

# 2016 INTERIM FINANCIAL REPORT

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**GROUPE GORGÉ SA**

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# MANAGEMENT REPORT

The group generated first-half revenue of €141.9 million, compared with €114.0 million in the same period of 2015, an increase of 24.5%.

Profit from continuing operations was €2.5 million versus €1.6 million in the first half of 2015. Operating profit was €0.9 million, versus a loss of €0.2 million in the first half of 2015. Net losses were €2.4 million, versus -€1.1 million in the first half of 2015. Net income (Group share) amounted to a loss of €3.3 million, versus a loss of €1.0 million in the first half of 2015.

## SIGNIFICANT EVENTS

### 1/ Acquisition within the Protection in Nuclear Environments division

The acquisition of the nuclear business of PORTAFEU, a subsidiary of the ASSA ABLOY group, was finalised in May 2016. This acquisition strengthens the BAUMERT subsidiary's high-security door operations for nuclear installations.

### 2/ Acquisition within the 3D Printing division

In June 2016, the Group purchased the assets of a dental laboratory to strengthen its strategy of supporting the transformation of conventional manufacturing methods towards additive manufacturing. This acquisition has no material impact on the interim financial statements.

### 3/ Change in the number of voting rights in ECA

GROUPE GORGÉ's shareholding in ECA remained stable during the half-year at 61.12%. However, the share of GROUPE GORGÉ's voting rights rose from 74.93% at 31 December 2015 to 75.40%, due to the switch to double voting rights on registered shares held for over 4 years.

### 4/ Change in the interest in SERES Technologies

In January 2016, GROUPE GORGÉ acquired an additional 10% of SERES Technologies, increasing its interest to 70%. The existing shareholders' pact with a minority shareholder was the subject of an amendment; the minority shareholder's put option exercisable with effect from 2017 was eliminated and that exercisable with effect from 2021 was maintained.

### 5/ Use of the optional equity line

In February 2016, GROUPE GORGÉ set up an optional equity line enabling it to issue new shares in tranches up to a limit of 665,000 shares. The line is open until February 2018. 58,000 new shares were issued by GROUPE GORGÉ in the first half of 2016. This increased the share capital from 13,366,843 at 31 December 2015 to 13,424,843 at 30 June 2016.

## OPERATIONS

### Smart Safety Systems (ECA group)

First-half 2016 revenue amounted to €53.0 million, up 23.0% on the same period the previous year.

Profit from continuing operations in the division was €3.4 million in the first half-year, compared with €0.6 million in the first half of 2015, and operating income was €3.0 million versus a loss of 0.7 million in 2015 (significant restructuring costs in 2015).

### Protection in Nuclear Environments (NUCLEACTION group, SERES TECHNOLOGIES)

Revenue in this division was up 26.0% compared with the first half of 2015, totalling €20.8 million.

Profit from continuing operations was €0.9 million versus €1.1 million in the first half of 2015.

### Industrial Projects and Services (CIMLEC INDUSTRIE group, CLF-SATREM, AI GROUP, VAN DAM)

Revenue in this division was up 20.4% (€56.4 million compared with €46.8 million in 2015).

Profit from continuing operations in the division was €2.8 million, versus €1.2 million in the first half of 2015, and operating income was €2.2 million (€0.9 million in 2015).

### 3D Printing (PRODWAYS Group)

Revenue in this division amounted to €12.4 million, versus €8.0 million in the first half of 2015, representing growth of 54.6%.

Losses from continuing operations were €4.1 million, versus a loss of €1.1 million in the first half of 2015, and operating losses came to €4.7 million, versus a loss of €1.2 million in 2015.

## NOTE ON RELATED-PARTY TRANSACTIONS

Related parties are persons (directors, managers of GROUPE GORGÉ or of its principal subsidiaries) or companies owned or managed by these persons. The following transactions by the group with related parties during the half have been identified:

<i>In thousands of euros, in the group's financial statements</i>	PELICAN VENTURE	PELICAN VENTURE SUBSIDIARIES	MAIN DIRECTORS	CBG CONSEIL
<b>Income statement</b>				
Revenue	110	17	-	-
Other income	-	-	-	-
Purchases and external charges	(250)	-	-	(72)
<b>Balance sheet</b>				
Trade receivables	96	-	-	-
Trade payables	300	-	-	85
Miscellaneous debts	-	-	-	-
Loans	-	-	508	-
Deposits and guarantees received	14	10	-	-

PELICAN VENTURE is a holding company, and the main shareholder of GROUPE GORGÉ.

## STATEMENT OF THE PERSON RESPONSIBLE FOR THE INTERIM REPORT

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the past six months have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and of all consolidated companies and that the above interim management report includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the financial statements, the main related-party transactions and a description of the principal risks and uncertainties for the remaining six months of the year.

Raphaël Gorgé, Chairman and Chief Executive Officer.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Assets

<i>(In thousands of euros)</i>	Notes	30/06/2016	30/06/2015*	31/12/2015*
<b>NON-CURRENT ASSETS</b>		<b>114,087</b>	<b>106,694</b>	<b>109,095</b>
Goodwill	5.1	44,920	44,053	44,219
Intangible assets	5.2	32,732	30,291	31,294
Property, plant and equipment	5.3	25,238	21,663	22,886
Investment property		298	298	298
Investments in affiliated companies	7.3	1,447	759	1,395
Other financial assets	7.4	4,061	3,589	4,418
Deferred tax assets	8.2	5,388	6,036	4,580
Other non-current assets		5	5	5
<b>CURRENT ASSETS</b>		<b>271,660</b>	<b>219,551</b>	<b>253,210</b>
Net inventories	4.4	29,731	25,445	26,112
Net trade receivables	4.3	168,857	135,349	159,561
Other current assets	4.5	17,454	15,889	16,850
Tax receivables payable	8.1	17,742	13,562	16,258
Cash and cash equivalents	7.2	37,876	29,306	34,429
<b>ASSETS HELD FOR SALE</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>385,748</b>	<b>326,245</b>	<b>362,305</b>

\* June 2015 and financial year 2015 columns restated to reflect the items described in Note 1.3.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### TOTAL EQUITY AND LIABILITIES

<i>(In thousands of euros)</i>	Notes	30/06/2016	30/06/2015*	31/12/2015*
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>64,748</b>	<b>60,991</b>	<b>67,432</b>
Share capital <sup>(1)</sup>	9.1	13,440	13,182	13,367
Share premiums <sup>(1)</sup>		25,764	20,533	24,540
Retained earnings and other reserves <sup>(2)</sup>		25,544	27,276	29,525
<b>NON-CONTROLLING INTERESTS</b>		<b>29,307</b>	<b>26,814</b>	<b>29,543</b>
<b>NON-CURRENT LIABILITIES</b>		<b>84,063</b>	<b>65,875</b>	<b>69,045</b>
Long-term provisions	10.1	8,712	6,834	6,987
Long-term liabilities – portion due in more than one year	7.1	67,986	54,455	59,549
Financial instruments and derivatives		652	771	652
Deferred tax liabilities	8.2	357	1,947	206
Other non-current liabilities		6,356	1,868	1,652
<b>CURRENT LIABILITIES</b>		<b>207,630</b>	<b>172,566</b>	<b>196,284</b>
Short-term provisions	10.2	4,488	4,609	5,099
Long-term liabilities – portion due in less than one year	7.1	23,527	12,232	14,011
Financial instruments and derivatives		-	3	1
Operating payables	4.6	49,018	42,754	58,718
Other current liabilities	4.6	130,177	112,799	118,381
Tax liabilities payable	8.1	420	169	74
<b>LIABILITIES HELD FOR SALE</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>385,748</b>	<b>326,245</b>	<b>362,304</b>

\* June 2015 and financial year 2015 columns restated to reflect the items described in Note 1.3.

<sup>(1)</sup> Of the consolidating parent company.

<sup>(2)</sup> Including net income (loss) for the year.

