	(866)	(127)	224%	
<b>Other financial charges (C)</b>	<b>(2,911)</b>	<b>(1,204)</b>	<b>142%</b>	<b>(1,595)</b>
Positive currency translation differences	1,284	1,382	(7%)	655
Reversal of financial provisions	480			
Other		0		0
<b>Other financial income (D)</b>	<b>1,764</b>	<b>1,382</b>	<b>28%</b>	<b>655</b>
<b>Financial result (A)+(B)+(C)+(D)</b>	<b>(852)</b>	<b>528</b>	<b>(261%)</b>	<b>(340)</b>

The financial result, a net charge of €852,000 in 2006, was affected by the strengthening of the dollar over the course of the year. The net currency translation difference of €761,000 was a major element in the €1.4m difference between 2005 and 2006.

Other financial charges included a capital loss of €454,000 relating to the closure of Ubitrade Inc, Ubitrade Ltd and 4D Trading.

Of the €693,000 in interest charges, €549,000 related to interest on loans taken out by the Group.

### Note 8 - Taxation

Tax charges were as follows:

€ '000s	2006	2005	Change	2004
Tax on profits in France	(3,054)	(4,422)	(31%)	(3,062)
Tax on profits abroad	(7,223)	(4,855)	49%	(5,386)
Deferred tax	(94)	(742)	(87%)	588
<b>Total</b>	<b>(10,371)</b>	<b>(10,019)</b>	<b>3.5%</b>	<b>(7,860)</b>

The Group benefited from carried forward losses of €1,254,000 at Ubitrade SA and €302,000 at Emos SAS that existed prior to the acquisition.

In order to neutralize the effect of these gains on net profits, a reduction in goodwill was booked for the same amount in accordance with IAS 12 paragraph 68.

### Reconciliation between actual and theoretical tax charges:

€ '000s	2006	2005	2004
Consolidated pre-tax profit	29,924	36,606	27,873
Theoretical tax rate (underlying rate applying to parent company)	34.43%	34.95%	35.43%
Theoretical tax charge	10,303	12,794	9,875
Difference in foreign company tax rates	(246)	(303)	75
Unused/uncapitalized tax losses for the year	377	36	60
Use of uncapitalized carried losses from previous years	(18)	(515)	(1,729)
Permanent differences	233	(1,342)	(114)
Research tax credit	(359)	(452)	
Adjustment for deferred taxes of previous years		(199)	(308)
Other	81		
<b>Actual tax charge</b>	<b>10,371</b>	<b>10,019</b>	<b>7,860</b>
<b>Effective tax rate</b>	<b>34.66%</b>	<b>27.37%</b>	<b>28.20%</b>

## Note 9 - Goodwill

### Balance sheet details

Company	12/31/2004	Acquisition	Price supplement	Put option	Goodwill allocation	Deferred tax	Decrease	Conversion difference	12/31/2005
GL TRADE Ltd	3,417							44	3,461
GL TRADE Americas Inc	10,101		544		(230)		(349)	1,301	11,367
GL multimed@ SA	1,074								1,074
GL TRADE BV	2,432								2,432
GL TRADE Japan KK	4,306								4,306
Glesia	320		5,982						6,302
4D Trading Ltd	28								28
GL SETTLE Ltd	7,578								7,578
GL Systems HK	8,285								8,285
Ubitrade SA (1)	22,612		3,722		(4,409)		(3,187)		18,738
GL SETTLE Inc		3,091						43	3,134
<b>Total</b>	<b>60,154</b>	<b>3,091</b>	<b>10,248</b>		<b>(4,639)</b>	-	<b>(3,536)</b>	<b>1,388</b>	<b>66,706</b>

Company	12/31/2005	Acquisition	Price supplement	Put option	Goodwill allocation	Deferred tax	Decrease	Business earmarked for sale	Conversion difference	12/31/2006
GL TRADE Ltd	3,461								73	3,534
GL TRADE Americas Inc	11,367	419							(1,045)	10,741
GL multimed@ SA	1,075									1,075
GL TRADE BV	2,432		200							2,632
GL TRADE Japan KK	4,306									4,306
Glesia	6,302			1,622						7,924
4D Trading Ltd	28						(28)			0
GL SETTLE Ltd	7,578									7,578
GL Systems HK	8,285									8,285
Ubitrade SA (1)	18,738		(472)		(432)			472		18,305
GL SETTLE Inc	3,134				(399)	138			(306)	2,566
Emos SAS (1)		4,510			(104)					4,406
GL Overseas Inc		8,168							(219)	7,949
<b>Total</b>	<b>66,706</b>	<b>13,097</b>	<b>(272)</b>	<b>1,622</b>	<b>(935)</b>	<b>138</b>	<b>(28)</b>	<b>472</b>	<b>(1,497)</b>	<b>79,301</b>

(1) Reductions in goodwill at Ubitrade SA and Emos SAS correspond to the use after their acquisition of carried tax losses that were not initially recorded as assets.

### **Emos SAS**

The acquisition of Emos SAS in July 2006 gave rise to goodwill of €4,406,000. The Group is currently carrying out additional analysis to ensure that there are no other separately identifiable elements of goodwill. To date, the Group has identified intangible assets (primarily Client Lists and Technology) which are currently being valued. As a result of this work, the values identified at 31 December 2006 could be adjusted within the twelve-month period from the date of acquisition allowed under IFRS 3 (see Note 31).

### **GL Overseas Inc**

The acquisition of all shares in Nyfix Overseas Inc (GL Overseas Inc) resulted in the recording of €8,168,000 of goodwill. The Group is currently carrying out additional analysis to ensure that there are no other separately identifiable elements of goodwill. To date, the Group has identified intangible assets (primarily Client Lists and Technology) which are being valued. As a result of this work, the values identified at 31 December 2006 could be adjusted within the twelve-month period from the date of acquisition allowed under IFRS 3 (see Note 31).

The maximum price supplement payable on this acquisition is US\$6m. As things currently stand, no price supplement has been recorded, as the likelihood that the triggering conditions will be met has not been demonstrated (see Note 32).

### **GL TRADE BV**

The acquisition price for Robijn Groep, acquired in 2004, has been adjusted due to the meeting of targets defined in the price adjustment clause of the purchase contract. An additional €200,000 was paid to former shareholders.

### **GL TRADE Americas Inc**

In August 2006, GL TRADE Holdings Inc acquired from Mr Gérard Varjacques his 5% holding in GL TRADE Americas Inc. The first tranche, representing 2.5% of the capital, was paid for in cash, with the second half being paid for by an exchange of GL TRADE Americas Inc shares for GL TRADE SA shares.

In 2005, the GL TRADE Group recorded its undertaking to acquire this 5% stake in GL TRADE Inc from Mr Varjacques as a financial debt, in accordance with IAS 32.

During 2006, changes to the underlying assumptions used in valuing the shares acquired by GL TRADE under its undertaking resulted in an adjustment of €419,000 being made to goodwill. Debt related to the 2.5% of the shares that had not been acquired at 31 December 2006 is recorded as other current debt.

### **Glesia**

The undertaking by GL TRADE SA to acquire shares in Glesia held by SIA under certain conditions was renegotiated during 2006. The Group reviewed the assumptions used in valuing the financial debt recorded in 2005, in accordance with IAS 32, and recorded the difference in value as an increase in goodwill and a corresponding increase in non-current financial debt. This resulted in a €1,622,000 addition to goodwill.

### **GL SETTLE Inc**

Within the period for determination of goodwill of 12 months from the date of acquisition, as allowed under IFRS 3, GL TRADE allocated part of goodwill to identifiable assets, valuing the «Client List» asset at fair value. The Group valued this intangible asset at €399,000. This increase in intangible assets was counterbalanced by a €261,000 reduction in goodwill (net of deferred tax).

The maximum price supplement payable on this acquisition is US\$3m. As things currently stand, no price supplement has been recorded as the likelihood that the triggering conditions will be met has not been demonstrated (see Note 32).

### **Ubitrade**

The final valuation of the price supplement, which was made definitively in April 2006 and was due to former shareholders of Ubitrade SA at that time, was below the amount estimated at 31 December 2005. The difference between the two figures was €473,000. This was recorded as a reduction in goodwill on Ubitrade in June 2006, and then reclassified as an asset earmarked for sale at 31 December 2006, given that it related to an adjustment of the price of the Fermat business.

### **Impairment tests**

In accordance with IAS 36, the GLTRADE Group has carried out tests for impairment of value on all goodwill recorded on the balance sheet at 31 December 2006. The Group has allocated each goodwill element to a Cash-Generating Unit, and has performed tests to ensure that the recoverable value of each Cash-Generating Unit is greater than its book value.

To do this, GLTRADE has used the discounted future cash flow method over a five-year period, based on the budget for 2007 and the business plan forecasts at 31 December 2006 for the remaining four years.

The discount rate used is 13.05% before tax.

The terminal value assumes perpetual growth in turnover of 2.5%.

The impairment tests carried out at 31 December 2006 did not result in any charge for impairment of goodwill. Sensitivity tests, in which key assumptions of the valuation are changed, were carried out by the Group. These tests did not call into question the recoverable values placed on Cash-Generating Units.

## Note 10 - Allocation of goodwill to Cash-Generating Units

€ '000s	Trading Solutions	Post Trade Derivatives	Capital Market Solutions	Post Trade Securities	Fermat	Total
<b>CGU</b>						
<b>Goodwill allocated</b>						
GL TRADE Ltd		3,534				3,534
GL TRADE Americas Inc	10,741					10,741
GL multimed@ SA	1,075					1,075
GL TRADE BV	2,632					2,632
GL TRADE Japan KK	4,306					4,306
GLESIA	7,924					7,924
GL SETTLE Ltd	2,173		5,405			7,578
GL TRADE system Ltd HK	8,285					8,285
Ubitrade		13,767		4,538		18,305
GL SETTLE Inc			2,566			2,566
EMOS		4,406				4,406
GL Overseas	7,949					7,949
<b>Total</b>	<b>45,085</b>	<b>21,707</b>	<b>7,971</b>	<b>4,538</b>	<b>-</b>	<b>79,301</b>

## Note 11 - Intangible assets

€ '000s	01/01/2004	Increase	Decrease	Currency variation	12/31/2004
Software	1,293	1,211	(147)	(10)	2,347
Software sold	4,792				4,792
Other intangible assets	0				0
Prepayments on intangible assets	9		(9)		0
<b>Gross total</b>	<b>6,094</b>	<b>1,211</b>	<b>(156)</b>	<b>(10)</b>	<b>7,139</b>
Software	(1,115)	(861)	146	(1)	(1,831)
Software sold	(4,289)	(500)			(4,789)
Other intangible assets	0				0
Prepayments on intangible assets					
<b>Total amortization</b>	<b>(5,405)</b>	<b>(1,361)</b>	<b>146</b>	<b>(1)</b>	<b>(6,620)</b>
<b>Net total</b>	<b>689</b>	<b>(150)</b>	<b>(10)</b>	<b>(11)</b>	<b>519</b>

€ '000s	12/31/2004	Increase	Decrease	Currency variation	12/31/2005
Software	2,347	359	(781)	24	1,949
Software sold	4,792		(4,645)		147
Other intangible assets	0	7,129			7,129
Prepayments on intangible assets	0	258	0		258
<b>Gross total</b>	<b>7,139</b>	<b>7,746</b>	<b>(5,426)</b>	<b>24</b>	<b>9,483</b>
Software	(1,831)	(485)	771	(11)	(1,556)
Software sold	(4,789)		4,642		(147)
Other intangible assets	0	(3,350)			(3,350)
Prepayments on intangible assets		(113)			(113)
<b>Total amortization</b>	<b>(6,620)</b>	<b>(3,948)</b>	<b>5,413</b>	<b>(11)</b>	<b>(5,166)</b>
<b>Net total</b>	<b>519</b>	<b>3,798</b>	<b>(13)</b>	<b>13</b>	<b>4,317</b>

€ '000s	12/31/2005	Acquisition	Increase	Decrease	Currency variation	12/31/2006
Software	1,949	154	300	(196)	(6)	2,201
Software sold	147					147
Other intangible assets	7,129	2	397	(3,572)	(43)	3,913
Intangible assets in progress			1,065			1,065
Prepayments on intangible assets	258		87	(113)	2	234
<b>Gross total</b>	<b>9,483</b>	<b>156</b>	<b>1,849</b>	<b>(3,881)</b>	<b>(47)</b>	<b>7,560</b>
Software	(1,556)	(75)	(392)	196	(1)	(1,828)
Software sold	(147)					(147)
Other intangible assets	(3,350)		(2,095)	3,000	14	(2,431)
Prepayments on intangible assets	(113)			113		0
<b>Total amortization</b>	<b>(5,166)</b>	<b>(75)</b>	<b>(2,487)</b>	<b>3,309</b>	<b>13</b>	<b>(4,406)</b>
<b>Net total</b>	<b>4,317</b>	<b>81</b>	<b>(638)</b>	<b>(572)</b>	<b>(34)</b>	<b>3,154</b>

### Other intangible assets

This heading consists of assets identified in the additional analysis of goodwill on Ubitrade SA, Davidge and GL Settle Inc. The increase of €397,000 over the year represents the identification of the Client List at GL Settle Inc as a separate asset. This asset will be amortized over 10 years. The charge to amortization for 2006 was €95,000.

For 2006, amortization of other intangible fixed assets resulting from the allocation of goodwill made in 2005 was €2,000,000 (including €1,100,000 for the Fermat distribution business).

Of the €3,572,000 reduction in this item, €3,565,000 related to the reclassification of Fermat assets earmarked for sale. The associated amortization was also reclassified, resulting in the €3,000,000 reduction in this item.

### Intangible assets in progress

In accordance with IAS 38, the Group capitalized development expenditure on projects which met the six criteria set out in this standard. The expenditure capitalized totaled €1,065,000. At 31 December 2006, with all projects nearing completion, no amortization was charged.

