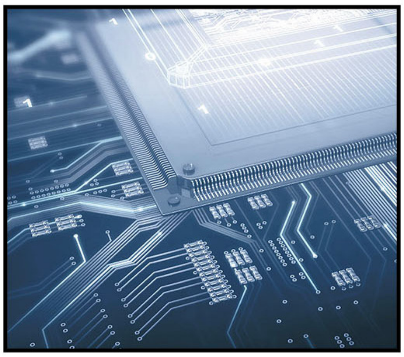

HALF-YEARLY FINANCIAL REPORT

June 30, 2013

ACTIA Group

A French corporation with an Executive Board and a Supervisory Board
with a share capital of €15,074,955.75
Registered office: 5, rue Jorge Semprun
31400 Toulouse
Registered with the Toulouse Companies Register (RCS) No.: 542 080 791

We hereby present the half-yearly financial report for the six months ending June 30, 2013, prepared in accordance with the provisions of Articles L.451-1-2 III of the French Monetary and Financial Code (hereinafter "CMF") and 222-4 *et seq.* of the General Regulations of France's Financial Market Authority (hereinafter "AMF").

This report has been issued in accordance with Article 221-3 of the AMF's General Regulations. It is available for consultation at our Company's website, www.actiagroup.com.

Translation disclaimer: This document is a free translation of the French language half-year financial report (*rapport financier semestriel*) for the sixth month period ended June 30, 2013 produced solely for the convenience of English speaking readers. For this reason it does not include a transalation of the report of the statutory auditors' as they did not audit the English version of this document. While all possible care has been taken to ensure that this translation is an accurate representation of the original French document, in all matters of interpretation of information, views or opinions expressed therein, only the original language version of the document in French is legally binding. As such, this translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and ACTIA Group expressly disclaims all liability for any inaccuracy herein.

Figures in this report (excluding tables) expressed as "k€" in the original French document have been rounded off accordingly to the nearest thousand (000s).

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1. RESPONSIBILITY STATEMENT

To the best of my knowledge, and in accordance with applicable reporting principles for interim financial reporting, the interim condensed consolidated financial statements and the interim management report in section 2 herein include a fair view of material events having occurred in the first six months, their impact on the interim financial statements, the main transactions with related parties and a description of the principal risks and uncertainties for the remaining six months.

September 6, 2013

Christian Desmoulins

Chairman of the Executive Board

2. INTERIM MANAGEMENT REPORT

2.1 Financial highlights

2.1.1 Revenue

The Group had consolidated sales in the 2013 first half of €145.7 million.

In € millions	2013			2012			Change (%)		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
AUTOMOTIVE	59.5	71.6	**131.0**	69.4	62.3	**131.7**	-14.3%	14.8%	**-0.5%**
TELECOMMUNICATIONS	7.5	7.1	**14.6**	6.1	7.9	**14.0**	22.9%	-10.2%	**4.3%**
TOTAL	**67.0**	**78.7**	**145.7**	**75.5**	**70.2**	**145.7**	**-11.3%**	**12.0%**	**-0.1%**

ACTIA Group revenue remained steady in relation to the 2012 first half at €145.7 million, with recurrent business replacing the exceptional billings of last year's first half.

For the Automotive division, with revenue virtually unchanged at €131 million, this trend was particularly pronounced. However, in the 2012 first-half, the division still included exceptional inflows from purchase-resale transactions generating a €3.4 million differential in revenue for the first half in addition to the program for delivery of the electrical vehicle, both for the phase of studies and for products amounting to a total of €10.7 million. The campaign for delivery of this product is scheduled for the second half of 2013. Accordingly, activity for the Automotive division was reinforced, in particular from the ramping up of embedded systems developed by the Group with 2.2% growth, after eliminating exceptional revenue.

The Telecommunications division registered growth of 4.3%. This perfomance was driven by commercial successes in the Earth stations and energy segments with the order books for the medium-term having been replenished in addition to the rollout of 4G in the mobile telephone sector, positively contributing to renewed growth of this business for our Telecom-Networks-Infrastructures (TNI) business unit.

Over the six-month period, revenue of foreign subsidiaries expanded 18.7% to reach 48.3% of total revenue, up from 40.6% for last year's same period. As a result, for the 2013 first half, total revenue from international markets accounted for 62.2% of Group revenue.

2.1.2 Earnings

Consolidated results for the first half break down as follows:

GROUP CONSOLIDATED RESULTS (€ thousands)	H1 2013	H1 2012	H1 2011
Operating profit/(loss)	5,691	3,363	7,216
Net financial expense	<460>	<2,433>	<1,742>
Net income/(loss) for the period	3,790	249	3,622
Attributable to the Group	3,778	228	3,447
Attributable to non-controlling interests	11	21	175

Bolstered by significant improvements relative to June 30, 2012, interim financial results reflect the positive impact from efforts made over several months to rebuild sustainable Group profitability.

With growth in net income of €3.5 million, each division contributed equally to this trend (+€1.7 million each).

After heavy losses on June 30, 2012, the Telecommunications division reversed its downtrend to achieve breakeven at the end of the period. On this momentum, boosted on the one hand by the reorganization that involved the implementation of a redundancy plan in 2011 and, on the other hand, a replenished order book, revenue trends contributed to a positive earnings performance of €385,000.

As for the Automotive division, improved performances were achieved, despite ongoing pressure from customers to reduce prices, through a continuing focus on both the productivity of manufacturing plants and indirect expenses.

The first significant factor was lower external charges after R&D expenditures were brought in line with levels necessary to ensure the Group's sustainability. In effect, from the end of 2011 to 2012 year end, the Group decided to pursue R&D programs leading to new innovations for our products such as the AMIC TCP program, despite strong growth in R&D co-financed by our customers within the framework of a new generation of telematic portals. The workforce for the Swedish and German engineering departments was strengthened to address certain needs, with the other needs met through subcontracting. On that basis, external charges declined €4.1 million in the first half.