## CONSOLIDATED INCOME STATEMENT

<i>(In thousands of euros)</i>	Notes	30/06/2016	30/06/2015*	31/12/2015*
<b>REVENUE</b>	<b>3.3</b>	<b>141,940</b>	<b>114,030</b>	<b>264,526</b>
Capitalised production		4,357	2,992	6,577
Inventories and work in progress		2,341	2,959	2,061
Other income from operations		3,306	3,523	6,364
Purchases consumed		(92,046)	(70,621)	(164,479)
Personnel expenses		(51,222)	(45,052)	(91,072)
Tax and duties		(1,231)	(1,226)	(2,477)
Depreciation, amortisation and provisions (net of reversals)	4.1	(4,732)	(4,924)	(9,711)
Other operating expense (net of income)		(173)	(67)	(27)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<b>2,540</b>	<b>1,614</b>	<b>11,762</b>
Non-recurring items	4.2	(1,683)	(1,772)	(4,454)
<b>OPERATING INCOME</b>		<b>857</b>	<b>(158)</b>	<b>7,307</b>
Interest on gross debt		(1,271)	(1,134)	(2,290)
Interest on cash and cash equivalents		23	42	54
<b>COST OF NET DEBT (a)</b>	<b>7.5</b>	<b>(1,248)</b>	<b>(1,091)</b>	<b>(2,236)</b>
Other financial income (b)		230	595	1,173
Other financial expense (c)		(691)	(263)	(955)
<b>FINANCIAL INCOME AND EXPENSE (d=a+b+c)</b>	<b>7.5</b>	<b>(1,709)</b>	<b>(759)</b>	<b>(2,018)</b>
Income tax	8.1	(1,544)	(182)	(1,647)
Group share of the earnings of equity-accounted companies		36	14	(3)
<b>NET INCOME FROM CONTINUING ACTIVITIES AFTER TAX</b>		<b>(2,360)</b>	<b>(1,085)</b>	<b>3,639</b>
Net income from discontinued activities		-	-	-
<b>NET INCOME</b>		<b>(2,360)</b>	<b>(1,085)</b>	<b>3,639</b>
Net income attributable to non-controlling interests		951	(93)	2,568
<b>NET INCOME (GROUP SHARE)</b>		<b>(3,311)</b>	<b>(992)</b>	<b>1,071</b>

Average no. of shares	9.2	13,392,285	13,122,185	13,217,562
Net income from continuing operations per share (in euros)	9.2	(0,247)	(0,076)	0,081
Net income per share (in euros)	9.2	(0,247)	(0,076)	0,081

\* June 2015 and financial year 2015 columns restated to reflect the items described in Note 1.3.

## INCOME STATEMENT - GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY

<i>(In thousands of euros)</i>	30/06/2016	30/06/2015*	31/12/2015*
<b>NET INCOME</b>	<b>(2,360)</b>	<b>(1,085)</b>	<b>3,639</b>
Currency translation adjustment	(88)	65	138
Tax relating to currency translation adjustments	-	-	-
Revaluation of hedging derivatives	1	6	8
Tax relating to revaluation of hedging derivatives	(0)	(2)	(3)
Revaluation of hedging derivatives - liabilities	-	-	119
Tax relating to revaluation of hedging derivatives - liabilities	-	-	-
Actuarial gains and losses on defined benefit plans	(1,146)	587	578
Tax relating to actuarial gains and losses on defined benefit plans	382	(196)	(193)
Group share of gains and losses recognised directly in equity of equity-accounted companies	-	-	-
<b>TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY</b>	<b>(851)</b>	<b>461</b>	<b>648</b>
- of which can be reclassified subsequently to profit and loss	(851)	457	643
- of which cannot be subsequently reclassified to profit and loss	-	4	5
<b>CONSOLIDATED COMPREHENSIVE INCOME</b>	<b>(3,211)</b>	<b>(624)</b>	<b>4,286</b>
- of which Group share	(4,021)	(613)	1,607
- of which non-controlling interests	810	(11)	2,680

\* June 2015 and financial year 2015 columns restated to reflect the items described in Note 1.3.

## CASH FLOW STATEMENT

<i>(In thousands of euros)</i>	30/06/2016	30/06/2015	31/12/2015
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>(2,360)</b>	<b>(1,085)</b>	<b>3,639</b>
Accruals	5,494	5,380	10,341
Capital gains and losses on disposals	207	60	147
Group share of income of equity-accounted companies	(36)	(14)	3
<b>CASH FLOW FROM OPERATING ACTIVITIES (before elimination of net borrowing costs and taxes)</b>	<b>3,305</b>	<b>4,341</b>	<b>14,130</b>
Cost of net debt	946	1,091	2,236
Tax expense	1,544	182	1,647
<b>CASH FLOW FROM OPERATING ACTIVITIES (after elimination of net borrowing costs and taxes)</b>	<b>5,795</b>	<b>5,614</b>	<b>18,013</b>
Tax paid	(1,697)	(1,207)	(2,913)
Change in working capital requirements	(12,221)	(3,516)	(11,017)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>(8,123)</b>	<b>891</b>	<b>4,083</b>
Investing activities			
Payments/acquisition of intangible assets	(4,866)	(3,709)	(7,464)
Payments/acquisition of property, plant and equipment	(2,489)	(4,208)	(8,235)
Proceeds/disposal of property, plant and equipment and intangible assets	13	39	564
Payments/acquisition of long-term investments	(98)	(291)	(1,494)
Proceeds/disposal of long-term investments	25	179	1,478
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	4,400	(8,414)	(9,013)
<b>NET CASH (USED IN)/GENERATED BY INVESTING ACTIVITIES (B)</b>	<b>(3,016)</b>	<b>(16,403)</b>	<b>(24,164)</b>
Financing activities			
Capital increase or contributions	1,222	12,202	16,341
Dividends paid to parent company shareholders	-	(4,217)	(4,217)
Dividends paid to non-controlling interests	(1,062)	(1,049)	(1,058)
Proceeds from borrowings	20,621	10,668	21,271
Repayment of borrowings	(14,174)	(3,740)	(10,762)
Cost of net debt	(946)	(1,091)	(2,236)
<b>NET CASH (USED IN)/GENERATED BY FINANCING ACTIVITIES (C)</b>	<b>5,661</b>	<b>12,773</b>	<b>19,337</b>
<b>CASH GENERATED BY CONTINUING OPERATIONS (D= A+B+C)</b>	<b>(5,478)</b>	<b>(2,739)</b>	<b>(743)</b>
Cash generated by discontinued operations	-	-	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,478)</b>	<b>(2,739)</b>	<b>(743)</b>
<i>Effects of exchange rate changes</i>	<i>(75)</i>	<i>43</i>	<i>52</i>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>27,175</b>	<b>27,841</b>	<b>27,841</b>
Restatement of cash and cash equivalents <sup>(1)</sup>	(9)	25	24
<b>CASH AND CASH EQUIVALENTS AT THE YEAR-END</b>	<b>21,613</b>	<b>25,171</b>	<b>27,175</b>

<sup>(1)</sup> Related to the reclassification of treasury shares.

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(In thousands of euros)</i>	Group share or owners of the parent company						Total equity
	Capital	Share capital reserves	Treasury shares	Retained earnings and other reserves	Equity - Group share or owners of the parent company	Equity - Minority interests or non-controlling interests	
<b>2015 CLOSING EQUITY</b>	<b>13,367</b>	<b>24,540</b>	<b>(788)</b>	<b>30,861</b>	<b>67,980</b>	<b>29,565</b>	<b>97,545</b>
Error correction	-	-	-	(548)	(548)	(22)	(569)
<b>2015 CLOSING EQUITY, RESTATED</b>	<b>13,367</b>	<b>24,540</b>	<b>(788)</b>	<b>30,314</b>	<b>67,432</b>	<b>29,543</b>	<b>96,976</b>
Share capital transactions	73	1,157	(15)	-	1,215	1	1,216
Free share and stock option plan	-	67	-	8	75	1	76
Treasury share transactions	-	-	(28)	-	(28)	(4)	(31)
Bond component	-	-	-	(1)	(1)	0	(1)
Dividends	-	-	-	-	-	(1,103)	(1,103)
Net income (loss) for the period	-	-	24	(3,334)	(3,310)	951	(2,360)
Items in comprehensive income	-	-	-	(711)	(711)	(140)	(851)
<b>CONSOLIDATED COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>(4,045)</b>	<b>(4,021)</b>	<b>810</b>	<b>(3,211)</b>
Changes in scope of consolidation	-	-	11	64	75	58	130
Other	-	-	-	-	-	-	-
<b>JUNE 2016 CLOSING EQUITY</b>	<b>13,440</b>	<b>25,764</b>	<b>(796)</b>	<b>26,340</b>	<b>64,748</b>	<b>29,307</b>	<b>94,056</b>

<i>(In thousands of euros)</i>	Group share or owners of the parent company						Total equity
	Capital	Share capital reserves	Treasury shares	Retained earnings and other reserves	Equity - Group share or owners of the parent company	Equity - Minority interests or non-controlling interests	
<b>2014 CLOSING EQUITY</b>	<b>13,082</b>	<b>18,363</b>	<b>(670)</b>	<b>26,068</b>	<b>56,843</b>	<b>27,781</b>	<b>84,624</b>
Error correction	-	-	-	(781)	(781)	(512)	(1,293)
<b>2014 CLOSING EQUITY RESTATED</b>	<b>13,082</b>	<b>18,363</b>	<b>670</b>	<b>25,287</b>	<b>56,062</b>	<b>27,269</b>	<b>83,331</b>
Share capital transactions	100	2,026	-	-	2,126	-	2,126
Free share and stock option plan	-	144	-	9	153	1	154
Treasury share transactions	-	-	60	-	60	(11)	49
Bond component	-	-	-	9,423	9,423	373	9,797
Dividends	-	-	-	(4,203)	(4,203)	(1,077)	(5,279)
Net income (loss) for the period	-	-	(220)	(772)	(992)	(93)	(1,085)
Items in comprehensive income	-	-	-	379	379	82	461
<b>CONSOLIDATED COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>(220)</b>	<b>(393)</b>	<b>(613)</b>	<b>(11)</b>	<b>(624)</b>
Changes in scope of consolidation	-	-	78	(2,095)	(2,017)	269	(1,748)
Other	-	-	-	-	-	-	-
<b>JUNE 2015 CLOSING EQUITY</b>	<b>13,182</b>	<b>20,533</b>	<b>(752)</b>	<b>28,028</b>	<b>60,991</b>	<b>26,814</b>	<b>87,804</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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GROUPE GORGÉ's condensed consolidated interim financial statements cover a six-month period from 1 January to 30 June 2016. They were approved by the Board of Directors on 5 September 2016.