## Note 12 - Tangible fixed assets and investment property

€ '000s	01/01/2004	Increase	Decrease	Currency variation	12/31/2004
Land and buildings	35				35
Investment property	350				350
IT equipment and fittings	25,311	7,716	(4,555)	(164)	28,308
<b>Gross total</b>	<b>25,696</b>	<b>7,716</b>	<b>(4,555)</b>	<b>(164)</b>	<b>28,693</b>
Land and buildings					
Investment property					
IT equipment and fittings	(19,045)	(7,240)	(4,484)	(104)	(21,697)
<b>Total depreciation</b>	<b>(19,045)</b>	<b>(7,240)</b>	<b>(4,484)</b>	<b>(104)</b>	<b>(21,697)</b>
<b>Net total</b>	<b>6,651</b>	<b>476</b>	<b>(71)</b>	<b>(60)</b>	<b>6,996</b>
€ '000s	12/31/2004	Increase	Decrease	Currency variation	12/31/2005
Land and buildings	35		(35)		0
Investment property	350		(350)		0
IT equipment and fittings (1)	28,308	3,170	(6,819)	529	25,188
<b>Gross total</b>	<b>28,693</b>	<b>3,170</b>	<b>(7,204)</b>	<b>529</b>	<b>25,188</b>
Land and buildings					0
Investment property					0
IT equipment and fittings (2)	(21,697)	(3,698)	(6,372)	(375)	(19,398)
<b>Total depreciation</b>	<b>(21,697)</b>	<b>(3,698)</b>	<b>(6,372)</b>	<b>(375)</b>	<b>(19,398)</b>
<b>Net total</b>	<b>6,996</b>	<b>(528)</b>	<b>(832)</b>	<b>154</b>	<b>5,790</b>
€ '000s	12/31/2005	Increase	Decrease	Currency variation	12/31/2006
Land and buildings	0				0
Investment property	0				0
IT equipment and fittings	25,188	4,507	(2,348)	(514)	26,833
Prepayments on tangible fixed assets	30				30
<b>Gross total</b>	<b>25,188</b>	<b>4,537</b>	<b>(2,348)</b>	<b>(514)</b>	<b>26,863</b>
Land and buildings	0				0
Investment property	0				0
IT equipment and fittings	(19,398)	(3,851)	2,256	376	(20,617)
<b>Total depreciation</b>	<b>(19,398)</b>	<b>(3,851)</b>	<b>2,256</b>	<b>376</b>	<b>(20,617)</b>
<b>Net total</b>	<b>5,790</b>	<b>686</b>	<b>(92)</b>	<b>(138)</b>	<b>6,247</b>

In 2006, the increase in «IT equipment and fittings» related to the renewal of the Group's IT equipment. The effect of acquisitions was €669,000.

GLTRADE made renewal investments over the course of 2006. The continuous fall in the price of IT equipment over recent years allows for the replacement of equipment more than 3 years old at lower cost. This investment came to €3,838,000.

No provision for impairment was recorded over the year.

## Note 13 – Non-current financial assets

€ '000s	01/01/2004	Increase	Decrease	Currency variation	12/31/2004
Equity stakes	200	0	0	0	200
Loans to controlled companies	103	177		0	280
Other loans	0	31	(1)	0	30
Deposits and guarantees paid	1,634	647	(424)	(22)	1,835
Other tied-up receivables	577			0	577
<b>Gross total</b>	<b>2,514</b>	<b>855</b>	<b>(425)</b>	<b>(22)</b>	<b>2,922</b>
Loan loss provisions	(50)	(230)		0	(280)
Provision for impairment on equity investments	(100)	(100)		0	(200)
<b>Total provisions</b>	<b>(150)</b>	<b>(330)</b>	<b>0</b>	<b>0</b>	<b>(480)</b>
<b>Net total</b>	<b>2,364</b>	<b>525</b>	<b>(425)</b>	<b>(22)</b>	<b>2,442</b>

€ '000s	12/31/2004	Increase	Decrease	Currency variation	12/31/2005
Equity stakes	200	0	(1)	0	199
Loans to controlled companies	280			0	280
Other loans	30	45	(68)	0	7
Deposits and guarantees paid	1,835	603	(315)	21	2,144
Other tied-up receivables	577		(577)	0	0
<b>Gross total</b>	<b>2,922</b>	<b>648</b>	<b>(961)</b>	<b>21</b>	<b>2,630</b>
Loan loss provisions	(280)	0		0	(280)
Provision for impairment on equity investments	(200)	0		0	(200)
<b>Total provisions</b>	<b>(480)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(480)</b>
<b>Net total</b>	<b>2,442</b>	<b>648</b>	<b>(961)</b>	<b>21</b>	<b>2,150</b>

€ '000s	12/31/2005	Increase	Decrease	Currency variation	12/31/2006
Equity stakes	199		(199)		0
Loans to controlled companies	280		(280)		0
Other loans	7	4	(2)		9
Deposits and guarantees paid	2,144	428	(162)	(61)	2,349
Other tied-up receivables	0	168			168
<b>Gross total</b>	<b>2,630</b>	<b>600</b>	<b>(643)</b>	<b>(61)</b>	<b>2,526</b>
Loan loss provisions	(280)		280		0
Provision for impairment on equity investments	(200)		200		0
<b>Total provisions</b>	<b>(480)</b>	<b>0</b>	<b>480</b>	<b>0</b>	<b>0</b>
<b>Net total</b>	<b>2,150</b>	<b>600</b>	<b>(163)</b>	<b>(61)</b>	<b>2,526</b>

Logic Invest (not consolidated), in which GL multimedi@ owns a 19.5% stake, has ceased trading. Shares and loans, which had been fully written down, have been removed from the Group's financial assets. Deposits and guarantees paid arose under leases for the offices of various Group companies.

## Note 14 - Deferred tax credits

€ '000s	12/31/2006	12/31/2005	12/31/2004
Tangible fixed assets	104	142	33
Losses carried forward	350	374	0
Financial fixed assets	0	0	0
benefits	499	496	312
Provisions	(11)	(32)	35
Working capital items	612	531	125
<b>Total</b>	<b>1,553</b>	<b>1,511</b>	<b>505</b>

Deferred tax credits on tangible fixed assets arose from the harmonization of depreciation periods for IT equipment in all Group subsidiaries.

Deferred tax credits from losses carried forward relate to Davidge Data Systems Inc.

These are recorded against goodwill on this company.

## Note 15 – Trade and other receivables

### Trade receivables

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Trade receivables	47,519	68,945	(31.08%)	38,861
Impairment provisions	(340)	(606)	43.89%	(505)
<b>Net</b>	<b>47,179</b>	<b>68,339</b>	<b>(30.96%)</b>	<b>38,356</b>

During 2006, the Group made new impairment provisions of €181,000, from €331,000 in 2005, and made a reversal of provisions of €433,000 from €207,000 in 2005. The impact of impairment charges on trade receivables is recorded under «Other operating expenses» on the income statement. The impairment of receivables results from commercial claims or client bankruptcies.

All these receivables fall due in less than one year.

Part of turnover is recognized in line with the progress of the services provided, in accordance with IAS 11, and its impact on trade receivables is analyzed as follows:

- In France, for Ubitrade SA, only one project is recorded on this basis, relating to the TRADIX product. At end-December 2006, this project was 89% complete (with total turnover of €1.9m).
- In the USA, a contract signed by the PTD Business Line worth \$6.3m is 15% complete. This project is in its start-up phase.

### Other receivables

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Prepaid charges	2,082	1,074	93.87%	1,240
Due from government bodies	5,075	2,469	105.43%	2,280
Sundry receivables	596	797	(25.25%)	812
Charges booked in advance	1,805	3,066	(41.14%)	4,317
<b>Total other receivables</b>	<b>9,558</b>	<b>7,406</b>	<b>29.01%</b>	<b>8,648</b>

The bulk of the change in the sums due from government bodies relates to the offsetting of carried losses at Ubitrade against the company's tax.

## Note 16 – Current financial assets

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Bonds	1,139	1,102	3%	0
<b>Total</b>	<b>1,139</b>	<b>1,102</b>	<b>3%</b>	<b>0</b>

These are short-term investments with a maturity of over three months which can not be classified as cash and cash equivalents. These assets are not subject to sharp variations in interest rates nor considerable exchange rate risk.

## Note 17 – Cash and cash equivalents

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Accounts	2,765	6,174	(55%)	13,500
Cash	34,064	36,617	(7%)	17,369
<b>Total cash and cash equivalents</b>	<b>36,829</b>	<b>42,791</b>	<b>(62%)</b>	<b>30,868</b>

Cash is invested in marketable securities, money market mutual funds or interest-bearing accounts. These financial assets are recorded at their fair value on 31 December 2006.

## Note 18 - Assets earmarked for sale

The investment property classified as an asset earmarked for sale at 31 December 2005 was sold on 3 March 2006 for €960,000.

At 31 December 2006, the whole of the assets earmarked for sale category (€5,258,000) consisted of the assets of Ubitrade GmbH (€5,165,000) and the net book value of the client portfolio of the Fermat distribution business (€93,000).

Of the €5,165,000 of assets at Ubitrade GmbH, €4,399,000 consisted of trade receivables. The German subsidiary, Ubitrade GmbH, which was responsible for selling Fermat Risk solutions was recording turnover from several projects at four different clients in line with progress made. The total value of these contracts was €13.2m, with €12.5m having reached the 85% stage.

In November 2006, GLTRADE SA's Board of Directors approved the sale of Ubitrade GmbH to Fermat. The sale was effective on 1 January 2007.

## Note 19 - Earnings per share

€ '000s	12/31/2006	12/31/2005	12/31/2004
Net income for the year (groupe share)	19,456	26,540	19,071
<b>(A) Net income available to holders of ordinary shares</b>	<b>19,456</b>	<b>26,540</b>	<b>19,071</b>
Opening number of ordinary shares in issue	9,577,441	9,531,275	10,338,288
Shares issued (cancelled) during the year	23,780	46,166	(807,013)
Own Shares held in treasury	0	0	0
<b>(B) Closing number of ordinary shares</b>	<b>9,601,221</b>	<b>9,577,441</b>	<b>9,531,275</b>
Effect of options authorized for issue	37,089	49,177	46,572
<b>(C) Potential total number of shares in issue</b>	<b>9,638,310</b>	<b>9,626,618</b>	<b>9,577,847</b>
(A)/(B) Earnings per share before dilution	2.03	2.77	2.00
(A)/(C) Earnings per share after dilution	2.02	2.76	1.99

At its meeting of 6 March 2007, the Board of Directors noted the number of stock options that had been exercised prior to 31 December 2006. At this date, the company's issued capital was €292,782, in 9,601,221 fully paid up shares of a single category with a nominal value of €0.03.

The Board of Directors will submit a motion to the general meeting of shareholders on 20 June 2007 that a dividend of €1.10 per share be paid. This dividend will be payable on 6 July 2007.

## Note 20 - Non-current financial debts

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Borrowings from lending establishments	10,123	9,000	13%	12,280
Miscellaneous financial debts	0	11	(100%)	0
Financial debts from option to buy out minority interests	5722	971		
<b>Total</b>	<b>15,845</b>	<b>9,982</b>	<b>59%</b>	<b>12,280</b>

A €15m 5-year loan was taken out in June 2004 to help finance GLTRADE's repurchase of 8% of its own shares. This is a variable rate loan based on 3-month Euribor. €4.5m falls due in between 1 and 5 years.

A second, €7m, 5-year loan was taken out in September 2006 to help finance the acquisition of Nyfix Overseas Inc. This is a variable rate loan based on 3-month Euribor. €5.6m falls due in between 1 and 5 years.

The GLTRADE Group has recorded as a financial debt its undertaking to buy out shares held by a minority shareholder in its Italian subsidiary Glesia, in accordance with IAS 32 para. 23 and AG 29. The value of the debt thus recorded in 2006 is €5,722,000. This debt has been valued at the price of exercising the option, which is determined by contractually defined criteria and corresponds to the discounted fair value of the minority stake in Glesia.

The valuation assumptions used were reviewed at 31 December 2006. The change in the value of this undertaking has been recorded as an adjustment to goodwill. In 2005, this undertaking was classified as a current financial debt.

### Note 21 - Deferred tax liabilities

€ '000s	12/31/2006	12/31/2005	12/31/2004
Tangible fixed assets			
Intangible fixed assets	912	1,342	
Financial fixed assets			
Employee benefits	138	80	
Provisions	60	44	1,196
Other	205	261	
<b>Total</b>	<b>1,315</b>	<b>1,727</b>	<b>1,196</b>

Deferred tax liabilities on intangible assets arose from the allocation of goodwill for Ubitrade SA, Davidge Inc and GL Settle Inc to identifiable elements.

### Note 22 – Employee liabilities

Changes in net retirement benefit liabilities were as follows:

€ '000s	2006	2005
Opening actuarial liability	643	480
Opening fair value of plan assets	(600)	(263)
<b>Opening net liability</b>	<b>43</b>	<b>217</b>
Charge for the year	76	75
Contribution for the year	(156)	(330)
Actuarial gain/(loss)	87	82
<b>Closing net liability</b>	<b>50</b>	<b>43</b>
<b>Charge for the year</b>	<b>76</b>	<b>75</b>

The charge for the year was as follows:

€ '000s	2006	2005
Cost of benefits provided	71	62
Financial costs	29	22
Yield on plan assets	(24)	(10)
<b>Charge for the year</b>	<b>76</b>	<b>75</b>

At 31 December 2006, the total liability was €830,000.

The assessment of retirement benefit liabilities was carried out by an independent actuary using the projected unit credit method in accordance with IAS 19.

Each period of service gives rise to an additional unit of rights to benefits. These are allocated as a function of periods of service according to the benefits formula defined in the Syntec collective employment agreement.

Retirement benefit liabilities were calculated using a discount rate of 4.50%, inflation of 2%, an average increase in employee numbers of 2%, and a retirement age of 65 for managerial and 60 for non-managerial employees.

The Group's French subsidiaries have each taken out an insurance policy with an insurance company of good standing to cover their retirement benefit liabilities.

GLTRADE has applied the amended version of IAS 19. In accordance with this standard, the effects of changes in actuarial hypotheses were recorded as shareholders' equity for a total of €87,000.

The 45 employees of GL Overseas Inc., do not have a defined benefit retirement plan, so the inclusion of this company in the scope of consolidation had no impact on retirement benefit liabilities.

The group did not subscribe to any mutual or multi-employer retirement benefit plans.

### Note 23 - Other non-current liabilities

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Other non-current liabilities	-	1,378	(100%)	1,073
<b>Total</b>	-	<b>1,378</b>	<b>(100%)</b>	<b>1,073</b>

GLTRADE SA's undertaking to purchase stock options granted to some employees of the Ubitrade Group prior to its acquisition by GLTRADE SA, as part of the stock option plan of 4 December 2003, expires in December 2007. The €1,230,000 recorded to cover this undertaking has been reclassified under other current debts, thus explaining the vast majority of the change in this item.

### Note 24 - Current financial liabilities

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Debts to lending establishments	6,216	3,193	95%	7,164
Miscellaneous financial debts and borrowing	241	238	1%	341
Financial debt on option to buy out minority interests	923	4,893		0
<b>Total</b>	<b>7,381</b>	<b>8,324</b>	<b>(11%)</b>	<b>7,505</b>

The €6,216,000 'Debts to lending establishments' caption represents payments on the CALYON loan which fall due in less than one year.

The 'Miscellaneous financial debts and borrowing' caption mainly covers deposits received on GL multimed@ decoders.