The significant events in the first half are discussed in the management report.

## NOTE 1 ACCOUNTING PRINCIPLES

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### 1.1 Seasonality of the business

The Group observes seasonal variations in its businesses that can affect the level of revenue from one six-month period to another. Accordingly, the interim results are not necessarily indicative of what can be expected for full-year 2016.

### 1.2 Accounting principles

The Group prepares consolidated financial statements on a biannual basis, in accordance with IAS 34 "Interim Financial Reporting". They do not contain all the information required for annual financial statements and must be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2015, as published in the Registration Document filed with the AMF (*Autorité des marchés financiers* - French financial markets authority) on 4 April 2016 under number D.16-0269.

The condensed consolidated financial statements for the six-months ended 30 June 2016 were prepared using identical accounting policies as used to prepare the consolidated financial statements for the financial year ended 31 December 2015, with the exception of the new standards, revised standards and interpretations applicable as from 1 January 2016.

The following new standards and interpretations applicable in the Group over the period had no material impact on the consolidated financial statements at 30 June 2016:

- amendment to IAS 1: Disclosure Initiative,
- amendments to IAS 19: Defined Benefit Plans: Employee Contributions,
- amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations,
- amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation,
- annual improvements to IFRS 2012-2014 Cycle (September 2014).

The Group has not applied the following standards and interpretations, which had not been adopted by the European Union as at 30 June 2016 or for which application is not mandatory as of 1 January 2016:

- Standards adopted by the European Union:
  - amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses;
- Standards not adopted by the European Union:
  - IFRS 9 – Financial instruments,
  - IFRS 15 – Revenue from Contracts with Customers,
  - IFRS 16 – Rentals,
  - amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture,
  - amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception,
  - amendments to IAS 7: Statement of Cash Flows: Disclosure Initiative,
  - amendments to IFRS 2: Share-based Payment: Vesting Conditions and Cancellations.

### 1.3 Restatement of the financial information for prior years

#### Restatement of financial statements as at 30 June 2015

The financial statements as at 30 June 2015 have been modified for two reasons:

- the final allocation of goodwill for INFOTRON, DELTAMED and INITIAL. According to IFRS 3R, the value of the items concerned must be modified retrospectively, as if these modifications had occurred with effect from the acquisition date;
- several corrections of errors in the financial statements of the Italian company ECA SINDEL, relating to the 2015 opening balances concerning adjustments to the trade receivables for €351 thousand which were unjustified, the recognition of employee related liabilities to be provisioned for €396 thousand, and the incorrect recognition of a simulator in 2012 for €1,138 thousand. The cost of this prototype simulator had been recognised between 2012 and 2014, partly in expenses and partly in inventory, instead of the entire amount being capitalised and depreciated. The contribution by a third party to the financing of the prototype had furthermore been recognised in revenue in 2012 and 2013, instead of being recorded in other income, at the same rate as the depreciation on the asset financed. All of these errors were identified at the 2015 reporting date.

The modifications to the 2015 interim financial statements are set out in the tables below:

<i>(In thousands of euros)</i>	30/06/2015 published	Adjustments			30/06/2015 restated
		DELTAMED	INFOTRON	ECA SINDEL	
<b>REVENUE</b>	<b>114,030</b>	-	-	-	<b>114,030</b>
Capitalised production	2,992	-	-	-	2,992
Inventories and work in progress	2,959	-	-	-	2,959
Other income from the business	3,006	-	-	516	3,523
Purchases and external charges	(70,621)	-	-	1	(70,621)
Personnel expenses	(45,119)	134	-	(67)	(45,052)
Tax and duties	(1,226)	-	-	-	(1,226)
Depreciation, amortisation and provisions (net of reversals)	(4,390)	-	(19)	(515)	(4,924)
Other operating income and expenses	(67)	-	-	-	(67)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>1,563</b>	<b>134</b>	<b>(19)</b>	<b>(64)</b>	<b>1,614</b>
Non-recurring items in operating income	(1,803)	9	23	-	(1,772)
<b>OPERATING INCOME</b>	<b>(240)</b>	<b>143</b>	<b>4</b>	<b>(64)</b>	<b>(158)</b>
<b>FINANCIAL INCOME AND EXPENSES</b>	<b>(759)</b>	-	-	-	<b>(759)</b>
Income tax	(161)	(41)	(1)	22	(182)
Group share of the earnings of affiliated companies	14	-	-	-	14
<b>NET INCOME</b>	<b>(1,146)</b>	<b>102</b>	<b>3</b>	<b>(43)</b>	<b>(1,085)</b>
Net income attributable to non-controlling interests	80	(4)	(1)	17	93
<b>NET INCOME (GROUP SHARE)</b>	<b>(1,066)</b>	<b>98</b>	<b>2</b>	<b>(26)</b>	<b>(992)</b>

<i>(In thousands of euros)</i>	30/06/2015 published	Adjustments				30/06/2015 restated
		DELTAMED	INITIAL	INFOTRON	ECA SINDEL	
<b>NON-CURRENT ASSETS</b>	<b>105,191</b>	<b>269</b>	<b>106</b>	<b>92</b>	<b>1,036</b>	<b>106,694</b>
Goodwill	43,586	297	67	103	-	44,053
Other intangible assets	30,330	(27)	-	(11)	-	30,291
Property, plant and equipment	21,278	-	-	-	386	21,663
Investment property	298	-	-	-	-	298
Investments in affiliated companies	759	-	-	-	-	759
Other financial assets	3,589	-	-	-	-	3,589
Deferred tax assets	5,347	-	39	-	650	6,036
Other non-current assets	5	-	-	-	-	5
<b>CURRENT ASSETS</b>	<b>221,038</b>	-	-	-	<b>(1,487)</b>	<b>219,551</b>
Net inventories	26,581	-	-	-	(1,136)	25,445
Net trade receivables	135,700	-	-	-	(351)	135,349
Other current assets	15,889	-	-	-	-	15,889
Tax receivables payable	13,562	-	-	-	-	13,562
Cash and cash equivalents	29,306	-	-	-	-	29,306
<b>ASSETS HELD FOR SALE</b>	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>326,229</b>	<b>269</b>	<b>106</b>	<b>92</b>	<b>(451)</b>	<b>326,245</b>

<i>(In thousands of euros)</i>	30/06/2015 published	Adjustments				30/06/2015 restated
		DELTAMED	INITIAL	INFOTRON	ECA SINDEL	
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>61,697</b>	<b>73</b>	-	<b>(5)</b>	<b>(775)</b>	<b>60,991</b>
Capital	13,182	-	-	-	-	13,182
Share premiums	20,533	-	-	-	-	20,533
Retained earnings and other reserves	27,983	-	-	(5)	(775)	27,276
<b>NON-CONTROLLING INTERESTS</b>	<b>27,339</b>	<b>3</b>	-	<b>(3)</b>	<b>(525)</b>	<b>26,814</b>
<b>NON-CURRENT LIABILITIES</b>	<b>65,759</b>	<b>(89)</b>	<b>106</b>	<b>99</b>	-	<b>65,875</b>
Long-term provisions	6,728	-	106	-	-	6,834
Long-term liabilities – portion due in more than one year	54,455	-	-	-	-	54,455
Financial instruments and derivatives	771	-	-	-	-	771
Deferred tax liabilities	2,040	(89)	-	(4)	-	1,947
Conditional advances	1,765	-	-	103	-	1,868
<b>CURRENT LIABILITIES</b>	<b>171,433</b>	<b>283</b>	-	-	<b>850</b>	<b>172,566</b>
Short-term provisions	4,609	-	-	-	-	4,609
Long-term liabilities – portion due in less than one year	12,232	-	-	-	-	12,232
Financial instruments and derivatives	3	-	-	-	-	3
Operating payables	42,754	-	-	-	-	42,754
Other current liabilities	111,667	283	-	-	850	112,799
Tax liabilities payable	169	-	-	-	-	169
<b>LIABILITIES HELD FOR SALE</b>	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>326,229</b>	<b>269</b>	<b>106</b>	<b>92</b>	<b>(451)</b>	<b>326,245</b>

#### Restatement of financial statements as at 31 December 2015

The financial statements as at 31 December 2015 have been restated to correct accounting errors.

The error corrections concern the financial statements of PRODWAYS and the end of the year 2015, a period during which the company implemented its new ERP. They concern the omission of a credit note (€292 thousand), the unwarranted recognition of a tangible asset in progress (€82 thousand) and an inventory error (€195 thousand).

The modifications to the 2015 financial statements are set out in the tables below:

<i>(In thousands of euros)</i>	31/12/2015 published	Adjustments	31/12/2015 restated
		PRODWAYS	
<b>REVENUE</b>	<b>264,818</b>	<b>(292)</b>	<b>264,526</b>
Capitalised production	6,659	(82)	6,577
Inventories and work in progress	2,061	-	2,061
Other income from the business	6,364	-	6,364
Purchases and external charges	(164,284)	(195)	(164,479)
Personnel expenses	(91,072)	-	(91,072)
Tax and duties	(2,477)	-	(2,477)
Depreciation, amortisation and provisions (net of reversals)	(9,711)	-	(9,711)
Other operating income and expenses	(27)	-	(27)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>12,331</b>	<b>(569)</b>	<b>11,762</b>
Non-recurring items in operating income	(4,454)	-	(4,454)
<b>OPERATING INCOME</b>	<b>7,877</b>	<b>(569)</b>	<b>7,307</b>
<b>FINANCIAL INCOME AND EXPENSES</b>	<b>(2,018)</b>	-	<b>(2,018)</b>
Income tax	(1,647)	-	(1,647)
Group share of the earnings of affiliated companies	(3)	-	(3)
<b>NET INCOME</b>	<b>4,209</b>	<b>(569)</b>	<b>3,639</b>
Net income attributable to non-controlling interests	(2,590)	22	(2,568)
<b>NET INCOME (GROUP SHARE)</b>	<b>1,619</b>	<b>(548)</b>	<b>1,071</b>

<i>(In thousands of euros)</i>	31/12/2015 published	Adjustments	31/12/2015 restated
		PRODWAYS	
<b>NON-CURRENT ASSETS</b>	<b>109,177</b>	<b>(82)</b>	<b>109,095</b>
Goodwill	44,219	-	44,219
Other intangible assets	31,294	-	31,294
Property, plant and equipment	22,969	(82)	22,886
Investment property	298	-	298
Investments in affiliated companies	1,395	-	1,395
Other financial assets	4,418	-	4,418
Deferred tax assets	4,580	-	4,580
Other non-current assets	5	-	5
<b>CURRENT ASSETS</b>	<b>253,697</b>	<b>(487)</b>	<b>253,210</b>
Net inventories	26,307	(195)	26,112
Net trade receivables	159,853	(292)	159,561
Other current assets	16,850	-	16,850
Tax receivables payable	16,258	-	16,258
Cash and cash equivalents	34,429	-	34,429
<b>ASSETS HELD FOR SALE</b>	-	-	-
<b>TOTAL ASSETS</b>	<b>362,874</b>	<b>(569)</b>	<b>362,305</b>

<i>(In thousands of euros)</i>	31/12/2015 published	Adjustments	31/12/2015 restated
		PRODWAYS	
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>67,980</b>	<b>(548)</b>	67,432
Capital	13,367	-	13,367
Share premiums	24,540	-	24,540
Retained earnings and other reserves	30,073	-	29,525
<b>NON-CONTROLLING INTERESTS</b>	<b>29,565</b>	<b>(22)</b>	<b>29,543</b>
<b>NON-CURRENT LIABILITIES</b>	<b>69,045</b>	-	<b>69,045</b>
Long-term provisions	6,987	-	6,987
Long-term liabilities – portion due in more than one year	59,549	-	59,549
Financial instruments and derivatives	652	-	652
Deferred tax liabilities	206	-	206
Conditional advances	1,652	-	1,652
<b>CURRENT LIABILITIES</b>	<b>196,284</b>	-	<b>196,284</b>
Short-term provisions	5,099	-	5,099
Long-term liabilities – portion due in less than one year	14,011	-	14,011
Financial instruments and derivatives	1	-	1
Operating payables	58,718	-	58,718
Other current liabilities	118,381	-	118,381
Tax liabilities payable	74	-	74
<b>LIABILITIES HELD FOR SALE</b>	-	-	-
<b>TOTAL LIABILITIES</b>	<b>362,874</b>	<b>(569)</b>	<b>362,305</b>

#### 1.4 Valuation methods and rules

The financial statements have been prepared under the historical cost convention, except in the case of derivatives and available-for-sale financial assets, which are measured at fair value. Financial liabilities are measured at amortised cost. Hedging instruments are measured at fair value.

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

The above-mentioned assumptions mainly concern:

- the calculation of the recoverable amounts of assets;
- the calculation of provisions for risks and charges;
- the calculation of income upon completion of work in progress;
- the calculation of retirement benefit obligations.

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

The valuation methods and rules applied for the half-yearly financial statements are similar to those set out in the notes to the 2015 consolidated financial statements (Registration Document filed with the AMF on 4 April 2016).

## NOTE 2 SCOPE OF CONSOLIDATION

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### 2.1 List of consolidated companies

Company	Parent company	% control		% interest		Method	
	AT 30 JUNE 2016	JUNE 2016	2015	JUNE 2016	2015	JUNE 2016	2015
<b>Consolidating company</b>							
GRUPE GORGÉ SA		Top	Top	Top	Top	FC	FC
<b>Structure</b>							
FINU 10 <sup>(1)</sup>	GRUPE GORGÉ SA	100	100	100	100	FC	FC
SCI DES CARRIÈRES	GRUPE GORGÉ SA	100	100	100	100	FC	FC
<b>Smart Safety Systems</b>							
ECA <sup>(2)</sup>	GRUPE GORGÉ SA	75.40	74.93	61.12	61.12	FC	FC
ECA CNAI	ECA SA	100	100	61.12	61.12	FC	FC
ECA AEROSPACE <sup>(3)</sup>	ECA SA	100	100	61.12	61.12	FC	FC
ECA DRONE	ECA SA	100	100	61.12	61.12	FC	FC
ECA DYNAMICS	ECA SA	51	51	31.17	31.17	FC	FC
ECA EN	ECA SA	100	100	61.12	61.12	FC	FC
ECA FAROS	ECA SA	100	100	61.12	61.12	FC	FC
ECA ROBOTICS	ECA SA	100	100	61.12	61.12	FC	FC
ECA RSM	ECA SA	100	100	61.12	61.12	FC	FC
ECA SINDEL (Italy)	ECA SA	97.55	97.55	59.63	59.63	FC	FC
ECA SINDEL BRASIL (Brazil)	ECA SINDEL	99.80	99.80	59.51	59.51	FC	FC
ECA SINTERS	ECA SA	100	100	61.12	61.12	FC	FC
EN MOTEURS	ECA EN	100	100	61.12	61.12	FC	FC
ESFE (Singapore)	ECA SA	100	100	61.12	61.12	FC	FC
SSI (United States)	ECA SA	100	100	61.12	61.12	FC	FC
TRITON IMAGING (United States)	ECA SA	100	100	61.12	61.12	FC	FC
1ROBOTICS (United States)	ECA SA	29.89	29.89	49.51	49.51	EM	EM
<b>Industrial Projects &amp; Services</b>							
AI GROUP	BALISCO	100	100	100	100	FC	FC
AIGX (Dubai)	AI GROUP	100	98	100	98	FC	FC
AMOPSI	BALISCO	80	80	80	80	FC	FC
BALISCO	GRUPE GORGÉ SA	100	100	100	100	FC	FC
CIMLEC INDUSTRIAL (Romania)	CIMLEC Industrie	100	100	100	100	FC	FC
CIMLEC INDUSTRIE	BALISCO / CLF	100	100	100	100	FC	FC
CLF-SATREM	BALISCO	100	100	100	100	FC	FC
COMMERCY ROBOTIQUE	CIMLEC Industrie	100	100	100	100	FC	FC
GORGÉ EUROPE INVESTMENT (Netherlands)	BALISCO	100	100	100	100	FC	FC
GORGÉ NETHERLANDS (Netherlands)	GORGÉ EUROPE INVESTMENT	88	88	88	89	FC	FC
NTS FRANCE	CIMLEC Industrie	100	100	100	100	FC	FC
SAS STONI	GRUPE GORGÉ SA	100	100	100	100	FC	FC
TENWHIL	CIMLEC Industrie	100	100	100	100	FC	FC
VAN DAM	GORGÉ NETHERLANDS	100	100	88	88	FC	FC
VAN DAM ASIA <sup>(4)</sup>	VAN DAM	100	-	88	-	FC	-
<b>3D Printing</b>							
CRISTAL <sup>(5)</sup>	PRODWAYS GROUP	100	100	96.19	100	FC	FC
DELTAMED	PRODWAYS GROUP	100	100	96.19	96.50	FC	FC
DENTOSMILE	PRODWAYS ENTREPRENEURS	20	20	19.24	19.24	EM	EM
EXCELTEC	PRODWAYS GROUP	100	100	96.19	96.19	FC	FC