The Group recorded as a financial liability for the year the total of preferred dividends allowed for in the shareholders' pact and payable to minority shareholders in Glesia. This liability was offset through an adjustment to goodwill.

### Note 25 - Trade payables and other debts

#### Trade creditors

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Trade payables	11,096	12,002	(15%)	16,450

#### Other debts

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Tax due	2,704	2,798	(3.35%)	1,983
Advances and deposits received	4,443	4,187	6.12%	2,073
Social security contributions	16,261	12,493	30.16%	13,558
Tax debts	7,692	8,958	(14.13%)	6,208
Other debts	3,596	5,192	(64.93%)	1,863
<b>Total</b>	<b>34,697</b>	<b>33,628</b>	<b>(2.01%)</b>	<b>25,685</b>

The 'Other debts' caption includes the value of the undertaking by GLTRADE SA to buy back stock options held by Ubitrade employees for a total of €1,230,000. This payment will fall due in December 2007.

It also includes the sum due to the minority shareholder in GLTRADE Americas Inc, for the acquisition of his remaining 2.5% stake (€602,000). This debt was extinguished in January 2007.

### Note 26 - Provisions for contingencies and liabilities (current)

€ '000s	12/31/2004	Provisions	Reversals		12/31/2005
			used	unused	
Provisions for contingencies	534	498	173	103	756
<b>Total</b>	<b>534</b>	<b>498</b>	<b>173</b>	<b>103</b>	<b>756</b>

€ '000s	12/31/2005	Provisions	Reversals		12/31/2006
			used	unused	
Provisions for contingencies	756	230	312	79	595
<b>Total</b>	<b>756</b>	<b>230</b>	<b>312</b>	<b>79</b>	<b>595</b>

Provisions for contingencies recorded at 31 December 2006 related to industrial tribunal claims in progress at this date.

#### Outstanding claims:

In September 2005, US company Trading Technologies (TT) confirmed its claim against GLTRADE SA and GLTRADE Americas Inc before the Illinois Court, accusing the companies of having included in their software elements that TT claims were protected by its patents in the USA. This claim follows a dozen others launched against some of TT's competitors and also its clients.

To date, the plaintiff's demands are not quantified. GLTRADE SA, created several years before TT, believes that it has substantial prior art that would be an important point in its defense. Considering this, no provision was made against this claim at 31 December 2006.

All provisions for contingencies at 31 December 2006 covered industrial relations disputes for companies across the Group.

There is no other unprovisioned claim or exceptional event that could have an impact on the Group's financial position.

### Note 27 - Other current liabilities

€ '000s	12/31/2006	12/31/2005	Change	12/31/2004
Prepaid income	60,821	80,103	(24%)	50,047
<b>Total</b>	<b>60,821</b>	<b>80,103</b>	<b>(24%)</b>	<b>50,047</b>

Prepaid income arises as a result of the billing model for software, which is generally paid for in advance for a 12-month period.

### Note 28 - Liabilities earmarked for sale

Liabilities earmarked for sale included solely the liabilities of Ubitrade GmbH, the sale of which was completed on 1 January 2007.

Of the €3,391,000 of liabilities to be sold, €1,197,000 was trade payables and €1,344,000 was prepaid income.

### Note 29 - Analysis by segment

Segmentation by product type is the primary segmentation used. The Group's historical Front Office product line was expanded by the Back Office products of GL Settle in 2003 and then by

Ubitrade's products in 2004. GLTRADE has organized itself into Business Lines for the purpose of marketing its products, each of which has its own inherent profitability and specific risks.

The Group's financial reporting system is organized in such a way as to monitor the accounts of each business line. The 2007 budget has been drawn up on the same basis, and quarterly budget reporting will also be by Business Line to ensure that profitability can be monitored in each area.

This structure was introduced over the course of 2005, that is to say during the year in which the businesses acquired had their most significant effect on the Group's accounts. The Company does not have the means to present segment analysis for 2004 comparable to that for 2005 and 2006.

Geographical segmentation is the secondary segmentation used. The Group has created Business Units which are responsible for action plans to implement locally the Group's global strategy. They adapt the plans to suit the potential and the technical, regulatory and cultural specificities of each market. Each has its own inherent profitability and specific risks.

### Primary segment analysis: by product type

€ '000s	Trading Solutions / Client Connectivity		Post Trade Derivatives		Post Trade Securities		Capital Market solutions		Discontinued businesses		Unallocated holding		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
<b>Information recorded on the income statement</b>														
Turnover	137,573	138,596	20,623	13,914	9,872	7,420	4,551	4,440	12,215	14,858			184,834	179,228
Depreciation and amortization (excluding intangible assets from acquisitions)	3,296	3,516	185	289	262	379	15	95	22	16			3,779	4,295
Operating income (before amortization of intangible assets resulting from the acquisition method)	23,672	22,887	5,547	2,297	317	91	1,122	912	2,213	4,383			32,870	30,750
Amortization of intangible assets from acquisitions	89	133	545	988	95		266	329	1,100	1,900			2,095	3,350
Operating income (before amortization of intangible assets resulting from the acquisition method)	23,583	22,754	5,002	1,309	222	91	856	583	1,113	2,483	0	0	30,775	27,220
<b>Information recorded on the balance sheet</b>														
Goodwill and intangible fixed assets from acquisitions	46,222	36,509	22,731	19,079	8,568	8,600	4,935	5,162		1,673			82,456	71,023
Net tangible fixed assets	5,198	4,857	573	465	291	307	185	99		62			6,247	5,790
Employee benefit liabilities	47	30	2	10									50	43
Other non-current assets	2,157	0	111		203		54						2,526	
Other non-current liabilities		148		922				308					0	1,378
Assets earmarked for sale									5,258			385	5,258	385
Liabilities earmarked for sale									3,391				3,391	
Other current assets	72,238	92,349	14,027	13,461	3,759	1,185	4,682	3,283		9,778			94,705	120,056
Other current liabilities	89,337	104,860	11,239	12,844	3,825	3,794	2,809	2,643		2,348			107,209	126,489
<b>Information recorded on the cash flow statement</b>														
Acquisition of tangible and intangible fixed assets	4,178	3,423	650	336	305	155	249	84	17	57			5,400	4,055
Acquisition of financial fixed assets	463	639	45	62	18			6		3			527	710
Acquisitions of subsidiaries	8,603		4,500			4,340			(472)	3,565			12,631	7,905

### Secondary segment analysis: by region

€ '000s	Paris Continental Europe		London North Europe		Americas		Asia Pacific		Unallocated holding		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Turnover	101,185	99,948	33,957	38,493	23,896	18,961	25,797	21,826			184,834	179,228
Acquisition of tangible fixed assets	2,094	2,104	814	402	598	339	354	807			3,860	3,652
Acquisition of intangible fixed assets	1,328	188	211	152	0	2	1	61			1,540	403
<b>Total assets</b>	<b>95,103</b>	<b>113,065</b>	<b>45,590</b>	<b>27,787</b>	<b>24,518</b>	<b>29,124</b>	<b>28,994</b>	<b>30,553</b>		<b>385</b>	<b>194,206</b>	<b>200,914</b>

### Note 30 - Information of related parties

At 31 December 2006, GLTRADE SA was 55.2% owned by Holding Financière Montmartre, in which Euronext Paris holds a 55.76% stake. Euronext Paris also directly owned a 9.3% stake in GLTRADE SA. The GLTRADE sub-group is fully consolidated by the Euronext Group.

The Euronext Group's parent company is Euronext NV.

The founders and current directors of GLTRADE, Messrs Gatignol, Laurent and Morin, own 44.24% of Holding Financière Montmartre.

### GLTRADE Group: Transactions with related parties

€ '000s	2006				2005				2004			
	Charges	Income	Borrowings	Loans	Charges	Income	Borrowings	Loans	Charges	Income	Borrowings	Loans
Directors (1)	None	None	None	None	None	None	None	None	None	None	None	None
Euronext Group (2)	882	226	None	None	995	236	None	None	830	357	None	None
Holding Financière Montmartre	None	None	None	None	18	9	None	None	10	9	None	4230
Logic Invest	5	None	None	None	20	40	280	None	27	50	280	None
<b>Total</b>	<b>887</b>	<b>226</b>	<b>None</b>	<b>None</b>	<b>1033</b>	<b>285</b>	<b>280</b>	<b>0</b>	<b>867</b>	<b>416</b>	<b>280</b>	<b>4230</b>

(1) Excluding salary and directors' remuneration - (2) Resulting from services provided as part of the normal business activities of the two entities.

The founder-directors received gross annual remuneration during 2006 of €308,000 with regard to their employment and €156,000 as directors. They did not benefit from any stock option plans or agreed departure bonuses. Only Mr Gatignol has an Article 83 retirement plan, to which an annual contribution of €5,000 is made.

Total gross remuneration paid to the members of the GLTRADE Group's Executive Committee (COMEX) was €4,650,000 in 2006. This figure does not include stock options allocated to them.

Transactions between GLTRADE SA and its subsidiaries, which are related parties, are eliminated on consolidation and do not therefore feature in this report.

## Note 31 - Effects of acquisitions in 2006

	GL Overseas	Emos SA	Total
Tangible fixed assets	189	25	214
Intangible fixed assets	69	12	81
Financial fixed assets			
Deferred tax credits			
Other receivables	2,536	430	2,966
Cash and cash equivalents	140	329	469
<b>Total (A)</b>	<b>2,934</b>	<b>796</b>	<b>3,730</b>
Minority interests			
Employee benefits			
Deferred tax liabilities			
Non-current financial debts			
Provision			
Other debts	(3,987)	(477)	(4,464)
<b>Total (B)</b>	<b>(3,987)</b>	<b>(477)</b>	<b>(4,464)</b>
<b>Fair value of assets acquired</b>	<b>(1,053)</b>	<b>319</b>	<b>(734)</b>
Conversion difference			
Goodwill	8,168	4,510	12,678
<b>Total</b>	<b>7,115</b>	<b>4,829</b>	<b>11,944</b>
Financing			
Financial debts			
Cash	7,053	4,801	11,854
Acquisition costs	62	28	90
Currency effects			
<b>Total</b>	<b>7,115</b>	<b>4,829</b>	<b>11,944</b>
Net cash			
Cash acquired with subsidiary	140	329	469
Price paid	(7,115)	(4,829)	(11,944)
<b>Net cash impact</b>	<b>(6,975)</b>	<b>(4,500)</b>	<b>(11,475)</b>

The cash flows relating to acquisitions of subsidiaries totaled €16.2m in 2006. The difference in net cash caused by acquisitions (minus €11.5m) as mentioned above was due mainly to:

- the price supplement relating to Ubitrade's Fermat business (€3m);
- the completion of the Put Option on GLTRADE Americas (€0.7m);
- the price supplement on minority interests in Glesia (€0.7m).

GLTRADE Holdings Inc acquired all shares in Nyfix Overseas Inc (renamed GL Overseas Inc) in August 2006. This acquisition was financed by a €7m loan. Since its acquisition GL Overseas Inc has contributed turnover of €1,648,000 and a net loss of €634,000.

GLTRADE SA has acquired 100% of the shares in Emos SAS. Since its acquisition, Emos has contributed turnover of €670,000 and net income of €75,000.

## Note 32 - Specific liabilities

### Off balance sheet liabilities relating to ordinary business activities

€ '000s	2006	2005	2004
Counter guarantees on contracts			
Unmatured receivables sold			
Mortgages and other collateral			
Endorsements, deposits and guarantees given	1,111	746	749
Other undertakings given			

(1) Foreign currency deposits and guarantees are valued at the closing exchange rate. The bulk of this caption is the guarantee given by GL TRADE SA to the owner of the offices occupied by its British subsidiary GL TRADE UK.

### Covenant

Under the two loan agreements with Calyon and Crédit Lyonnais for an initial total of €21m, GLTRADE SA gave undertakings to these two companies that for the durations of the agreements and until full repayment of the sums due:

- it would not grant nor allow to be granted by one or more of its major subsidiaries any lien or real or personal guarantee against any present or future borrowing without the prior agreement of the majority of the Banks and without granting to these lenders at the same time the same lien or guarantee having the same ranking and covering repayment of all sums that might fall due under the loan agreement,
- it would ensure that at the end of each financial year net consolidated debt shall be no more than:
  - 1 times net shareholders' equity;
  - 2 times consolidated EBITDA.

EBITDA being «operating income plus amortization of acquisition costs, charges (net of reversals) to provisions against operating

assets and contingency provisions and charges to depreciation (net of reversals), as recorded in the consolidated financial statements».

Given that the Group had no net debt at 31 December 2006, these undertakings were respected.

### Early redemption of loans

GLTRADE may make early redemption of the entire amount of loans on each interest payment date by making payment to the banks of:

- the outstanding principal due under the loan;
- accrued interest on the loan;
- the re-application indemnity due under the loan agreement;
- all other sums due under the loan.

### Other undertakings to lending establishments

The group does not have any hedging instruments.

GLTRADE has not taken out any line of credit from its financial partners.

### Contingent liabilities

#### GLESIA:

As part of SIA's purchase of an equity stake in GLESIA, formerly GLTRADE Italia, on 1 January 2007, GLTRADE SA (51% owner) and SIA (49% owner) renewed their agreement, for a three-year period, with the following main provisions:

- SIA granted GLESIA non-exclusive distribution rights for its GAM and FINESTWAY products;

- SIA provided GLESIA with all Facility Management and Help Desk services;
- In accordance with the terms of the previous agreement GLESIA paid SIA the maximum preferred dividend possible under the agreement, €950,000 against 2005 profits. In addition SIA received €283,000 in dividends against the balance of distributable profits.

Under the terms of the new agreement, SIA and GLTRADE agreed that if one of the parties decides to terminate the agreement, SIA will sell its shares in GLESIA and GLTRADE will be obliged to purchase them at a price determined as follows:  $(0.49 \times \text{EBIT} \times n - \text{net financial debts})$ , where  $n$  is 4.2 if GLTRADE terminates the contract and 2.5 if SIA terminates the contract. This undertaking has been recorded in the Group's accounts under current financial debts.

The new agreement allows for the payment to SIA in 2007 of a preferred dividend of €857,000 against 2006 profits. In addition, SIA will receive its dividend rights on the balance of distributable profits.

#### **Nyfix Overseas Inc.:**

##### *Price supplement*

The initial acquisition price for Nyfix Overseas Inc. was nine million US dollars (US\$9,000,000). This price will be adjusted as a function of the working capital requirement of Nyfix Overseas at the acquisition date.

The acquisition price for Nyfix Overseas Inc. will be increased by 1.5 times the difference between the full year turnover recognized by the GLTRADE Group from license, maintenance or service contracts for Nyfix Overseas Inc.'s OBMS software between the acquisition date and 31 December 2007 and seven million five hundred thousand US dollars (US\$7,500,000). The price supplement is capped at six million US dollars (US\$6,000,000).

#### **Ubitrade SA:**

##### *Stock options*

GLTRADE SA has undertaken to buy from each beneficiary the 113,221 options to subscribe for shares granted under the stock options plan implemented by Ubitrade on 4 December 2003.

This plan initially set the exercise price of the options at €6.88 per share as well as the conditions of service required for them to be exercised at the end of the plan. Under the plan:

- 25% of options can be exercised from July 2004
- a further 25% can be exercised from 1 July 2005
- the remaining 50% can be exercised from 1 July 2006

All the beneficiaries have undertaken to exercise their options during a period from 4 December 2007 to 31 December 2007.

The surrender price for each option exercised will be €16.36 plus a price supplement of €2 based on turnover targets for Fermat, which had been achieved by 31 December 2005.

All beneficiaries have undertaken to sell their shares under the conditions defined above.

At 31 December 2006, this liability was recorded in the Group's accounts with a value of €1,230,000.

#### **GL SETTLE Inc (formerly OASIS):**

##### *Price supplement*

The initial acquisition price for OASIS was four million dollars (US\$4,000,000).

This price will be increased by an amount equal to fifty per cent (50%) of license revenues above eight million dollars

(US\$8,000,000) due to the GLTRADE Group between 1 July 2005 and 30 June 2007 under (i) license contracts for OASIS software and (ii) license contracts covering GL SETTLE products in the USA and Canada. The price supplement is capped at three million US dollars (US\$3,000,000).

The above presentation of liabilities does not omit any significant off-balance sheet liability under current accounting standards.

### **Note 33. Events occurring after the balance sheet date**

#### **Acquisition of FNX Group**

In March 2007, the GLTRADE Group acquired US company FNX Solutions Inc. This company, founded in 1992, had turnover of over €11m in 2006 (unaudited figures) and expects annual growth of over 25% over the next two years.

FNX Solutions Inc produces software solutions specializing in the management of OTC products for the Capital Markets and Hedge Funds.

The group is based mainly in the USA, Japan, Europe, Singapore and Thailand. The foreign subsidiaries have a predominantly marketing role, with the bulk of software development being carried out in the USA.

The FNX group had around 160 employees at 31 December 2006.

GLTRADE is currently finalizing the additional work necessary for the consolidation and integration of these companies so that they may be treated in accordance with IFRS 3.

#### **Sale of the Fermat distribution business**

At 1 January 2007, the GLTRADE Group sold its Ubitrade GmbH subsidiary to Fermat. The main business of this subsidiary had been the distribution of Fermat's software solutions.

The company was sold for €1,080,000 (excluding adjustment for working capital requirement). A price supplement, based on the turnover assumptions of 2007, up to a maximum of €500,000 may be due from the purchaser.



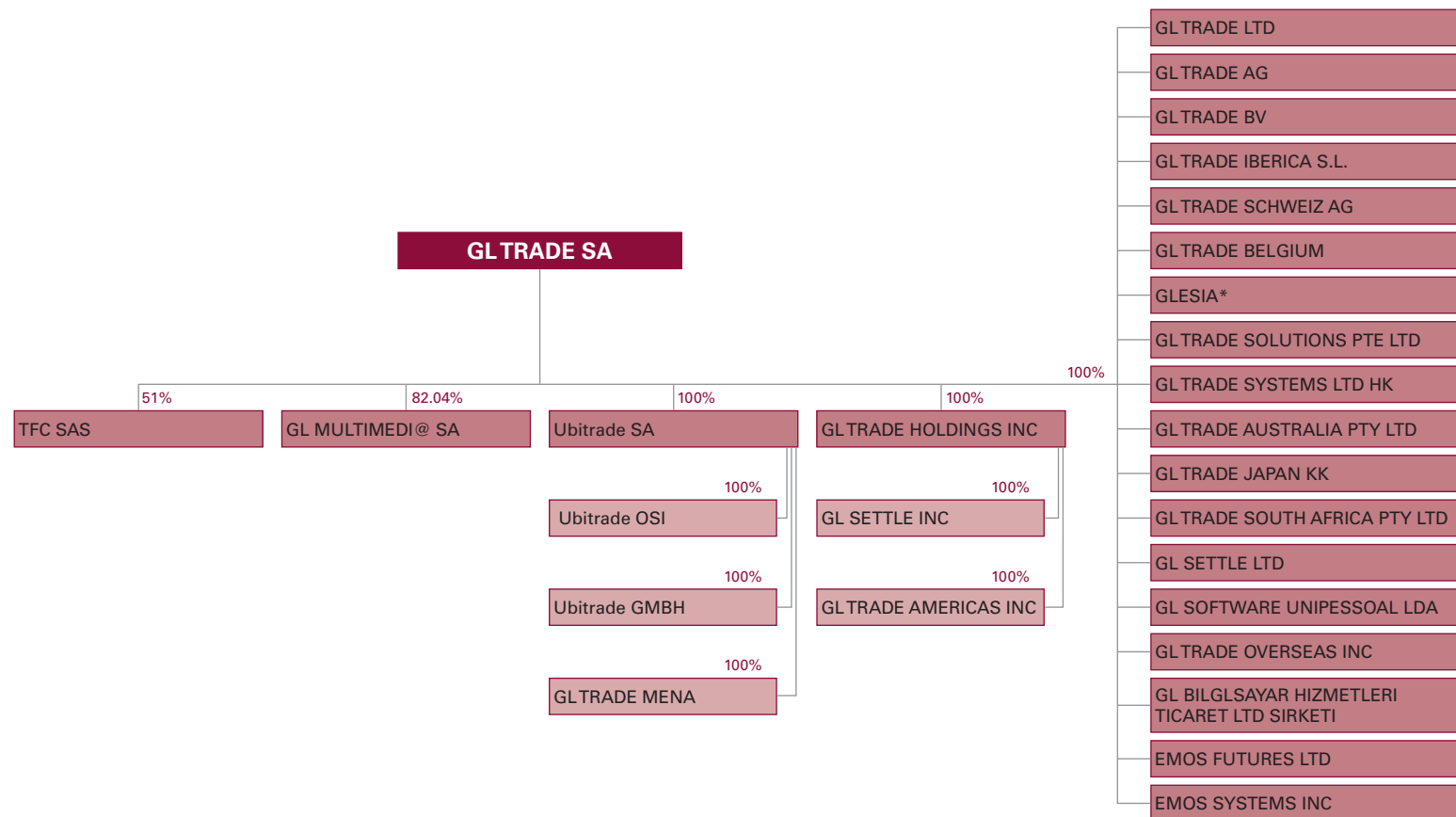
# Subsidiaries and other interests

## Information concerning subsidiaries and other interests

Financial information	Capital		Shareholders' equity other than capital	Share of capital owned (%)	Book value of shares owned		Loans and advances made and not yet repaid	Deposits and guarantees given by the company	Turnover in last financial year	Net income in last financial year	Dividends receive by the company during last financial year
					Gross	Net					
<b>Subsidiaries and interests</b>											
GL HOLDINGS INC	USD0	USD11,014,000	100%	€11,893,523	€11,893,523			USD27,700,000	USD1,640,000	€1,346,129	
GL MULTIMEDIA SA	€235,000	€5,008,000	82.04%	€2,840,509	€2,840,509	€-	€-	€4,969,000	€546,000	€-	
GL TRADE SOLUTIONS PTE LTD	SGD50,000	SGD727,000	100%	€28,495	€28,495	€-	€-	SGD11,320,000	SGD325,000	€-	
GL TRADE AG	€51,129	€1,224,871	100%	€51,168	€51,168	€-	€-	€8,084,000	€1,220,000	€450,000	
GL TRADE LTD	€10,000	€1,076,000	100%	€1,410,153	€1,410,153	€-	€446,000	€19,240,000	€1,076,000	€637,702	
GL TRADE BV	€18,200	€899,800	100%	€1,618,200	€1,618,200	€-	€-	€5,246,000	€740,000	€149,337	
GL TRADE IBERICA S.L.	€3,100	€720,000	100%	€3,100	€3,100	€-	€-	€5,295,000	€707,000	€1,121,600	
GL TRADE SCHWEIZ AG	CHF100,000	CHF1,337,000	100%	€65,915	€65,915	€-	€-	CHF7,058,000	CHF1,196,000	€606,177.36	
GL TRADE AUSTRALIA PTY LTD	AUD1	AUD235,000	100%	€1	€1	€-	€-	AUD6,814,000	AUD382,000		
GL TRADE SOUTH AFRICA PTY LTD	ZAR1,000	ZAR2,922,000	100%	€97	€97	€-	€-	ZAR8,942,000	ZAR1,871,000	€92,457.28	
GL TRADE BELGIUM	€62,000	€1,298,000	100%	€62,000	€62,000	€-	€-	€6,624,000	€1,292,000	€1,250,625	
GLESIA	€20,000	€1,236,000	51%	€10,000	€10,000	€-	€48,524	€16,711,000	€1,232,000	€102,714	
GL TRADE JAPAN KK	JPY10,000,000	JPY441,726,000	100%	€7,775,151	€7,775,151	€-	€-	JPY1,296,547,000	JPY41,906,000		
GL SETTLE LTD	£7,000,150	-£8,341,000	100%	€6,482,570	€6,482,570	€-	€-	£5,061,000	£191,000	€-	
GL TRADE SYSTEMS LTD HK	HKD20,000	HKD16,006,000	100%	€7,042,933	€7,042,933	€-	€-	HKD125,940,000	HKD13,307,000	€-	
Ubitrade SA	€3,318,000	€11,609,000	100%	€30,227,506	€30,227,506			€14,926,000	€4,075,000	€-	
GL TRADE MENA	€63,000	€1,870,000	0.1%	€55	€55			€3,863,000	€1,864,000	€1,435.44	
Ubitrade OSI	TND60,000	TND37,000	0.02%	€8	€8			TND251,000	TND49,000	€-	
GLT SOFTWARE UNIPessoal LDA	€5,000	€455,000	100%	€5,000	€5,000	€-	€-	€1,606,000	€452,000	€165,500.00	
TRADING FINANCE CONSULTING SAS	€100,000	€-105,000	51%	€51,000	€-	€-	€-	€53,000	€-1,000	€-	
Emos UK shares	£0	£152,000	100%	€2,456	€2,456			£284,000	£46,000		
Nyfix shares	£0	-£2,450,000	100%	€7,117,594	€7,117,594			£1,090,000	€-105,000		
GL TRADE Turkey shares	TRY3000	€-	100%	€2,643	€2,643			€-	€-		
<b>Total</b>				<b>€76,690,076</b>	<b>€75,966,076</b>					<b>€5,923,677.30</b>	

## Group Structure

Structure of the group at 31 December 2006



\* 51% owned by GL TRADE SA excluding application of IAS 32 and 39

## General information

### Group risk analysis

#### **Risks related to the financial software industry and GLTRADE's business**

##### **Risks from market volatility and securities industry risks**

GLTRADE generates the bulk of its turnover from solutions that it sells to financial intermediaries and investment companies. The Group believes that this business area will continue to provide most of its revenues. GLTRADE is directly affected by political and economic conditions, broad trends in business and finance and changes in the securities markets in which its customers trade. A downturn in these markets could adversely affect operating income, due to a reduction in the number of financial intermediaries and traders. For these reasons, significant market movements could have a material adverse effect on its business, financial position and operating income. The Group's subscription-based business model could create a lag between changes in conditions in securities markets and their effects on revenues. A decline in securities market activity would not affect revenue until a client's subscription expired, if the latter elected not to renew or to reduce the number of licenses used. Similarly, an improvement in conditions on securities markets might not feed through into turnover until clients increased the number of software subscriptions they required.

##### **Risks from the consolidation of financial institutions**

The merger of major financial institutions could lead GLTRADE's customers to reduce the number of traders employed and lead to further cost-cutting efforts by its customers with respect to their information systems. This environment could cause its customers to decrease the number of workstations and subscriptions they

buy from GLTRADE, or change their strategy by shifting to other providers or to in-house technology.

#### **Risks from the development of electronic exchanges and network technologies**

GLTRADE anticipates that a portion of its business growth will be promoted by further global development of electronic exchanges based on centralized order books. However, the evolution of the major international exchanges has stabilized and GLTRADE cannot predict to what extent medium to smaller markets will continue to develop electronic markets, whether or not brokers will be interested in connecting to a broader number of markets, or whether remote membership will continue to increase. GLTRADE also anticipates that further developments in network technologies will positively benefit the continued development of GLNET, but it is possible that GLTRADE will not continue to maintain a competitive advantage compared to other electronic networks.

#### **Risks from technological change and product obsolescence**

The market for GLTRADE's products and services is marked by rapid technological change, frequent introductions of new products and new functions, changes in client requirements and evolving industry standards. New products and services based on new or improved technologies or new industry standards can render existing products and services obsolete and unmarketable. To succeed, GLTRADE will need to enhance its current product and service offerings and develop new products and services on a timely basis, to keep pace with developments related to technology and to satisfy the increasingly sophisticated requirements of its clients. If GLTRADE fails to do so, its products and services could become unmarketable or uncompetitive, which would adversely affect its business, financial position and operating income.

The process of developing GLTRADE's products and services is extremely complex and requires significant continuing development efforts. GLTRADE's investments in research and development are significant (13% of turnover) and are likely to increase. Any delays in developing and releasing enhanced or new products and services or in keeping pace with continuing technological change could harm GLTRADE's business, financial position and operating income.

#### **Risks from a highly competitive market**

Electronic trading order management software, electronic trading networks, and the provision of financial information to financial institutions are all highly competitive industries. GLTRADE believes its most significant competition comes from the in-house information technology departments of its customers. In addition, GLTRADE competes with other outside competitors for order management software and with a variety of local companies in its various markets. GLTRADE also competes with other providers of financial data, some of which also provide other electronic trading related services, and many of which are larger and have more resources than GLTRADE.

#### **Risks from legal claims**

GLTRADE's right to distribute market information is subject to complicated license agreements that often strictly regulate the manner in which third party information may be displayed or disseminated. Due to the way in which GLTRADE provides its customers with direct access to exchanges and other information, GLTRADE may have difficulty strictly controlling the market data it provides. GLTRADE is also subject to periodic audits under the terms of such license agreements, which may subject it to legal claims if it is found to not restrict licensed information in the manner required.

#### **Risks related to key personnel and managers**

GLTRADE's future success depends on the continued service of key personnel. None of its key personnel or managers is covered by life insurance of which the Group is a beneficiary. The loss of the services of any of its key personnel or the failure of any such person to execute his or her professional duties, for whatever reason, could have an adverse affect upon its business, its financial situation and its profits.