INITIAL	PRODWAYS GROUP	100	100	96.19	96.19	FC	FC
PRODWAYS AMERICAS	PRODWAYS	100	100	96.19	96.19	FC	FC
PRODWAYS GROUP	GROUPE GORGÉ SA	96.19	96.19	96.19	96.19	FC	FC
PRODWAYS DISTRIBUTION <sup>(1)</sup>	PRODWAYS GROUP	100	100	96.19	100	FC	FC
PRODWAYS	PRODWAYS GROUP	100	100	96.19	96.19	FC	FC
PRODWAYS ENTREPRENEURS	PRODWAYS GROUP	100	100	96.19	96.19	FC	FC
PRODWAYS PODOLOGIE <sup>(6)</sup>	PRODWAYS GROUP	74.40	-	71.52	-	FC	-
PRODWAYS MATERIALS	DELTAMED	100	100	96.19	96.19	FC	FC
VARIA 3D	PRODWAYS GROUP	45	45	43.28	43.28	EM	EM
<i>Protection in Nuclear Environments</i>							
BAUMERT	NUCLÉACTION	100	100	98.81	98.81	FC	FC
BAUMERT CHINE	BAUMERT	100	100	98.81	98.81	FC	FC
BAUMERT HONG KONG	BAUMERT	100	100	98.81	98.81	FC	FC
PORTAFEU NUCLEAIRE <sup>(7)</sup>	NUCLÉACTION	100	100	98.81	98.81	FC	FC
NUCLÉACTION	GROUPE GORGÉ SA	98.81	98.81	98.81	98.81	FC	FC
SCI MEYSSE <sup>(8)</sup>	PORTAFEU NUCLEAIRE	100	-	98.81	-	FC	-
SCI DES PORTES	GROUPE GORGÉ SA	100	100	100	100	FC	FC
SERES TECHNOLOGIES	GROUPE GORGÉ SA	70	60	70	60	FC	FC

*((1) Companies with no operating activities;*

*(2) Control percentages for ECA reflect double voting rights;*

*(3) Formerly ECA DEVELOPPEMENT;*

*(4) New company created in March 2016;*

*(5) Formerly FINU 9, takeover of assets in June 2016;*

*(6) New company created in January 2016;*

*(7) Formerly FINU 7, takeover of assets in May 2016;*

*(8) New company created in May 2016.*

## 2.2 Changes in the consolidation scope

Changes in scope over the half-year are as follows:

- FINU 7, which had no operations, was renamed PORTAFEU NUCLEAIRE and took over the business of PORTAFEU (Protection in Nuclear Environments division), a subsidiary of ASSA BLOY, in May 2016;
- creation of SCI MEYSSE in May 2016, as part of the takeover of the business of PORTAFEU;
- FINU 9, which had no operations, was renamed CRISTAL and took over the business of SOCALAB (3D division) in June 2016;
- creation of PRODWAYS PODOLOGIE (3D division), which is 74.4% owned by PRODWAYS GROUP;
- ECA DEVELOPPEMENT, which had no operations and was renamed ECA AEROSPACE, and which received a contribution by ECA in the form of shares in ECA CNAI and ECA SINTERS;
- creation of VAN DAM ASIA in March 2016, subsidiary of VAN DAM.

The fair value measurements of the assets, liabilities and contingent liabilities acquired from PORTAFEU NUCLEAIRE and CRISTAL are not final; they may be adjusted over the 12 months following the acquisition date.

## PORTAFEU NUCLEAIRE

The assets and liabilities acquired break down as follows:

<i>(In thousands of euros)</i>	Carrying amount	Revaluation at fair value	First consolidation
Intangible assets	-	-	-
Property, plant and equipment	200	-	200
Inventories	-	-	-
Employee-related receivables	200	-	200
Other receivables	500	-	500
Cash and cash equivalents	4,941	-	4,941
Conditional advances	(5,441)	-	(5,441)
Retirement indemnities	-	(146)	(145)
Social Security liabilities	(200)	-	(200)
Deferred tax/revaluations at fair value	-	49	49
<b>TOTAL</b>	<b>200</b>	<b>(97)</b>	<b>103</b>

## CRISTAL

The assets and liabilities acquired break down as follows:

<i>(In thousands of euros)</i>	Carrying amount	Revaluation at fair value	First consolidation
Intangible assets	476	-	476
Property, plant and equipment	30	-	30
Inventories	70	-	70
Tax and operating receivables	-	-	-
Cash and cash equivalents	-	-	-
Retirement indemnities	-	(192)	(192)
Tax and operating debt	(276)	-	(276)
Deferred tax/revaluations at fair value	-	64	64
<b>TOTAL</b>	<b>300</b>	<b>(127)</b>	<b>172</b>

## NOTE 3 SEGMENT INFORMATION

### 3.1 Key indicators by division:

FIRST HALF OF 2016

<i>(In thousands of euros)</i>	Industrial Projects & Services	Smart Safety Systems	Protection in Nuclear Environments	3D Printing	Structure	Disposals	Consolidated
Revenue	56,405	53,012	20,808	12,388	1,637	(2,309)	141,940
EBITDA	3,675	5,315	1,576	(2,929)	(364)	-	7,272
<i>As a % of revenue</i>	6.5%	10.0%	7.6%	-23.6%	-22.2%	-	5.1%
Profit (loss) from continuing operations	2,821	3,377	884	(4,128)	(414)	-	2,540
<i>As a % of revenue</i>	5.0%	6.4%	4.3%	-33.3%	-25.2%	-	1.8%
Operating income	2,193	2,985	884	(4,657)	(548)	-	857
<i>As a % of revenue</i>	3.9%	5.6%	4.3%	-37.6%	-33.5%	-	0.6%
Research and development expenses capitalised over the year	217	2172	457	655	-	-	3,501
Other property, plant and equipment and intangible investments	423	1,319	319	3565	-	-	5,661

FIRST HALF OF 2015\*

<i>(In thousands of euros)</i>	Industrial Projects & Services	Smart Safety Systems	Protection in Nuclear Environments	3D Printing	Structure	Disposals	Consolidated
Revenue	46,775	43,115	16,520	8,012	1,957	(2,348)	114,030
EBITDA	1,949	3,451	1,663	(382)	(144)	-	6,538
<i>As a % of revenue</i>	4.2%	8.0%	10.1%	-4.8%	-7.4%	-	5.7%
Profit (loss) from continuing operations	1,211	570	1,080	(1,068)	(179)	-	1,614
<i>As a % of revenue</i>	2.6%	1.3%	6.5%	-13.3%	-9.1%	-	1.4%
Operating income	857	(687)	1,080	(1,229)	(179)	-	(158)
<i>As a % of revenue</i>	1.8%	-1.6%	6.5%	-15.3%	-9.1%	-	-
Research and development expenses capitalised over the year	318	1,619	390	229	-	-	2,556
Other property, plant and equipment and intangible investments	698	1,878	416	1,752	163	-	4,907

\*First half of 2015 restated to reflect the items described in Note 1.3.

### 3.2 Reconciliation of EBITDA with operating income

FIRST HALF OF 2016

<i>(In thousands of euros)</i>	Industrial Projects & Services	Smart Safety Systems	Protection in Nuclear Environments	3D Printing	Structure	Disposals	Consolidated
<b>EBITDA</b>	<b>3,675</b>	<b>5,315</b>	<b>1,576</b>	<b>(2,929)</b>	<b>(364)</b>	-	<b>7,272</b>
Depreciation, amortisations and provisions	(854)	(1,938)	(692)	(1,199)	(50)	-	(4,732)
Non-recurring items in operating income	(627)	(392)	-	(529)	(134)	-	(1,683)
<b>Operating income</b>	<b>2,193</b>	<b>2,985</b>	<b>884</b>	<b>(4,657)</b>	<b>(548)</b>	-	<b>857</b>

FIRST HALF OF 2015\*

<i>(In thousands of euros)</i>	Industrial Projects & Services	Smart Safety Systems	Protection in Nuclear Environments	3D Printing	Structure	Disposals	Consolidated
<b>EBITDA</b>	<b>1,949</b>	<b>3,451</b>	<b>1,663</b>	<b>(382)</b>	<b>(144)</b>	-	<b>6,538</b>
Depreciation, amortisations and provisions	(739)	(2,881)	(584)	(686)	(35)	-	(4,924)
Non-recurring items in operating income	(354)	(1,256)	-	(161)	-	-	(1,772)
<b>Operating income</b>	<b>857</b>	<b>(687)</b>	<b>1,080</b>	<b>(1,229)</b>	<b>(179)</b>	-	<b>(158)</b>

\*First half of 2015 restated to reflect the items described in Note 1.3.

3.3 Information on revenue by geographical area

FIRST HALF OF 2016

<i>(In thousands of euros)</i>	France	%	Europe	%	Other	%	Total Revenue	%
Industrial Projects & Services	37,467	42%	2,243	15%	16,695	43%	56,405	40%
Smart Safety Systems	32,152	36%	3,572	24%	17,287	45%	53,012	37%
Protection in Nuclear Environments	14,664	17%	4,239	29%	1,904	5%	20,808	15%
3D Printing	4,924	6%	4,591	31%	2,873	7%	12,388	9%
Structure and disposals	(670)	(1)%	3	0%	-	-	(672)	0%
<b>TOTAL</b>	<b>88,538</b>	<b>100%</b>	<b>14,642</b>	<b>100%</b>	<b>38,759</b>	<b>100%</b>	<b>141,940</b>	<b>100%</b>
%	63%		10%		27%		100%	

FIRST HALF OF 2015

<i>(In thousands of euros)</i>	France	%	Europe	%	Other	%	Total Revenue	%
Industrial Projects & Services	24,044	40%	15,512	68%	7,220	23%	46,775	41%
Smart Safety Systems	23,835	40%	2,674	12%	16,606	53%	43,115	38%
Protection in Nuclear Environments	9,316	15%	638	3%	6,566	21%	16,520	14%
3D Printing	3,322	6%	3,873	17%	817	3%	8,012	7%
Structure and disposals	(389)	(1)%	(2)	0%	-	-	(391)	0%
<b>TOTAL</b>	<b>60,127</b>	<b>100%</b>	<b>22,695</b>	<b>100%</b>	<b>31,208</b>	<b>100%</b>	<b>114,030</b>	<b>100%</b>
%	53%		20%		27%		100%	

## NOTE 4 OPERATIONAL DATA

### 4.1 Depreciation, amortisation and provisions (net of reversals)

<i>(In thousands of euros)</i>	30/06/2016	30/06/2015*	31/12/2015
DEPRECIATION, AMORTISATION AND PROVISIONS			
intangible assets	(2651)	(2,374)	(4,881)
property, plant and equipment	(1,745)	(1,930)	(3,916)
capital leases	(420)	(226)	(499)
<b>SUBTOTAL</b>	<b>(4,816)</b>	<b>(4,529)</b>	<b>(9,296)</b>
CHARGES TO PROVISIONS, NET OF REVERSALS			
inventory and work in process	(62)	124	289
current assets	(39)	25	343
risks and charges	185	(544)	(1,046)
<b>SUBTOTAL</b>	<b>84</b>	<b>(395)</b>	<b>(415)</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND PROVISIONS</b>	<b>(4,732)</b>	<b>(4,924)</b>	<b>(9,711)</b>

\* June 2015 column restated to reflect the items described in Note 1.3.

### 4.2 Non-recurring items in operating income

<i>(In thousands of euros)</i>	30/06/2016	30/06/2015*	31/12/2015*
<b>Profit (loss) from continuing operations (A)</b>	<b>2,540</b>	<b>1,614</b>	<b>11,762</b>
Restructuring costs	(180)	(1,190)	(2,947)
Acquisition costs	(148)	-	(45)
Amortisation of intangible assets recognised at fair value during the acquisitions	(507)	(507)	(1,003)
Provisions for impairment of asset values	(370)	-	(460)
Other	(478)	(75)	-
<b>Total non-recurring items (B)</b>	<b>(1,683)</b>	<b>(1,772)</b>	<b>(4,454)</b>
<b>Operating income (C) = (A) – (B)</b>	<b>857</b>	<b>(158)</b>	<b>7,307</b>

\* June 2015 and financial year 2015 columns restated to reflect the items described in Note 1.3.

### 4.3 Net trade receivables and related accounts

<i>(In thousands of euros)</i>	30/06/2016	31/12/2015*
Trade receivables	68,763	63,576
Invoices to be drawn up	102,364	98,361
<b>CUSTOMERS, GROSS VALUES</b>	<b>171,127</b>	<b>161,937</b>
Impairment losses	(2,270)	(2,375)
<b>CUSTOMERS, NET VALUES</b>	<b>168,857</b>	<b>159,561</b>

\* Financial year 2015 column restated to reflect the items described in Note 1.3.

#### 4.4 Inventory and work in progress

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

(In thousands of euros)	30/06/2016			31/12/2015*		
	Gross values	Write-downs	Net values	Gross values	Write-downs	Net values
Raw materials	20,101	(4,994)	15,107	18,383	(5,085)	13,298
Work in progress	7,611	(1)	7,610	3,800	-	3,800
Semi-finished and finished goods	4,729	(1,075)	3,655	6,137	(814)	5,323
Goods	3,639	(280)	3,359	3,715	(24)	3,692
<b>TOTAL INVENTORY AND WORK IN PROGRESS</b>	<b>36,081</b>	<b>(6,350)</b>	<b>29,731</b>	<b>32,035</b>	<b>(5,923)</b>	<b>26,112</b>

\* Financial year 2015 column restated to reflect the items described in Note 1.3.

#### 4.5 Other current assets

(In thousands of euros)	30/06/2016			31/12/2015
	Gross values	Write-downs	Net values	Net values
Advances and down-payments made	2,299	-	2,299	2,602
Other receivables	2,881	(416)	2,465	3,321
Social and tax receivables	10,210	-	10,210	9,124
Current accounts receivable	96	-	96	94
Prepaid expenses	2,384	-	2,384	1,708
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>17,870</b>	<b>(416)</b>	<b>17,454</b>	<b>16,850</b>

#### 4.6 Other current liabilities

(In thousands of euros)	30/06/2016	31/12/2015
Suppliers	47,976	57,250
Fixed asset suppliers	1,042	1,468
<b>TOTAL TRADE PAYABLES</b>	<b>49,018</b>	<b>58,718</b>
Advances and down-payments received	63,616	55,830
Social Security liabilities	20,422	19,881
Tax liabilities	17,068	17,454
Current accounts payable	230	264
Miscellaneous debts	4,076	3,605
Deferred income	24,765	21,247
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>130,177</b>	<b>118,381</b>

Deferred income mainly relates to long-term contracts and for €6.7 million to research tax credits or grants not recognised in income.

## NOTE 5 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

### 5.1 Goodwill

<i>(In thousands of euros)</i>	
AT 1 JANUARY 2016	44,219
Acquisitions	700
Changes in scope	-
Departures	-
Other changes	-
Impact of changes in exchange rates	-
AT 30 JUNE 2016	44,920
Of which impairment at 30 June 2016	-

### 5.2 Intangible assets

<i>(In thousands of euros)</i>	Development projects	Other intangible assets	Fixed assets in progress leases	TOTAL
<b>GROSS VALUES</b>				
AT 1 JANUARY 2016	53,644	14,872	151	68,667
Acquisitions	3,501	228	863	4,592
Changes in scope	-	-	-	-
Departures	-	-	-	-
Other changes	227	66	(662)	(369)
Impact of changes in exchange rates	(7)	(3)	-	(10)
AT 30 JUNE 2016	57,364	15,163	353	72,880
<b>DEPRECIATION AND AMORTISATION, AND IMPAIRMENT</b>				
AT 1 JANUARY 2016	27,455	9,918	-	37,373
Depreciation and amortisation	2,499	658	-	3,157
Changes in scope	-	-	-	-
Impairment losses	-	-	-	-
Departures	-	-	-	-
Other changes	(373)	-	-	(373)
Impact of changes in exchange rates	(6)	(3)	-	(10)
AT 30 JUNE 2016	29,575	10,573	-	40,148
<b>NET VALUES</b>				
AT 1 JANUARY 2016	26,188	4,954	151	31,294
AT 30 JUNE 2016	27,789	4,590	353	32,732

No indication of impairment was observed at 30 June 2016.

### 5.3 Property, plant and equipment and investment property

<i>(In thousands of euros)</i>	Land and buildings	Fixtures and equipment	Land and buildings held under finance leases	Equipment held under finance leases	Fixed assets in progress*	Advances and down-payments	Investment property	TOTALS*
<b>GROSS VALUES</b>								
AT 1 JANUARY 2016	13,243	32,410	6,929	2,204	869	266	298	56,219
Acquisitions	477	1,677	-	1,967	449	-	-	4,569
Changes in scope	200	30	-	-	-	-	-	148
Departures	-	(425)	-	-	-	(266)	-	(691)
Other changes	31	560	-	-	(595)	-	-	(4)
Impact of changes in exchange rates	(1)	(15)	-	-	-	-	-	(16)
AT 30 JUNE 2016	13,950	34,236	6,929	4,171	723	-	298	60,307
<b>DEPRECIATION AND AMORTISATION, AND IMPAIRMENT</b>								
AT 1 JANUARY 2016	5,794	22,830	3,304	1,107	-	-	-	33,035
Depreciation and amortisation	308	1,436	102	319	-	-	-	2,165
Changes in scope	-	-	-	-	-	-	-	-
Impairment losses	1	(214)	-	-	-	-	-	(214)
Departures	-	(208)	-	-	-	-	-	(208)
Other changes	-	-	-	-	-	-	-	0
Impact of changes in exchange rates	(1)	(6)	-	-	-	-	-	(7)
AT 30 JUNE 2016	6,102	23,839	3,406	1,426	-	-	-	34,772
<b>NET VALUES</b>								
AT 1 JANUARY 2016	7,450	9,580	3,625	1,097	869	266	298	23,184
AT 30 JUNE 2016	7,848	10,397	3,523	2,746	723	-	298	25,535

\* The opening balance at 1 January 2016 is restated to reflect the items detailed in Note 1.3.