#### **Risks related to GLTRADE's ability to attract, hire and retain suitably qualified employees**

GLTRADE's continued success will depend to a significant extent on its ability to attract, hire and retain highly skilled and motivated employees. Even though GLTRADE has instituted a certain number of measures to recruit and retain qualified personnel, such as developers, systems administrators and network engineers, there is intense competition for this type of personnel and it cannot guarantee that it will be able to attract and retain the employees without prohibitive costs. A failure to attract and retain such employees could have an adverse affect upon its business, its financial situation and its profits.

#### **Risks relating to technical problems or human error resulting in the loss of customers**

GLTRADE depends on the performance of its sophisticated information systems to deliver services to its customers. Heavy usage of the systems or technological failures could cause delays or could cause the system to break down for a period of time. Although GLTRADE has backup systems and performs regular maintenance with a view to minimizing the occurrences of technical failures, GLTRADE cannot eliminate all risk of technical problems, which are likely to occur from time to time. GLTRADE must invest significant resources in maintaining the robustness

and availability of its networks in order to mitigate this risk, but there can be no assurances that its efforts to limit technical failures will be successful.

**Risks relating to GL NET's vulnerability to malicious attack, which may compromise its clients' transaction data**

As an operator of an electronic network, GLTRADE is subject to the risk of unauthorized infiltration of its information technology systems and those of its customers. While GLTRADE invests considerable resources to ensure the security of the GL NET network, it cannot fully eliminate the risk of unauthorized infiltration. Such malicious attack could result in a partial interruption to service. The architecture of the GL NET network ensures that the consequences of such an attack are segmented. It remains unlikely that confidential information would be disclosed or orders falsified. GLTRADE's customer agreements contain provisions limiting GLTRADE's liability in such circumstances, but GLTRADE cannot be certain that these provisions will be sufficient to protect GLTRADE under all circumstances.

**Environmental risks**

Given the nature of its business in the design and production of software, GLTRADE is exposed to only a limited number of environmental risks.

**Risks related to GLTRADE shares**

Financière Montmartre is a holding company with the sole corporate purpose of owning GLTRADE shares. At 30 April, Euronext S.A. held 55.76% of Financière Montmartre's shares, the balance being held by directors of GLTRADE and their families. Euronext S.A. also owns a direct 9.3% stake in GLTRADE. Euronext S.A. and the directors of GLTRADE can as a result control the outcome of decisions requiring shareholder approval, including the appointment of directors, the distribution of dividends and

the approval of certain major transactions, irrespective of how other shareholders in GLTRADE may vote

**Exchange rate risks**

Each GLTRADE subsidiary bills mainly in its own local currency, with Asian subsidiaries also billing clients in US dollars. Most subsidiaries are located within the euro zone. The share of turnover generated outside the euro zone in 2006 was 47% of the total: USA 13%, UK 18% and Asian countries 13 %.

In 2006, the effect on turnover of movements in exchange rates was again negative but insignificant (reducing growth by 0.4 of a percentage point).

GLTRADE has limited the effect on margins by pursuing a policy of strict cost control and ensuring that costs are incurred in currency zones where it generates revenues. In addition to distribution costs, which are local in nature, development costs are increasingly being decentralized from the Group's headquarters.

The Group does not use hedging instruments to guarantee its cash flows.

The evaluation of consolidated net assets held in foreign currencies shows that the Group is exposed to a risk of €268,000, assuming a negative and uniform movement in the euro's exchange rate of 1 euro centime compared to all of the currencies considered from its rate at 31 December 2006.

**Interest rate risks**

The GLTRADE Group invests the bulk of available cash in short-term money market mutual funds or in interest-bearing accounts that are risk free and track market interest rates. As a

result, GLTRADE is not exposed to significant interest rate risk on its investments.

The group has debt to lending establishments of €16m, of which €10m falls due in more than one year and €6m in less than one year. These loans are at variable rates based on 3-month and 12-month Euribor depending on the due date. The sensitivity of financial charges to a 1% change in short-term interest rates is insignificant.

#### **Liquidity risks**

The GLTRADE Group is not exposed to liquidity risks. The Group has reserves of surplus cash that represent a significant share (11%) of total assets.

The business model of invoicing subscriptions in advance generates a structurally negative working capital requirement.

Cash is invested in non-speculative, highly liquid financial securities.

#### **Risks on securities held**

GLTRADE does not hold any speculative securities or other financial products, and is thus not subject to any particular risk of this nature.

#### **Legal risks**

GLTRADE's continued success will depend to a large extent on its intellectual property rights. The strategy adopted by the Group to protect these rights is currently based on the registration of source code, confidentiality agreements and other contractual restrictions on the copying or distribution of its proprietary technology. Legal action to enforce intellectual property rights or protect trade secrets might result in substantial costs with no guarantee of success. Failure by GLTRADE to protect intellectual

property rights could endanger its business, financial position and operating income. The resources available to the Group to protect intellectual property rights in France, the USA or any other country where it operates may prove to be inadequate to the requirements of providing effective protection. Amongst other things, not all countries provide the same level of legal protection for intellectual property rights as France or America. Similarly, in the event of a third party accusing GLTRADE of infringing its intellectual property rights, the Group could incur substantial costs or be obliged to mobilize significant resources to defend itself against such an accusation. If the Group was unable successfully to defend itself it might lose rights to the use of a technology that is required for the expansion of its business, resulting in the loss of market share or the payment of substantial royalties for the use of such technology.

GLTRADE is the owner of all trademarks which have been registered with the appropriate bodies both nationally and internationally.

GLTRADE is the sole owner of software developed by the company. Software is protected by copyright both in France and elsewhere.

The growing use, particularly in the USA, of patent protection for methods and tools for trading on financial markets does not allow the Group to guarantee that it will not inadvertently infringe intellectual property rights. GLTRADE is currently reviewing means of protecting its software in the USA through the registration of patents.

There are no claims or proceedings other than those mentioned in note 26 that could have or have had in the recent past a significant impact on the financial position of GLTRADE, its business, its income or on its Group.

### **Employment risks**

The Group is not exposed to any employment risks other than those arising in the normal conduct of business.

### **Insurance**

The company has taken out, with insurance companies of international good standing, policies to cover civil liability to a level that the Board of Directors believes to be adequate.

To cover its contractual obligations, the Group has taken out a Civil and Professional Liability policy covering its responsibility up to €10m, with an excess of €150,000 per claim and a combined physical, material and immaterial damage policy providing cover up to €6.1m, with an excess of €8,000 per claim. In addition an accidental damage policy covering operating losses has been taken out providing total cover of €24m, the excess on which is determined on the basis of a number of days' turnover at the affected location.

In addition GLTRADE has taken out a policy to cover the civil liability of Directors, up to a maximum of €10m.

Total insurance premiums paid during the year were €692,000.

The GLTRADE Group has not identified significant risks requiring other insurance policies to be taken out.

## **Board of directors and management**

Statement of compliance: GLTRADE SA respects all European legislation regarding corporate governance with the exception of the appointment of an independent director.

### **Board of Directors**

The Board of Directors currently has 4 members.

The Directors – Messrs Pierre Gatignol, Louis-Christophe Laurent, Frédéric Morin, Jean-François Théodore (representing Euronext) and Serge Harry – were appointed by the ordinary shareholders' meeting of 16 December 2004.

Messrs Pierre Gatignol and Louis-Christophe Laurent were appointed as Delegated Managing Director and Chairman and Chief Executive Officer respectively by the Board of Directors' meeting of 16 December 2004. They alternate in these posts every six months.

Their mandates expire at the general shareholders' meeting in 2010 held to approve accounts for the 2009 financial year.

### **Other directorships held by directors**

#### **Pierre Gatignol**

#### *Directorships in 2006*

Director of GL multimedi@, Chairman and Chief Executive Officer of Ubitrade SA, Director of Financière Montmartre, Director of GLTRADE Ltd, GLTRADE Americas Inc, GLTRADE Solutions Pte Ltd, GLTRADE BV, GLTRADE Schweiz AG, GLTRADE Australia Pty Ltd, GLTRADE Japan KK, GLTRADE Belgium SA, GLTRADE South Africa Pty Ltd, GL Settle Ltd, GLTRADE Systems Ltd, GL Settle

Inc., GLTRADE Holdings Inc., Emos Ltd, GLTRADE Overseas Inc, Member of the Supervisory Board of GLTRADE AG, Joint Manager GLTRADE Mena, Ubitrade Osi, GLTRADE Iberica SL, GLT Software Unipessoal Lda, Manager of GLTRADE Turquie.

#### *Directorships in 2005*

Director of GL multimedî@, Chairman and Chief Executive Officer of Ubitrade SA, Director of Financière Montmartre, Director of GLTRADE Ltd, GLTRADE Americas Inc, GLTRADE Solutions Pte Ltd, GLTRADE BV, GLTRADE Schweiz AG, GLTRADE Australia Pty Ltd, GLTRADE Japan KK, GLTRADE Belgium SA, GLTRADE South Africa Pty Ltd, GL Settle Ltd, GLTRADE Systems Ltd, 4D Trading, Ubitrade Ltd, Ubitrade Inc., GL Settle Inc., GLTRADE Holdings Inc., Member of the Supervisory Board of GLTRADE AG, Joint Manager GLTRADE Mena.

#### *Directorships in 2004*

Director of GL multimedî@, Chairman and Chief Executive Officer of Ubitrade SA, Director of Financière Montmartre, Director of GLTRADE Ltd, GL Consultants Inc, GLTRADE Solutions Pte Ltd, GLTRADE Asia Ltd, GLTRADE BV, GLTRADE Schweiz AG, GLTRADE Australia Pty Ltd, GLTRADE Japan KK, GLTRADE Belgium SA, GLTRADE South Africa Pty Ltd, GL Settle Ltd, GLTRADE Systems Ltd, 4D Trading, Ubitrade Pty Ltd, Ubitrade UK Ltd, Ubitrade Inc., Member of the supervisory board of GLTRADE AG.

#### *Directorships in 2003*

Director of GL multimedî@ Director of Financière Montmartre, Director of GLTRADE UK, GL Consultants Inc, GLTRADE Solutions Pte Ltd, GLTRADE Asia Ltd, GLTRADE BV, GLTRADE Schweiz AG, GLTRADE Australia Pty Ltd, GLTRADE Japan KK, GLTRADE Belgium SA, Finsoft Ltd, GLTRADE South Africa Pty Ltd, GL SETTLE Ltd (ex MSTs UK), GLTRADE Systems Ltd (ex MSTs HK),

GLTRADE Systems KK (ex MSTs kk), 4D Trading, Member of the supervisory board of GLTRADE AG.

#### *Directorships in 2002*

Director of GL multimedî@, Director of Financière Montmartre, Director of GLTRADE UK, GL Consultants Inc, Member of the supervisory board of GLTRADE AG, Director of GLTRADE Solutions Pte Ltd, GLTRADE Asia Ltd, GLTRADE BV, GLTRADE Iberica S.L., GLTRADE Schweiz AG, GLTRADE Australia Pty Ltd, GLTRADE Japan KK, GLTRADE Italia s.r.l., GLTRADE Belgium SA, Finsoft Ltd, GLTRADE South Africa Pty Ltd.

#### *Directorships in 2001*

Director of GL multimedî@, Director of Financière Montmartre, Director of GLTRADE UK, GL Consultants Inc, Member of the supervisory board of GLTRADE AG, Director of GLTRADE Solutions Pte Ltd, GLTRADE Asia Ltd, GLTRADE BV, GLTRADE Iberica, GLTRADE Schweiz AG, GLTRADE Australia Pty Ltd, GLTRADE Japan KK, GLTRADE Italia s.r.l., GLTRADE Belgium SA.

### **Louis-Christophe Laurent**

#### *Directorships in 2006*

Director of GL multimedî@, Chairman and Chief Executive of Financière Montmartre, Director of GLTRADE Americas Inc, Member of the supervisory board of GLTRADE AG.

#### *Directorships in 2005*

Director of GL multimedî@, Chairman and Chief Executive of Financière Montmartre, Director of GLTRADE Americas Inc, Member of the supervisory board of GLTRADE AG.

*Directorships in 2004*

Director of GL multimedi@, Chairman and Chief Executive of Financière Montmartre, Director of GL Consultants Inc, Member of the supervisory board of GLTRADE AG.

*Directorships in 2003*

Director of GL multimedi@, Chairman and Chief Executive of Financière Montmartre, Director of GL Consultants Inc, Member of the supervisory board of GLTRADE AG.

*Directorships in 2002*

Director of GL multimedi@, Chairman and Chief Executive of Financière Montmartre, Chairman of board of GLTRADE UK and GL Consultants Inc. (USA), Member of the supervisory board GLTRADE AG.

*Directorships in 2001*

Director of GL multimedi@, Chairman and Chief Executive of Financière Montmartre, Chairman of board of GLTRADE UK and GL Consultants Inc. (USA), Member of the supervisory board GLTRADE AG.

**Frédéric Morin**

*Directorships in 2006*

Director of GL multimedi@, Member of the supervisory board of GLTRADE AG.

*Directorships in 2005*

Director of GL multimedi@, Member of the supervisory board of GLTRADE AG.

*Directorships in 2004*

Director of GL multimedi@, Member of the supervisory board of GLTRADE AG.

*Directorships in 2003*

Director of GL multimedi@, Member of the supervisory board of GLTRADE AG.

*Directorships in 2002*

Director of GL multimedi@.

*Directorships in 2001*

Director of GL multimedi@.

**EURONEXT (represented by Jean-François Théodore)**

*Directorships in 2006*

Director of Euronext Brussels SA/NV, Euronext Amsterdam NV, EuronextLisbon-SociedadeGestoradeMercadosRegulamentados SA, Euroclear Plc, Liffe Administration and Management, LCH. Clearnet Group Ltd, Liffe (Holding) Plc, Director of Euronext UK Plc, Permanent representative of Euronext Paris SA on the boards of GLTRADE SA, Financière Montmartre, SICOVAM Holding and Euronext Real Estate SA/NV, Chairman of the Management Board of Euronext NV, Chairman and Chief Executive Officer of Euronext Paris SA, Chairman of the supervisory board of Atos-Euronext Market Solutions Holding SAS, Chairman of MTS France and MBE Holding Spa, Member of the supervisory board of ATOS Origin and MTS SpA.

*Directorships in 2005*

Director of Euronext Brussels SA/NV, Euronext Amsterdam NV, Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados SA, Sicovam Holding, Euroclear Plc, Liffe Administration and Management, LCH.Clearnet Group Ltd, Liffe (Holding) Plc, Atos Origin, Chairman and Director of Euronext UK Plc, Permanent representative of Euronext Paris on the board of GLTRADE SA, Financière Montmartre, Chairman of Euronext NV, Chairman and CEO of Euronext Paris SA, Chairman of the

supervisory board of Atos-Euronext Market Solutions Holding SAS, Chairman of MTS France.