## NOTE 6 DETAILS OF CASH FLOWS

### 6.1 Change in working capital requirements

(In thousands of euros)	Notes	Start of period <sup>(1)</sup>	Changes in scope	Change over the year	Other changes <sup>(2)</sup>	Currency translation adjustment	Closing
Net inventories <sup>(1)</sup>		26,112	70	3,567	-	(18)	29,731
Net receivables <sup>(1)</sup>		159,561	-	9,313	-	(16)	168,857
Advances and down-payments		2,602	-	-301	-	(1)	2,299
Prepaid expenses		1,708	-	674	-	2	2,384
<b>SUBTOTAL</b>	<b>A</b>	<b>189,984</b>	<b>70</b>	<b>13,252</b>	-	<b>(34)</b>	<b>203,272</b>
Trade payables		57,250	0	(9,276)	-	2	47,976
Advances and down-payments		55,830	-	7,784	-	2	63,616
Deferred income		21,247	-	3,518	-	-	24,765
<b>SUBTOTAL</b>	<b>B</b>	<b>134,327</b>	<b>0</b>	<b>2,026</b>	-	<b>4</b>	<b>136,357</b>
<b>WORKING CAPITAL REQUIREMENT</b>	<b>C = A - B</b>	<b>55,657</b>	<b>70</b>	<b>11,226</b>	-	<b>(38)</b>	<b>66,915</b>
Social and tax receivables		25,382	200	2,371	-	(1)	27,952
Current accounts receivable		99	-	2	-	-	101
Other receivables		3,320	499	(1,352)	-	(2)	2,465
<b>SUBTOTAL</b>	<b>D</b>	<b>28,800</b>	<b>699</b>	<b>1,022</b>	-	<b>(3)</b>	<b>30,518</b>
Tax and social security liabilities <sup>(1)</sup>		37,510	476	(72)	-	(2)	37,911
Accrued interest		170	-	254	-	-	423
Other payables and derivative instruments		5,879	5,441	(106)	(151)	(35)	11,028
Current accounts payable		264	-	(48)	15	-	230
<b>SUBTOTAL</b>	<b>E</b>	<b>43,821</b>	<b>5,917</b>	<b>28</b>	<b>(136)</b>	<b>(37)</b>	<b>49,760</b>
<b>OTHER ITEMS OF WORKING CAPITAL REQUIREMENT</b>	<b>F = D - E</b>	<b>(15,021)</b>	<b>(5,218)</b>	<b>995</b>	<b>136</b>	<b>34</b>	<b>(19,075)</b>
<b>WORKING CAPITAL REQUIREMENT</b>	<b>G = C + F</b>	<b>40,636</b>	<b>(5,148)</b>	<b>12,221</b>	<b>136</b>	<b>(4)</b>	<b>47,841</b>

(1) At the beginning of the year, corrections of -€487 thousand were made to various balance sheet items (see Note 1.3).  
(2) The "Other changes" column contains financial inflows that did not affect income from continuing operations or generate cash flows.

During the half-year period, the working capital requirements of the Smart Safety Systems division increased significantly (€10.1 million, compared with €12.2 million for the entire Group). This growth is related to higher levels of activity and business seasonality.

### 6.2 Acquisitions/disposals of subsidiaries

The net cash inflow/outflow on the acquisition/disposal of subsidiaries breaks down as follows (in thousands of euros):

(In thousands of euros)	SERES	PORTAFEU	CRISTAL	TOTAL
Proceeds	-	-	-	-
Payments	(40)	(200)	(300)	(540)
Cash and cash equivalents	-	4,941	-	4,941
<b>NET CASH INFLOW (OUTFLOW) ON THE ACQUISITION OF SUBSIDIARIES</b>	<b>(40)</b>	<b>4,741</b>	<b>(300)</b>	<b>4,401</b>

### 6.3 Subscription and redemption of long-term loans

Two new material loans were made in the first half of the year, and one loan was repaid early:

- In June 2016, GROUPE GORGÉ took out a new bullet loan of €10 million, payable in June 2021, used immediately for the early repayment of the 2012 Schuldschein loan (€10 million payable in December 2017);
- In June 2016, PRODWAYS GROUP took out a bank loan of €10 million (repayable over 5 years with a grace period of 2 years).

## NOTE 7 FINANCING AND FINANCIAL INSTRUMENTS

### 7.1 Gross financial debt

#### Changes in borrowings and financial debt

(In thousands of euros)	Start of period	Changes in scope	Increase	Decrease	Other changes*	Currency translation adjustment	Closing
Restatement of finance leases	4,730	-	1,967	(692)	-	-	6,005
Convertible bonds	42	-	-	-	2	-	44
Other bonds	15,594	-	-	-	318	-	15,911
Bank borrowings	43,643	-	20,626	(13,320)	214	2	51,160
Other borrowings	2,297	-	1	(168)	(1)	-	2,129
<b>FINANCIAL DEBT EXCLUDING CURRENT BANK OVERDRAFTS</b>	<b>66,305</b>	<b>-</b>	<b>22,593</b>	<b>(14,180)</b>	<b>533</b>	<b>-</b>	<b>75,250</b>
Bank overdrafts	7,254	-	16,263	(7,254)	-	-	16,263
<b>GROSS FINANCIAL DEBT</b>	<b>73,559</b>	<b>-</b>	<b>38,856</b>	<b>(21,434)</b>	<b>533</b>	<b>2</b>	<b>91,513</b>

\* Corresponds to the restatement of loans using the effective interest method and accrued interest on borrowings.

#### Schedule of borrowings and financial debt

(In thousands of euros)	30/06/2016	<1 year	>1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Restatement of finance leases	6,005	1,464	4,541	1,378	1,399	671	139	953
Convertible bonds	44	-	44	-	44	-	-	-
Other bonds	15,911	345	15,567	300	13,967	400	400	500
Bank borrowings	51,160	5,238	45,922	6,980	8,763	7,733	16,874	5,572
Other borrowings	2,129	217	1,912	178	70	70	80	1,515
<b>FINANCIAL DEBT EXCLUDING CURRENT BANK OVERDRAFTS</b>	<b>75,250</b>	<b>7,264</b>	<b>67,986</b>	<b>8,836</b>	<b>24,243</b>	<b>8,874</b>	<b>17,493</b>	<b>8,540</b>
Bank overdrafts	16,263	16,263	-	-	-	-	-	-
<b>GROSS FINANCIAL DEBT</b>	<b>91,513</b>	<b>23,527</b>	<b>67,986</b>	<b>8,836</b>	<b>24,243</b>	<b>8,874</b>	<b>17,493</b>	<b>8,540</b>

GRUPE GORGÉ has a confirmed, unused credit line of €10 million. This credit line matures in July 2020.

### 7.2 Adjusted cash and cash equivalents

(In thousands of euros)	30/06/2016	31/12/2015
Cash (a)	37,876	34,429
Bank overdrafts (b)	16,263	7,254
Cash appearing on the CFS (c)=(a)-(b)	21,613	27,175
Financial debt not including bank overdrafts (d)	75,250	66,305
<b>NET CASH (NET debt) (c)-(d)</b>	<b>(53,637)</b>	<b>(39,130)</b>
ECA treasury shares	1,326	1,281
GRUPE GORGÉ treasury shares	80	73
<b>ADJUSTED NET CASH (NET DEBT)</b>	<b>(52,231)</b>	<b>(37,776)</b>

### 7.3 Investments in affiliated companies

The movements over the year are as follows:

<i>(In thousands of euros)</i>	Start of period	In	Income	Exit	Other	Closing
1 ROBOTICS	4	-	-	-	-	4
DENTOSMILE	774	-	26	-	1	801
VARIA 3D	618	-	9	-	16	642
<b>TOTAL EQUITY INVESTMENTS IN ASSOCIATES</b>	<b>1,395</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>17</b>	<b>1,447</b>

### 7.4 Other non-current financial assets

<i>(In thousands of euros)</i>	30/06/2016	31/12/2015
Loans	782	749
Deposits and guarantees	1,632	1,590
Non-consolidated equity securities	713	713
Available-for-sale assets	421	860
Other long-term investments	506	506
<b>TOTAL</b>	<b>4,053</b>	<b>4,418</b>

Redhall shares (available-for-sale assets) were provisioned in the amount of €439 thousand during the half-year to take into account the weakening of their quoted share price.

### 7.5 Financial income and expenses

<i>(In thousands of euros)</i>	30/06/2016	30/06/2015	31/12/2015
Interest expense	(1,271)	(1,134)	(2,290)
Income from other securities	11	31	33
Net income on sales of marketable securities	12	12	21
<b>Cost of net debt</b>	<b>(1,248)</b>	<b>(1,091)</b>	<b>(2,236)</b>
Other interest income	(25)	18	129
Net exchange gain or loss	3	300	184
Financial allowances net of reversals	(439)	15	(95)
<b>FINANCIAL INCOME AND EXPENSES</b>	<b>(1,709)</b>	<b>(759)</b>	<b>(2018)</b>

Interest expenses included an expense of €256 thousand relating to the cancellation of the restatement of the Schuldschein loan, repaid early in June 2016, at its effective interest rate. This expense, which had no cash impact, was recognised on a straight-line basis in 2016 and 2017 due to the absence of early repayment.

Financial allowances net of reversals included a provision of €439 thousand for the REDHALL shares.

## NOTE 8 INCOME TAX

### 8.1 Details of corporate income tax

Two tax consolidations were carried out within GROUPE GORGÉ: one for GROUPE GORGÉ SA and one for ECA SA including, for each company, all the French companies which met the prescribed conditions.

#### Breakdown of tax expense

<i>(In thousands of euros)</i>	30/06/2016	30/06/2015*	31/12/2015
Deferred tax liabilities	148	1,024	1,199
Taxes payable	(1,691)	(1,206)	(2,845)
<b>TAX EXPENSE</b>	<b>(1,544)</b>	<b>(181)</b>	<b>(1,647)</b>

\* June 2015 column restated to reflect the items described in Note 1.3.

The tax expense does not include the Research Tax Credit (CIR) or the Tax Credit for Encouraging Competitiveness and Jobs (CICE), classified under "Other income from operations". It does, however, include the Contributions on Corporate Added Value (CVAE).

#### Tax receivables and payable

<i>(In thousands of euros)</i>	30/06/2016	31/12/2015
Tax receivables	17,742	16,258
Tax payable	(420)	(74)
<b>NET TAX RECEIVABLE/(DUE)</b>	<b>17,322</b>	<b>16,183</b>

Tax receivables consist mainly of receivables for the Research Tax Credit and the Tax Credit for Encouraging Competitiveness and Jobs, which could not be included in tax payable.

### 8.2 Deferred tax liabilities

#### Breakdown of deferred taxes by type

<i>(In thousands of euros)</i>	30/06/2016	31/12/2015
DIFFERENCES OVER TIME		
Retirement and related benefits	2,789	2,221
Development costs	(6,800)	(6,573)
Subsidies	16	48
Finance leases	(79)	17
Derivative financial instruments	(142)	(226)
Fair value - IFRS 3	(342)	(389)
Other	(247)	73
<b>SUBTOTAL</b>	<b>(4,311)</b>	<b>(4,830)</b>
Temporary differences	1,091	1,445
Deficits carried forward	8,338	7,855
CVAE	(88)	(96)
<b>TOTAL</b>	<b>5,030</b>	<b>4,374</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>(358)</b>	<b>(206)</b>
<b>DEFERRED TAX ASSETS</b>	<b>5,388</b>	<b>4,580</b>

## NOTE 9 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

### 9.1 Equity

As at 30/06/2016, the share capital of GROUPE GORGÉ SA was €13,439,843, consisting of 13,439,843 fully paid-up shares, each with a nominal value of €1. Capital was increased by 58,000 shares during the first half-year due to the use of the optional equity line.

#### Shareholding

	30 June 2016				31 Dec 2015			
	Shares	% of share of capital	Voting rights exercisable at the Shareholders' Meeting <sup>(2)</sup>	% voting rights exercisable at the Shareholder's Meeting	Shares	% of share of capital	Voting rights exercisable at the Shareholders' Meeting <sup>(2)</sup>	% voting rights exercisable at the Shareholder's Meeting
GORGÉ family <sup>(1)</sup>	7,583,125	56.42%	14,583,884	67.58%	7,583,125	56.73 %	14,583,884	71.36 %
Bpifrance	1,095,559	8.15%	2,165,078	10.03%	1,095,559	8.20 %	1,095,559	5.36 %
Subtotal GORGÉ and Bpifrance combined	8,678,684	64.57%	16,748,962	77.61%	8,678,684	64.93 %	15,679,443	76.72 %
Treasury shares	3,899	0.03%	-	-	2,972	0.02 %	-	-
Public	4,757,260	35.40%	4,831,006	22.39%	4,685,187	35.05 %	4,758,933	23.28 %
Total	13,439,843	100.00%	21,579,968	100.00%	13,366,843	100 %	20,438,376	100 %

<sup>(1)</sup> "GORGÉ family" refers to shares held directly by Jean-Pierre Gorgé, founder of the Group, i.e. 115,219 shares and those held directly by Raphaël Gorgé (286,474 shares), as well as shares held by PÉLICAN VENTURE SAS, a holding company controlled by three members of the GORGÉ family.

<sup>(2)</sup> Voting rights exercisable at the Shareholders' Meeting do not include treasury shares. The number of theoretical votes may be obtained by adding the number of votes exercisable at the Shareholders' Meeting to the number of treasury shares.

In January 2016, 1,069,519 shares owned by Bpifrance acquired double voting rights.

### 9.2 Earnings per share

	30/06/2016	30/06/2015	31/12/2015*
Weighted average number of shares	13,392,285	13,122,185	13,217,562
Dividend per share paid during the period	ND	ND	-
EARNINGS PER SHARE (in euros)	(0,247)	(0,076)	0,081
EARNINGS PER SHARE FROM ONGOING ACTIVITIES (in euros)	(0,247)	(0,076)	0,081
Dilutive potential ordinary shares <sup>(1)</sup>	637,000	215,000	30,000
Diluted weighted average number of shares	14,029,285	13,337,185	13,247,562
DILUTED EARNINGS PER SHARE (in euros)	(0,236)	(0,074)	0,081
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES (in euros)	(0,236)	(0,074)	0,081

\* June 2015 and financial year 2015 columns restated to reflect the items described in Note 1.3.

<sup>(1)</sup> At 30 June 2016, includes 607,000 potential shares related to the setting up of an optional equity line.

## NOTE 10 PROVISIONS AND CONTINGENT LIABILITIES

### 10.1 Long-term provisions

Long-term provisions relate only to retirement indemnities (€8,712 thousand). The assumptions made in respect of this half-year are the same as at 31 December 2015 except for the discount rate, which fell from 2.03% to 1.05%. Following this decrease in the rate, the impact on equity for the period amounted to €1,147 thousand (SORIE).

### 10.2 Other provisions for risks and charges

<i>Short-term provisions</i> <i>(In thousands of euros)</i>	Litigation	Customer warranties	Termination losses	Fines and Penalties	Other	Total
AT 1 JANUARY 2016	761	916	987	367	2,068	5,099
Appropriations	73	74	310	5	285	746
Provisions used	(158)	-	(306)	(1)	(222)	(687)
Reversals	(71)	(159)	(279)	(111)	(51)	(670)
<b>IMPACT ON INCOME FOR THE PERIOD</b>	<b>(157)</b>	<b>(85)</b>	<b>(275)</b>	<b>(107)</b>	<b>12</b>	<b>(611)</b>
Changes in scope	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Impact of changes in exchange rates	-	-	-	-	-	-
AT 30 JUNE 2016	604	831	713	260	2,080	4,488

## NOTE 11 OTHER NOTES

### 11.1 Workforce

	30/06/2016	30/06/2015	31/12/2015
Smart Safety Systems	604	590	593
Industrial Projects & Services	532	545	549
Protection in Nuclear Environments	294	186	212
3D Printing	248	147	188
Structure	7	7	7
<b>TOTAL WORKFORCE</b>	<b>1,685</b>	<b>1,475</b>	<b>1,549</b>

### 11.2 Commitments

Group commitments as recorded in the notes to the 2015 consolidated financial statements have not changed materially.

### 11.3 Exceptional events and disputes

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

In the dispute between CIMLEC and FRANFINANCE (see notes to the 2015 financial statements), the Commercial Court ordered CIMLEC to pay €473 thousand to FRANFINANCE. CIMLEC appealed against that judgement. The order was recorded in the financial statements at 30 June 2016. Being enforceable, it will be settled before the appellate decision, with CIMLEC making staggered payments over nine months.

In the litigation between ECA and ECA EN to the company MINERVA (see the notes to the 2015 accounts), the cassation appeal by MINERVA was dismissed in April 2016.

In May 2016, VAN DAM received a complaint from VINCI Construction UK Limited regarding sub-contracted work performed in 2008-2009 (then in 2011 for repairs) on a public building in England. The defects in question have apparently existed for several years, but VAN DAM was only recently informed thereof. The original contract for VAN DAM amounted to £2.9 million. At that stage, VAN DAM was not yet able to assess the extent of the defects and its corresponding responsibility, where applicable.

In 2012, CIMLEC entered into a cost-reduction agreement with COST&CO regarding its fleet of vehicles for long-term leasing. COST&CO conducts business analysis and seeks to achieve cost-reduction for French companies. As CIMLEC and COST&CO were at odds regarding the services and fees due, COST&CO summoned CIMLEC in June 2016 to pay its invoice. Moreover, COST&CO demanded the payment of damages and interest, since COST&CO accuses CIMLEC of communicating its cost-reduction recommendations to third parties. COST&CO's claims amount to approximately €516 thousand overall.

There has been no significant change to disputes compared to the information provided in the notes to the consolidated financial statements at 31 December 2015.

### 11.4 Subsequent events

In July 2016, ECA concluded a credit facility of €10 million, intended to fund general corporate requirements and external growth transactions. The credit line is confirmed for five years; two drawdowns were made in July 2016 for €8 million, used chiefly to repay bank facilities existing at 30 June 2016.

The signing of a unilateral promise to purchase ELTA (revenue of €15.6 million in 2015), a subsidiary of AREVA SA and AREVA TA, was announced by ECA on 5 August 2016. The aim is to finalise the acquisition before the end of 2016.

No other major event took place between 30 June 2016 and the date of the meeting of the Board of Directors which approved the condensed consolidated financial statements.

# STATUTORY AUDITORS' REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

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To the shareholders

In compliance with the assignment entrusted to us by your annual general meeting, and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier) , we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Groupe Gorgé, for the six months ended June 30, 2016;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

## I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our opinion, we draw your attention to the matter set out in the Note 1.3 "Restatement of the financial information for prior years" in the condensed half-year consolidated financial statements regarding the changes to the 2015 financial statements related to the retrospective correction of the 2015 and prior years financial statements.

## II - Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, September 8, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

David Clairotte

MAZARS

Daniel Escudeiro