*Directorships in 2004*

Director of Financière Montmartre, Euronext Brussels SA/NV, Euronext Amsterdam NV, Euronext UK Plc, Euronext Lisbon - sociedade Gestora de Mercados Regulamentados SA, Sicovam holding, Euroclear Plc, Euronext Liffe, LCH Clearnet group Ltd., Chairman of EURONEXT NV, Chairman and CEO of Euronext Paris SA, Chairman of the supervisory board of Atos-Euronext, member of the supervisory board of Atos Origin, Director of Euronext GmbH, Chairman of Euronext Inc and MTS France SAS.

*Directorships in 2003*

Permanent Representative of Euronext Paris on the Board of Financière Montmartre, Director of LCH. Clearnet Group Ltd, Euronext UK Plc, Euronext Liffe, Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euroclear Bank, Chairman of EURONEXT NV, Chairman and CEO of Euronext Paris SA, Chairman of supervisory board of Atos-Euronext, member of supervisory board of Atos Origin, Director of Euronext GmbH, Chairman of Euronext Inc and MTS France SAS.

*Directorships in 2002*

Director of Financière Montmartre, Financière Saint-Jacques, Euronext Paris SA, Clearnet, Finext SA, Euronext UK Plc, Euronext Liffe, Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euroclear Bank, Chairman of EURONEXT NV, Chairman and CEO of Euronext Paris SA, Clearnet, Chairman of supervisory board of Atos-Euronext, Member of supervisory board of Atos Origin, Director of Euronext GmbH, Chairman of Euronext Inc and MTS France SAS.

*Directorships in 2001*

Director of Financière Montmartre, Cote Bleue, Finext, Financière Saint Jacques, Euronext Paris SA, Clearnet, SBF Technologies, Director of EURONEXT NV, Chairman and CEO of Euronext Paris SA, Clearnet, SBF Technologies, Finext, Member of the supervisory boards of Atos Euronext and Atos Origin.

**Serge HARRY**

*Directorships in 2006*

Permanent Representative of Euronext Paris SA on the board of SEPB, Member of the supervisory board of MTS SpA.

*Directorships in 2005*

Permanent representative of Euronext Paris SA on the board of SEPB.

*Directorships in 2004*

Director Euronext London, Permanent representative of Euronext Paris on the board of SEPB, Member of the supervisory board of Atos-Euronext.

*Directorships in 2003*

Permanent representative of Euronext Paris on the board of SEPB, Member of the supervisory board of Atos-Euronext.

## Directors remuneration

Director € '000s		Employment contract*			Director		
		2006	2005	2004	2006	2005	2004
Pierre Gagnol	Fixed:	110	105	105	79	76	76
	Variable:	94	81	42			
	Pension contribution (Art 83)	5	5	5			
Louis-Christophe Laurent	Fixed:	None	None	None	80	76	76
	variable:	None	None	None	19	16	
Frédéric Morin	Fixed:	59	59	59		None	None
	Variable:	23	19	14			
Euronext (Jean-François Théodore)		None	None	None		None	None
Serge Harry		None	None	None		None	None

\* Gross remuneration before tax

No attendance fees were paid to members of the Board of Directors in 2006.

No bonus is payable to directors on appointment to or departure from the board of directors of GLTRADE SA.

## Management bodies

### Composition

Please see paragraph on corporate governance on page 22.

### Remuneration of members of management bodies

Total gross remuneration paid to the members of the GLTRADE Group's Executive Committee (COMEX) was €4,650,000 in 2006. This figure does not include stock options granted to COMEX members.

### Auditors' fees

Fees paid to auditors and for expert services carried out by independent experts at the request of auditors and their associates as part of their duties came to:

Audit	KPMG						AD Conseils					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
	2006	2005	2004	2006	2005	2004	2006	2005	2004	2006	2005	2004
Audit, certification, examination of individual and consolidated financial statements	502	404	499	67%	65%	61%	190	131	132	95%	100%	96%
Issuer	298	261	326	40%	42%	40%	120	100	97	60%	76%	71%
Fully consolidated companies	204	143	173	27%	23%	21%	70	31	35	35%	24%	25%
Other responsibilities and services relating directly to audit tasks	75	113	318	10%	18%	39%			6			4%
Issuer	49	77	162	7%	12%	20%			2			1%
Fully consolidated companies	26	36	156	3%	6%	19%			4			3%
sub-total	577	517.3	817	77%	83%	100%	190	131	138	95%	100%	100%
Other services provided by the network to fully consolidated subsidiaries	176	109		23%	17%		9					
Legal, tax employment	7			1%								
Fees for acquisitions	169			22%			9	0	0	5%	0%	0%
sub-total	176	109	0	23%	17%	0%	9	0	0	5%	0%	0%
Total	753	626	817	100%	100%	100%	199	131	138	100%	100%	100%

## General information about the company

### Company name

GLTRADE

### Registered office

42, rue Notre Dame des Victoires - 75002 PARIS

### Legal form

A 'société anonyme' limited liability company with a board of directors governed by Articles L225-1 to L225-257 of the French Commercial Code and by Articles 58 to 207 of the Act of 23 March 1967.

### Term of the company

99 years as of its registration in the Registre du Commerce et des Sociétés on 25 August 1988, unless an early winding up or extension is approved by an Extraordinary General Meeting of shareholders.

### The Company's corporate purpose (article 2 of the Articles of Association)

The company's purpose is:

- to sell, or rent as services, financial and IT products along with all commercial operations related to these transactions and more generally, to carry out operations of any nature whatsoever (industrial, commercial, financial, investment, etc.) directly or indirectly related to this purpose or designed to facilitate the development or realization thereof;
- to carry out all of these activities directly or indirectly, on its own behalf or on behalf of others, in any way whatsoever (creation of new companies, transfer, shares, subscription, purchases of securities or company rights, merger, alliance, equity association or taking or giving any goods or rights under rental or management agreements);
- and more generally, to carry out operations of any nature whatsoever (financial, commercial, civil, investment, etc.) directly or indirectly related to any of the purposes mentioned above or to any similar or related purpose.

### R.C.S Number

R.C.S. PARIS B 347 600 645.  
Code A.P.E.: 722 A.

### Financial year

The financial year begins on 1 January and ends on 31 December.

### **Statutory net income appropriation (Articles 33 and 34 of the Articles of Association)**

At least 5% is deducted from the profit for the financial year, less previous losses if applicable, and added to the legal reserve fund. This deduction ceases to be obligatory when the money in this fund equals one tenth of the share capital. Deductions resume when, for whatever reason, the legal reserve falls below one tenth of the share capital.

Distributable profits consist of the profit for the financial year, less previous losses and sums placed in reserves in accordance with the law and the articles of association, plus retained earnings.

After deduction of sums placed in reserves in accordance with the law, the AGM may deduct from the remaining profit any sum it sees fit to allocate to optional, ordinary or extraordinary reserves or to retained earnings.

The remaining profit is shared between shareholders in proportion to the number of shares they own.

Dividends are paid primarily out of the profit for the financial year. The AGM can, in addition, decide to pay out money available in reserves expressly indicating the reserve captions from which the money is taken.

Except in the case of a capital reduction, no money can be distributed to shareholders when the share capital is, or will become following the distribution, lower than the amount of capital plus reserves that is not available for distribution in accordance with the law or articles of association. The excess of restated assets over historical cost cannot be distributed, but may be incorporated into the capital in whole or in part.

In the event of a loss, this loss is carried forward after the financial statements have been approved by the AGM, and is charged against profits in future years until it has been used up.

The AGM has the ability to grant each shareholder an option to receive scrip dividends, for all or part of the dividend paid. The same option may be granted for interim dividends.

### **Annual General Meetings (Articles 22 to 30 of the Articles of Association)**

Annual General Meetings are called and make decisions in accordance with the law.

They are held at the company's registered office or any other place stated on the notice of meeting.

Any shareholder has the right to attend meetings regardless of the number of shares they hold, subject to legal conditions.

### **Particular statutory clauses**

#### **Statutory thresholds (Article 10 of the Articles of Association)**

Any person, acting alone or in concert, who directly or indirectly owns a percentage of the capital or voting rights (if the number and the breakdown of voting rights do not correspond to the number and breakdown of shares) of at least 1% or any multiple of this percentage up to the threshold of 67% must inform the company of his/her holding and any changes in this holding. The information must be sent within two weeks, by recorded mail, to the company's head office.

The information referred to in the previous paragraph must also be provided within the same timeframe when the holding falls below the specified thresholds.

Any non-declared shares over and above the threshold at which holdings must be declared are stripped of their voting rights at shareholders' meetings if, at one of these meetings, the failure to declare the shares is recognized, and if one or more shareholders who together own 1% of the capital or voting rights demand this in the meeting. In this case the shares stripped of their voting rights do not regain their voting rights until two years following the date on which the notified situation has been corrected.

#### **Securities with an identifiable bearer (Article 10 of the Articles of Association)**

In accordance with article L 228-2 of the New Code of Commerce (formerly article 263-1 of the 24 July 1966 Act), the company may request at any time, at its own expense, that the central organization in charge of securities settlement provide the identity of owners of securities giving immediate or eventual voting rights in its shareholders' meetings.

## General information about GL TRADE's capital

#### **Issued capital**

The Board of Directors meeting on 30 May 2006 noted the number of stock options that had been exercised between 1 January 2006 and 30 May 2006. On this date, therefore, the company's capital

was increased by €664, to €292,721 in the form of 9,599,221 shares which are fully paid up and of a single category.

At its meeting of 6 March 2007, the Board of Directors noted the number of stock options that had been exercised between 31 May 2006 and 31 December 2006. Share capital is €292,782 in 9,601,221 shares which are fully paid up and of a single category.

#### **Unissued authorized capital**

The only instruments giving rights to GLTRADE shares not yet issued are the stock options allocated to the group's employees.

	Number of shares	Nominal value	Share capital	% of capital
Capital authorized by the EGM of 09/30/1998	206,596	€0.03	€6,299.80	2.2%
Capital authorized by the EGM of 10/15/2001	258,245	€0.03	€7,874.75	2.7%
Options exercised in 2002	(6,000)	€0.03	(€182.96)	(0.1%)
Options exercised in 2003	(2,500)	€0.03	(€76.23)	(0.0%)
Options exercised in 2004	(20,050)	€0.03	(€601.50)	(0.2%)
Options exercised in 2005	(46,166)	€0.03	(€1,384.98)	(0.5%)
Options exercised in 2006	(23,780)	€0.03	(€713.40)	(0.2%)
Options cancelled	(94,839)	€0.03	(€2,845.17)	(1.0%)
Unissued options	(3,921)	€0.03	(€117.63)	(0.0%)
Capital authorized by the EGM of 05/25/2005	190,625	€0.03	€5,718.75	2.0%
Capital authorized by the EGM of 05/30/2006	973,533	€0.03	€29,205.99	10.1%
<b>Unissued authorized capital</b>	<b>1,431,743</b>	<b>€0.03</b>	<b>€13,915.36</b>	<b>14.9%</b>

The number of shares making up GLTRADE's potential capital is 11,032,964. Total potential dilution is 12.98% at the date of this reference document.

The dilution effect as it appears in the accounts according to IFRS principles has been based on the buy back method. It differs from the method used above.

### Stock options

The Extraordinary General Meeting of 30 September 1998 authorized the Board of Directors to allocate up to 2% of capital in the form of stock options, or 206,596 options. The Extraordinary General Meeting of 15 October 2001 granted the Board of Directors further authorization relating to 2.5% of capital, or 258,245 options, taking the total number of options authorized to 464,841.

The Combined General Meeting of 25 May 2005 noted the expiry of the previous stock option plan and authorized a new plan

involving 190,625 shares, or 2% of the capital. To date, the Board of Directors has made no allocation of options under this plan.

At 31 December 2006, 267,585 stock options had been allocated and remained valid. 46,166 options were exercised over the course of the year.

Date of Board meeting	02/12/1999	11/18/1999	09/27/2000	12/12/2000	03/02/2001	06/19/2001	12/03/2001	02/08/2002	10/24/2003	11/29/2004	Total
Number of options approved for grant	95,000	23,000	10,000	12,300	8,800	8,100	151,360	900	143,960	7,500	<b>460,920</b>
of which granted to Directors	0	0	0	0	0	0	0	0	0	0	
Date from which options can be exercised	02/10/2002	11/18/2002	09/27/2003	12/12/2003 pour 10 200 12/12/2004 pour 2 100	03/02/2004	06/19/2004	12/03/2004	08/02/2005	10/24/2006	12/01/2007	
Expiry date (from date of allocation)	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	
Exercise price	€15.20	€12.21	€52.02	€38.36	€36.11	€39.40	€36.89	€39.11	€26.89	€27.17	
Exercise requirements	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Number of options exercised at 12/31/2006	80,516	16,400	0	0	0	0	1,580	0	0	0	<b>98,496</b>
Number of people converted by options exercised at 12/31/2006	44	9	0	0	0	0	2	0	0	0	<b>55</b>
Stock options cancelled in 2006	10,800	0	0	0	0	0	0	0	0	2,500	<b>13,300</b>
Options cancelled	14,484	6,600	10,000	1,900	0	0	48,435	0	10,920	2,500	<b>94,839</b>
Outstanding options at 12/31/2006	0	0	0	10,400	8,800	8,100	101,345	900	133,040	5,000	<b>267,585</b>
Number of people holding outstanding options	0	0	0	14	2	11	214	1	98	2	<b>261</b>
Options held by the first ten employees at 12/31/2006	0	0	0	1,700	8,800	0	30,500	0	69,300	0	<b>110,300</b>

(1) persons occupying these functions at 31 December 2006. No Directors of the company have received stock options.

The Combined General Meeting of 25 May 2005 authorized the Board of Directors to allocate up to 2% of capital in the form of stock options, or 190,625 options.

At 31 December 2006, the maximum potential dilution calculated on the basis of outstanding stock options and potential stock options authorized by the Combined General Meeting of 25 May 2005 was 4.77%.

Stock options granted to the ten employees other than directors receiving the highest number of options and options exercised by these individuals	Options granted/shares acquired	Weighted average price	Plan dated 02/10/1999	Plan dated 11/18/1999
Options granted during the year by the issuer, and by any company covered by the scope of the stock options plans, to the ten employees of the issuer or of any company within this scope whose allocation of options thus granted was the greatest				
Options on the capital of the issuer and other companies mentioned above exercised during the year by the ten employees of the issuer or these other companies for whom the number of shares thus purchased or subscribed for was the greatest	21,119	€13.84	17,619	2,000

**Other securities giving access to the share capital**

None

## Changes in capital since the Initial Public Offering

EGM date	Board meeting	Type of change	Capital increase/decrease	Issue premium	Optional reserves	Shares issued	Cumulative share capital	Cumulative number of shares	Nominal value of shares
09/30/1998	09/15/1998	Capital increase by offering of shares on the market*	f46,000	f24,093,217		230,000	f2,046,000	10,230,000	f0.20
		Capital increase reserved for employees*	f19,957.60	f9,405,798.15		99,788	f2,065,957.60	10,329,788	f0.20
05/30/2001	03/02/2001	Capital increase by incorporation of reserves and conversion to euros	€46.80			0	€315,000	10,329,788	€0.03
	03/04/2003	Capital increase from exercise of stock options	€182.96	€91,017.04		6,000	€315,182.96	10,335,788	€0.03
	03/06/2004	Capital increase from exercise of stock options	€76.24	€30,442.76		2,500	€315,259.20	10,338,288	€0.03
	07/27/2004	Reduction in share capital through cancelation of shares	(€25,221.00)	(€4,998,847.35)	(€15,900,625.65)	(827,063)	€290,038.00	9,511,225	€0.03
	07/27/2004	Capital increase from exercise of stock options	€164.00	€81,308.00		5,360	€290,202.00	9,516,585	€0.03
	03/11/2005	Capital increase from exercise of stock options	€448.00	€214,468.00		14,690	€290,650.00	9,531,275	€0.03
	05/25/2005	Capital increase from exercise of stock options	€898.00	€423,663.20		29,466	€291,548.00	9,560,741	€0.03
	03/07/2006	Capital increase from exercise of stock options	€508.00	€249,445.00		16,700	€292,056.00	9,577,441	€0.03
	05/30/2006	Capital increase from exercise of stock options	€663.00	€364,663.20		21,781	€292,673.00	9,599,221	€0.03
	03/06/2007	Capital increase from exercise of stock options	€61.00	€24,359.00		2,000	€292,719.00	9,601,221	€0.03

### Capital and voting rights

As the company's bylaws make no provision for double voting rights, the percentage of voting rights held is identical to the percentage of shares held. There are no limits on voting rights.

## Share ownership over the past five years

Shareholder	At 12/31/2002		At 12/31/2003		At 12/31/2004		At 12/31/2005		At 12/31/2006	
	Shares	% of capital	Shares	% of capital	Shares	% of capital	Shares	% of capital	Shares	% of capital
Financière Montmartre	5,300,000	51.3%	5,300,000	51.3%	5,300,000	55.6%	5,299,998	55.3%	5,299,998	55.2%
Groupe Reuters	3,535,000	34.2%	3,535,000	34.2%	0	0.0%	0	0.0%	0	0.0%
Euronext	110,000	1.1%	110,000	1.1%	1,143,828	12.0%	944,279	9.9%	891,674	9.3%
Laurent family / SCI Gagnières	198,143	1.9%	198,143	1.9%	135,761	1.4%	60,786	0.6%	60,786	0.6%
Gatignol family	113,224	1.1%	113,224	1.1%	35,842	0.4%	1	0.0%	172,344	1.8%
Morin family	53,633	0.5%	38,633	0.4%	0	0.0%	0	0.0%	0	0.0%
Public excluding employees	894,678	8.7%	901,633	8.7%	2,799,833	29.4%	3,161,155	33.0%	3,032,236	31.6%
of which CDC *					98,470	1.0%	61,412	0.6%	61,412	0.6%
of which Objectif second marché *					107,000	1.1%	1	0.0%	1	0.0%
of which SGAM of which Dexia Asset Management					143,393	1.5%	215,866	2.3%	215,866	2.2%
Public employee savings plans	125,110	1.2%	133,155	1.3%	116,011	1.2%	111,222	1.2%	120,403	1.3%
Shares issued following exercise of options blocked from sale	6,000	0.0%	8,500	0.0%	0	0.0%	0	0.0%	23,780	0.2%
<b>Total</b>	<b>10,335,788</b>	<b>100%</b>	<b>10,338,288</b>	<b>100%</b>	<b>9,531,275</b>	<b>100%</b>	<b>9,577,441</b>	<b>100%</b>	<b>9,601,221</b>	<b>100%</b>

\* Figures are those provided by the entity in question at the time their holding rose above the 1% threshold.

GLTRADE SA, controlled by the Nyse Euronext Group via Holding Financière Montmartre, complies with European regulations regarding the separation of powers within its corporate governance. Measures to ensure that control is not exercised in an abusive fashion have been introduced, particularly through the creation of ad hoc committees and the appointment of a Chairman of the Board of Directors from amongst the Group's founders.

Financière Montmartre is a holding company with the sole corporate purpose of owning shares in GLTRADE. 55.76% of its shares are owned by Euronext, with the remaining 44.24% owned by the Laurent, Gatignol and Morin families.

To the best of GLTRADE's knowledge, there are no GLTRADE shares which have been used as collateral by shareholders.

To the best of GLTRADE's knowledge, there are no other shareholders who own directly or indirectly, individually or in concert, more than 1% of capital or voting rights.

### Share repurchase program

The Board of Directors meeting on 9 November called an Ordinary General Meeting of Shareholders, held, exceptionally, on 15 December 2006, to seek shareholder approval for the authorization of the Board to buy or sell shares in the company as part of a share repurchase program.

The purpose of this program was to regularize the market making contract with Oddo, in order to comply with the Association Française des Entreprises d'Investissement code of ethics and to be able to honor undertakings made to Mr Gérard Varjacques to exchange GLTRADE SA shares for his shares in GLTRADE Americas.

The General Meeting was duly held on 15 December 2006 and authorized a share repurchase program covering 10% of the company's capital. This authorization is valid for eighteen months. The authorization sets the maximum price that the company may pay for its own shares at €50, thus limiting the maximum total that the company is authorized to spend to €47,996,100.

On the same day, following the General Meeting, the Board of Directors gave all powers to the Chairman and Chief Executive to purchase €200,000 of GLTRADE SA shares and to sign a new market making contract with Oddo, and to purchase GLTRADE SA shares to be given to Mr Varjacques in exchange for shares in GLTRADE Americas Inc.

At 31 December 2006 the Group did not hold any of its own shares.

	At 31 Dec 2006	At 31 Dec 2005	At 31 Dec 2004
Stock options allocated and still valid	267,585	304,665	353,501
GLTRADE SA and GL@ employee savings schemes	67,810	70,466	81,120
Euronext SA employee savings scheme	52,593	40,756	34,891

Under the provisions of the law, a profit sharing agreement with the Company's staff was signed on 18 November 1994. This agreement allows for the allocation of sums from profit sharing provisions due to employees to mutual funds managed by third parties, including one fund holding only GLTRADE shares.

### Shareholders' agreement

An agreement between Euronext SA and the founders of GLTRADE SA, Messrs Laurent, Gatignol and Morin, as shareholders in Financière Montmartre, was registered with the French Financial Markets Authority (Autorité des Marchés Financiers) on 5 July 2004.

In particular this defines the composition of the Board of Directors of Financière Montmartre as a function of the percentage of the shares in this company owned by the founders and by the Euronext group.

It also details the conditions of a joint or forced withdrawal of the founders from the capital of Financière Montmartre and from their direct shareholdings in GLTRADE SA.

Euronext has made an undertaking to purchase from the founders their shares in Financière Montmartre or GLTRADE SA to a limit of the number of shares corresponding to 10.5% of the capital in GLTRADE.

### Dividend payments

Dividends unclaimed for five years after their payment date shall be paid to the French government (Article 2277 of the Civil Code).

The total dividend payments for 2004 to 2006 were as follows.

Year	Total payment (€)	Per share (en €)		
		Net	Tax credit	Gross
2004	9,560,741.00	1.00	0.00	1.00
2005	13,438,909.40	1.40	0.00	1.40
<b>2006</b>	<b>10,561,343.10</b>	<b>1.10</b>	<b>0.00</b>	<b>1.10</b>

Since its IPO, the company has each year paid to shareholders dividends representing 40% to 50% of consolidated net income.

The Board of Directors will put a motion to the general meeting of shareholders that a dividend be paid against 2006 earnings representing an increase of 40% on the previous year. This dividend will represent 51% of the Group's consolidated net income.

# Statements

## Officers responsible for the reference document

Louis-Christophe Laurent  
Chairman and  
Chief Executive Officer

Pierre Gatignol  
Delegated Managing Director

## Statement from the officers responsible for the reference document

“Having taken all reasonable care to ensure that such is the case, I certify that the information contained in this reference document accurately reflects, to the best of my knowledge, the facts and contains no omission that would be likely to affect its meaning.

We have received from the statutory auditors, KPMG Audit and AD Conseils, a letter confirming that they have completed their work and in which they indicate that, in accordance with professional practice and standards, they have verified the information regarding the financial situation and financial statements given in this reference document, and that they have reviewed this reference document as a whole.”

Paris, 23 May 2007

Pierre Gatignol

Louis-Christophe Laurent

## Officers responsible for financial statements

### Auditors

#### - A.D. CONSEILS

Represented by Mr Stéphane FERTELLE  
25 Avenue de l'Europe - 92 310 SEVRES

#### Date of first mandate:

Appointed by the ordinary shareholders' meeting of 5 July 1998.

#### Duration of present mandate:

Mandate expires at the ordinary shareholders' meeting held to approve financial statements for the year ending 31 December 2006.

#### - KPMG Audit

Department of KPMG S.A  
represented by Mr Jean Pierre Valensi, Associate Director  
1, cours Valmy - 92923 PARIS LA DEFENSE CEDEX

#### Date of first mandate:

Appointed by the ordinary shareholders' meeting of 29 May 1995.

#### Duration of present mandate:

Mandate expires at the ordinary shareholders' meeting held to approve financial statements for the year ending 31 December 2006.

### Substitute auditors

#### - Mr Claude MITTELETTE

25 Avenue de l'Europe - 92 310 SEVRES

#### Date of first mandate:

Appointed by the ordinary shareholders' meeting of 5 July 1998.

#### Duration of present mandate:

Mandate expires at the ordinary shareholders' meeting held to approve financial statements for the year ending 31 December 2006.

**- Mr Jean-Paul GRIZIAUX**

2 bis, rue de Villiers - 92300 LEVALLOIS PERRET

**Date of first mandate:**

Appointed by the ordinary shareholders' meeting of 29 May 1995.

**Duration of present mandate:**

Mandate expires at the ordinary shareholders' meeting held to approve financial statements for the year ending 31 December 2006.

## Auditors' report on consolidated accounts

Year to 31 December 2006

Ladies and Gentlemen,

In accordance with the assignment entrusted to us by the Annual General Meeting of Shareholders, we have conducted an audit of the consolidated financial statements for GLTRADE S.A. for the financial year ended 31 December 2006, as attached to this report.

Consolidated financial statements were prepared by the Board of Directors. It is our responsibility to express an opinion of these financial statements based on our audit.

### 1 - Opinion on the consolidated financial statements

We have conducted our audit in accordance with auditing standards applicable in France. These standards require that we perform such tests and procedures so as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit includes an examination, on a test basis, of the evidence justifying the information contained in the financial statements. It also includes an assessment of the accounting policies used and the significant estimates made in preparing the financial statements, together with an evaluation of the overall adequacy of their presentation. We believe that our audit provides a reasonable basis for the opinion expressed below.

We certify that the consolidated financial statements for the year have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union and that they give a true and fair view of the financial situation and results of the entities included in the scope of consolidation.

## 2 - Justification of our assessments

In accordance with the provisions of Article L.823-9 of the French Commercial Code regarding the justification of our assessments, we would draw your attention to the following:

- We have reviewed the accounting treatment by the Group of its undertakings to buy out minority interests which are not subject to specific treatment under IFRS as adopted in the European Union, and we have satisfied ourselves that notes 2, 9, 20, 24 and 32 of the appendices to the consolidated financial statements provide appropriate information on these undertakings.
- The group systematically carries out impairment tests on goodwill at each accounting date and also carries out such tests if there is any indication of the impairment of the value of its assets over the long term, in accordance with the details given in notes 2 and 9 of the appendices to the consolidated financial statements. We have reviewed the details of the implementation of these impairment tests, together with the forecasts of cash flows and of the assumptions used, and we have satisfied ourselves that notes 2 and 9 provide appropriate information. Furthermore, the Group has allocated part of this goodwill to identifiable intangible assets as described in notes 9 and 11 of the appendices to the consolidated financial statements and in accordance with the criteria set out in IFRS as adopted in the European Union. We have examined the elements justifying the appropriateness of this accounting treatment and the details adopted for their amortization and we have satisfied ourselves that notes 9 and 11 provide appropriate information.
- Your company has made provisions against legal claims, as described in note 26 of the appendices to consolidated financial statements. Based on information available at this time, our assessment of these provisions is founded on the analysis of the process implemented by the Group to identify and evaluate

risks. We have satisfied ourselves that the possible unknowns identified at the time this process was implemented have been appropriately described in note 26 of the appendices to consolidated financial statements.

- As indicated in notes 2 and 11 of the appendices to the consolidated financial statements, the Group records as intangible assets those development costs that meet the criteria set down in IFRS as adopted in the European Union. We have examined the turnover and profitability forecasts on which the appropriateness of this accounting treatment are based and the details used for assessment of recoverable value, and we have satisfied ourselves that notes 2 and 11 provide appropriate information.

The assessments thus carried out form part of our overall assignment of auditing consolidated accounts as a whole and have therefore contributed to the formation of the opinion expressed in the first section of this report.

## 3 - Specific verification

In accordance with the professional standards applicable in France we have also carried out verification of the information given in the Group's business report. We have no observations to make regarding its accuracy or its conformity with the consolidated financial statements.

The auditors

Paris La Défense & Sèvres, May 21, 2007.

KPMG Audit

A division of KPMG S.A.

Jean-Pierre Valensi

Partner

AD Conseils

Groupe Fiteco

Stéphane Fertelle

Partner

## Auditors' report under Article L.225-235 of the French Commercial Code on the report from the Chairman of the Board of Directors of GL TRADE S.A. concerning internal control procedures regarding the production and processing of accounting and financial information

Year to 31 December 2006

Ladies and Gentlemen,

In our capacity of auditors of GLTRADE S.A. and in accordance with the provisions of Article L.225-235 of the French Commercial Code, we hereby present our report on the report drawn up by the Chairman of your company pursuant to Article L.225-37 of the French Commercial Code and concerning the financial year ended 31 December 2006.

It is the responsibility of the Chairman to report on the conditions for the preparation and organization of the work of the Board of Directors and on the internal control procedures implemented within the company.

It is our responsibility to inform you of our observations regarding the information and statements contained in the Chairman's report regarding the production and processing of accounting and financial information.

We have carried out this tax in accordance with the standards of our profession in France. These require the application of due diligence in assessing the accuracy of the information and statements contained in the Chairman's report regarding the production and processing of accounting and financial information. In particular this diligence includes:

- acquainting ourselves with the objectives and general organization of internal control mechanisms, together with the internal control procedures regarding the production

and processing of accounting and financial information as presented in the Chairman's report.

- acquainting ourselves with the underlying work involved in producing the information given in the report.
- Based on our work, we have no observations to make on the information and statements concerning the internal control procedures of the company regarding the production and processing of accounting and financial information, as set out in the report from the Chairman of the Board of Directors pursuant to the provisions of Article L.225-37 of the French Commercial Code.

The auditors

Paris La Défense & Sèvres, May 21, 2007.

KPMG Audit

A division of KPMG S.A.

Jean-Pierre Valensi

Partner

AD Conseils

Groupe Fiteco

Stéphane Fertelle

Partner

# Special auditors' report on regulated agreements and undertakings

Year to 31 December 2006

Ladies and Gentlemen,

In our role as auditors of your company, we hereby present our report on regulated agreements and undertakings.

## 1 - Agreements and undertakings authorized over the course of the year

In accordance with Article L.225-40 of the French Commercial Code, we have been made aware of agreements and undertakings which received the prior authorization of your Board of Directors.

It is not our responsibility to consider whether other agreements or undertakings exist but to report to you, on the basis of the information provided to us, the characteristics and main details of those of which we have been made aware, without giving our opinion of their usefulness or appropriateness. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code, to assess the advantage attached to these agreements and undertakings when considering whether or not to approve them.

We have conducted our work in accordance with professional standards applicable in France. These standards require the implementation of due diligence in checking the agreement of

the information provided to us with the underlying documents on which it is based.

### 1.1 - Framework «credit line» agreements between gl trade s.a. and its subsidiaries

#### Persons involved:

Pierre Gatignol and Louis-Christophe Laurent

#### Nature and purpose:

Under a decision by the Board of Directors on 2 January 2006, GLTRADE S.A. was authorized to enter into framework «credit line» agreements with its subsidiaries for an indeterminate period of time and for a maximum amount allowing GLTRADE S.A. to lend money to its subsidiaries, as the need arises, up to a fixed maximum amount for each subsidiary.

A maximum value to the lender of the credit line has been determined for each subsidiary.

#### Details:

- The maximum authorized amount with Ubitrade S.A. is €13,000,000 and the interest rate applied is Eonia +12.5bp.
- At 31 December 2006, the credit line stood at €2,314,734.62 and had given rise to interest charges for 2006 of €22,967.33.
- The maximum authorized amount with GLTRADE A.G. is €7,000,000 and the interest rate applied is Eonia +12.5bp.
- At 31 December 2006, the credit line stood at €1,300,000 and had given rise to interest charges for 2006 of €27,828.31.
- The maximum authorized amount with GLTRADE Schweiz A.G. is €4,000,000 and the interest rate applied is Eonia +12.5bp.

- At 31 December 2006, the credit line stood at €1,000,000 and had given rise to interest charges for 2006 of €21,406.39.
- The maximum authorized amount with GLTRADE Iberica S.L. is €4,000,000 and the interest rate applied is Eonia +12.5bp.
- At 31 December 2006, the credit line stood at €1,000,000 and had given rise to interest charges for 2006 of €38,679.86.
- The maximum authorized amount with GLTRADE Belgium S.A. is €5,000,000 and the interest rate applied is Eonia +12.5bp.
- At 31 December 2006, the credit line stood at €1,000,000 and had given rise to interest charges for 2006 of €22,148.19.
- The maximum authorized amount with GLTRADE Systems Ltd is €10,000,000 and the interest rate applied is Libor +12.5bp.
- At 31 December 2006, the credit line stood at €1,138,952.16 and had given rise to interest charges for 2006 of €23,685.38.

The following credit lines have also been authorized but have not been drawn down:

• GL multimédia S.A:	€4.000.000
• GLTRADE Software Unipessoal:	€1.000.000
• GLTRADE Ltd.:	€23.000.000
• GL SETTLE Ltd.:	€5.000.000
• GLTRADE South Africa Pty Ltd.:	€500.000
• GLTRADE Solutions Pte Ltd.:	€3.000.000
• GLTRADE Australia Pty Ltd.:	€3.000.000
• GLTRADE Japan K.K.:	€8.000.000
• GLTRADE Mena:	€3.000.000
• GLTRADE Americas Inc.:	€19.000.000
• GL SETTLE Inc.:	€3.000.000
• GLTRADE Iberica S.L.:	€4.000.000

## 1.2 - Loan agreement with Financière Montmartre S.A.

### Directors involved:

Pierre Gatignol, Louis-Christophe Laurent, and Euronext S.A. (represented by Jean-François Théodore).

### Nature and purpose:

Under a decision by the Board of Directors on 24 August 2006, GL TRADE received a loan of €7,000,000 for a period of 15 days, remunerated at Eonia +12.5bp.

### Details:

At 31 December 2006, this loan had been fully repaid. This loan resulted in an interest charge for your company of €11,766.81 in 2006.

## **2 - Agreements and undertakings made in prior years which remained in force during the year**

Furthermore, in accordance with the French Commercial Code, we have been informed that the implementation of the following agreements and undertakings, which were approved in previous years, continued during the year.

### **2.1 - Loan agreement with Ubitrade S.A.**

#### **Nature and purpose:**

Under decisions of the Board of Directors on 7 February 2005 and 25 May 2005, GLTRADE S.A. lent its Ubitrade S.A. subsidiary the sums of €2,000,000 and €5,000,000 respectively at an interest rate based on Eonia.

#### **Details:**

By 31 December 2006 these loans had been fully repaid. These loans resulted in a total interest charge for 2006 of €312,457.35.

### **2.2 - Loan agreement with GL multimédia S.A.**

#### **Nature and purpose:**

Under a decision of the Board of Directors on 25 May 2005, GLTRADE was authorized to lend its GL multimédia S.A. subsidiary €4,000,000 at an interest rate equal to Eonia.

#### **Details:**

At 31 December 2006 no loan had been made under this authorization. As a result, no income nor cost relating to this agreement was recorded in the annual financial statements of the company for the year ending 31 December 2006.

### **2.3 - Rider to the loan agreement dated 21 november 2004 with GL multimédia S.A.**

#### **Nature and purpose:**

Under a decision of the Board of Directors of 18 October 2004, it was agreed that GLTRADE S.A. would lend its subsidiary, GL multimédia S.A., €4,500,000 at an interest rate based on Eonia, in order to allow the subsidiary to finance its investment. This loan was granted for one year.

Under a decision by the Board of Directors of 15 November 2005, it was agreed that the term of the loan granted to GL multimédia S.A. would be extended to two years.

#### **Details:**

At 31 December 2006, the amount borrowed by GL multimédia S.A. under this agreement was €4,500,000. This loan resulted in your company receiving interest of €238,035.62 in 2006.

### **2.4 - Loan agreement with GL TRADE Iberica S.L.**

#### **Nature and purpose:**

Under a decision by the Board of Directors of 15 November 2005, it was agreed that GLTRADE S.A. would lend its GL TRADE Iberica S.L. subsidiary the sum of €1,000,000 at a rate of interest equal to Eonia+12.5bp, for a period of one year.

#### **Details:**

At 31 December 2006, this loan had been fully repaid. This loan resulted in your company receiving interest of €40,584.86 in 2006.

## 2.5 - Loan agreements with GL TRADE Australia Pty Ltd.

### **Nature and purpose:**

Under a decision by the Board of Directors of 18 August 2005, it was agreed that GL Trade S.A. would lend its GL Trade Australia Pty Ltd subsidiary the sum of AU\$161,497.14 at a rate of interest equal to Eonia+12.5bp.

Furthermore, GL TRADE granted to GL TRADE Australia Pty Ltd four loans for initial amounts of AU\$105,000, AU\$90,000, AU\$150,000 and AU\$500,000, at an annual interest rate of 5%.

### **Details:**

These loans had been fully repaid by 31 December 2006. These loans resulted in your company receiving interest of €5,049.92 in 2006.

## 2.6 - Guarantee agreement with Glesia Srl.

### **Nature and purpose:**

GL TRADE S.A. has guaranteed the monthly payments on vehicle leasing contracts contracted by its Italian subsidiary in the event that the latter encounters financial difficulties.

### **Details:**

The guarantees are for maximum amounts of €25,800 and €22,724 respectively.

## 2.7 - Guarantee agreement with GL TRADE Ltd.

### **Nature and purpose:**

GL TRADE S.A. has provided guarantees for GL TRADE Ltd. regarding the rental of its offices in London.

### **Details:**

The undertaking is for a maximum amount of £446,000, representing one year's rent.

## 2.8 - Financial support guarantee for the GL TRADE Australia Pty Ltd. and GL Settle Ltd subsidiaries.

### **Nature and purpose:**

Under decisions by the Board of Directors of 5 March 2002, 30 December 2002, 16 December 2003, 24 October 2003 and 27 July 2004, GL TRADE S.A. has undertaken to provide the above named subsidiaries with financial support in order that they may continue their expansion.

### **Details:**

The undertaking to provide financial support to GL TRADE Australia Pty Ltd. was given to the limits of the financial resources available to GL TRADE S.A. and also includes a request for sponsoring of Australian visa applications.

The undertaking to provide financial support to GL Settle Ltd. is limited to the financial resources available to GL TRADE S.A.

## 2.9 - Service provision agreement with Financière Montmartre S.A.

### **Nature and purpose:**

With a view to optimizing the management of the group, GL TRADE S.A. has undertaken to provide to Financière Montmartre S.A. its assistance in administration, finance and legal services.

### **Details:**

This agreement was for an initial period of one year from 1 January 2002, and is automatically renewed for a one year period. For 2006, this agreement generated revenues of €9,000.

The auditors

Paris La Défense & Sèvres, May 21, 2007.

KPMG Audit

AD Conseils

A division of KPMG S.A.

Groupe Fiteco

Jean-Pierre Valensi

Stéphane Fertelle

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## Officer responsible for financial information

**Laurence SAUNIER**

Chief Financial Officer

GLTRADE

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## Financial communication

GLTRADE is constantly seeking to enhance its financial communication and improve the quality of information provided to all shareholders. GLTRADE is included in the Next Economy segment of Euronext and respects all the requirements for financial communication laid down for this segment.

All financial communication produced (press releases, annual report, presentations) is available on the group's website, [www.gltrade.com](http://www.gltrade.com) under the heading "Investor Relations"

These documents are also available from

GLTRADE

Direction de la Communication Financière

42 rue Notre Dame des Victoires

75 002 PARIS

**Meetings:**

GLTRADE organizes two presentations to analysts each year (in March and September) of its full year and interim results.

### **Financial communications calendar**

#### **Turnover 2006**

2006 Results

#### **S.F.A.F meeting**

Q1 2007 turnover

#### **AGM**

H1 2007 turnover

#### **H1 2007 results**

S.F.A.F meeting

#### **Q3 2007 turnover**

Turnover 2007

#### **2007 Results**

**6 February 2007**

7 March 2007

**8 March 2007**

9 May 2007

**20 June 2007**

31 July 2007

**28 August 2007**

29 August 2007

**6 November 2007**

6 February 2008

**5 March 2008**



# Annual report table of contents

## Headings of Annex I of European Commission Regulation 809/2004

<b>1. Persons responsible</b>	125
<b>2. Legal controller</b>	125
<b>3. Selected financial information</b>	13 to 14
<b>4. Risk factors</b>	106 to 110
<b>5. Information about the issuer</b>	
5.1. History and development of the Company	12
5.2. Investments	38 to 39
<b>6. Business overview</b>	
6.1. Principal activities	26 to 29
6.2. Principal markets	26 to 29
6.3. Exceptional factors	NA
6.4. Dependency	NA
6.5. Basis for any statements made by the company regarding its competitive position.	30 to 31
<b>7. Organizational Structure</b>	
7.1. Brief description of the Group	20 to 21
7.2. List of subsidiaries	76, 104 to 105
<b>8. Property, plant and equipment</b>	
8.1. Material tangible fixed assets, either existing or planned	NA
8.2. Environmental issues that may affect the use of tangible fixed assets	NA
<b>9. Operating and financial review</b>	
9.1. Financial condition	34 to 37
9.2. Operating results	36
<b>10. Capital resources</b>	
10.1. Information regarding the issuer's capital resources both short-term and long-term	60
10.2. Source and amount of cash flows	37, 59
10.3. Information on the issuer's borrowing requirements and funding structure	94
10.4. Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	NA
10.5. Information regarding expected sources of funds	NA
<b>11. Research and development, patents and licenses</b>	107
<b>12. Trend information</b>	38 to 39

<b>13. Profit forecasts or estimates</b>	NA
<b>14. Administrative, management and supervisory bodies and senior management</b>	
14.1. Administrative, management and supervisory bodies	22
14.2. Administrative, management and supervisory bodies and senior management conflicts of interest	NA
<b>15. Remuneration and benefits</b>	
15.1. Directors' remuneration	114
15.2. Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	114
<b>16. Board practices</b>	
16.1. Date of expiration of current terms of office	110
16.2. Contracts with members of the administrative, management or supervisory bodies	NA
16.3. Information regarding the Audit Committee and Remuneration Committee	45
16.4. Declaration of compliance with corporate governance regimes in the country of incorporation	110
<b>17. Employees</b>	
17.1. Number of employees	80
17.2. Shareholdings and stock options	118 to 119
17.3. Agreements for involving employees in the capital of the issuer	123
<b>18. Major shareholders</b>	
18.1. Shareholders owning more than 5% of the issuer's capital or voting rights	122
18.2. Existence of different voting rights	122
18.3. Control over the issuer	122
<b>19. Related party transactions</b>	
<b>20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses</b>	
20.1. Historical financial information	56 to 101
20.2. Pro forma financial information	NA
20.3. Financial statements	56 to 61
20.4. Auditing of historical annual financial information	1, 126 to 128
20.5. Age of the latest financial information	1
20.6. Interim and other financial information	NA
20.7. Dividend policy	124
20.8. Legal and arbitration proceedings	96

20.9. Significant change in the issuer's financial or trading position	NA
<b>21. Additional information</b>	
21.1. Share capital	118
21.2. Memorandum and Articles of Association	116
<b>22. Material contracts</b>	NA
<b>23. Third party information and statement by experts and declarations of any interest</b>	NA
<b>24. Documents on display</b>	134
25. Information on holdings	104

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