It should be noted that €1.4 million originated from the purchase of licenses linked to exceptional revenue from purchase-resale transactions for a customer within the framework of a global contract.

Personnel expenses increased €1.7 million, notably from salary increases granted in 2012 and applicable starting July 1, 2012. This trend also reflects a decline in Tunisia and manufacturing staff (-114 employees) after the return to normal operations at the sites following 2011 events as well as measures taken to improve productivity and strengthen R&D teams in Sweden and Germany (+21 employees).

Also to be noted is a €2 million decline in capitalized production following uses of the engineering department more focused on "customer adaptations".

In the first half, the workforce was reduced by 101 employees (-3.6%) while personnel expenses rose 4.1%.

The last significant item of the interim financial statements concerned the change in net financial debt, with a €1.2 million reversal for a portion of the provisions recorded at June 30 and December 31, 2012 and including €0.6 million for foreign exchange losses.

With respect to currencies, mechanisms implemented in 2012 made it possible to purchase components at an average EUR/USD exchange rate of 1.3340.

Despite this, this reversal, as well as a general improvement in results, generated the recognition of taxes that rose €688,000 in the first half from one year earlier.

On this basis, changes in EBITDA broke down as follows:

EBITDA (€ thousands)	H1 2013	H1 2012	H1 2011
Net income (loss) for the period	3,790	249	3,622
Income tax	1,520	766	1,932
Interest expense and other financial charges	1,178	1,442	1,504
Depreciation and amortization	4,941	4,496	4,244
Goodwill impairment	0	0	0
TOTAL	**11,429**	**6,952**	**11,302**

In accordance with Group accounting procedures, deferred tax assets are not capitalized for interim financial reporting periods.

The significant improvement made it possible to reduce net debt by €5.5 million and bring down gearing to 114% from 124% at June 30, 2012 and 126% at December 31, 2012.

Finally, in connection with the renewal of short-term and medium-term financing, ACTIA Group obtained a waiver from its banking partners for a breach of covenants on December 31, 2012 that concerned 9.4 % of debt subject to covenants or €7.7 million.

2.2 BUSINESS OVERVIEW

2.2.1 Automotive Division

The Automotive division contributed €131 million, representing a marginal decline from June 30, 2012 (-0.5%). As indicated in section 2.1.1 "The Automotive Division" this steady performance for revenue still did not indicate gains from recurrent contracts.

In effect, the first half was marked:

1. A slow reduction in the exceptional deliveries of supplies on behalf of a customer within the general framework of a service agreement. These deliveries accounted for a €3.4 million difference in revenue in the six-month period compared with the same period in 2012.
2. The campaign of delivery for the electrical car, which generated €10.7 million in revenue (billings from studies and products) at 30 June 2012. A new delivery campaign is currently in preparation but will not result in the billing of new sales until the second half of 2012.

In consequence, recurrent Group business for products involving embedded systems made it possible to offset these two items specific to the operating performance of the 2012 first half.

With revenue largely steady, operating income of the Automotive division grew 10.2% to €5.4 million, with net income reaching €3.6 million.

With a product mix marked by a reduction in studies sold (electrical vehicle), purchases consumed were up only 2.6%, benefiting from purchases in dollars based on hedging instruments implemented in 2012 at a EUR/USD exchange rate of 1.3340.

The impact of the reversal of IFRS entries linked to these instruments on net financial income was €642,000. In the same way, recognition of a reversal for interest rate instruments resulted in a 527,000 increase in net financial income.

However, changes in personnel expenses from the reduction in the Tunisian workforce along with growth in the workforce in Europe (section 2.1.2 "Earnings") resulted in additional expenses of €1.8 million for this item, though largely offset by the €3.9 million decline in external charges as well as capitalized production, linked notably to shifting of R&D expenditures to our engineering departments.

❖ Diagnostics

With revenue of €39.3 million, this business group registered 9.2% growth in the first half, bolstered by recurrent business with manufacturers, largely the result of contracts signed in 2011 (Fiat, BMW, Volkswagen), despite the drop of their own sales in Europe. In effect, Group sensitivity to sales volume of the automotive sector for light vehicles remains limited, as the Diagnostics business addresses the needs of after-market networks and manufacturing plants. In a highly competitive environment, manufacturers are maintaining investments in this segment which remains strategic.

In the independent garage segment the situation is more delicate, particularly in France, where the effects of the crisis, along with the holding of the Equip Auto trade show this year, led to lower investments in the 2013 first half.

In the Technical Inspections segment, orders remained steady despite delays in the deployment of export markets at the start of the year.

❖ Embedded systems

Revenue totaled €66.1 million, up 5.6%, despite the absence of products for electric vehicles, with the campaign for deliveries programmed for the 2013 second half.

With a diversified customer base (buses and coaches, farm vehicles, industrial vehicles, trains, etc.), this business unit increased the level of recurrent sales boosted by the gradual expansion of “telematic portal" sales with the first units of the new generation equipment line to be released in the third quarter.

❖ Transportation fleet services

This business group registered a marginal contraction in revenue (-7.6%) with €9.8 million, down from €10.5 million at June 30, 2012. With a slightly greater degree of sensitivity to the investment capacities of local authorities in the area of public transport, and without the same level of recurrence with respect to deliveries as other Group sectors, sales for this business are nevertheless in line with forecasts.

❖ Services

Revenue from this segment declined 29.8% to €15.8 million. This drop is in part linked to the end of a contract in the train segment at June 30, 2012 and the ramping up of production for proprietary products of the Group at its own manufacturing plants. This business unit accounts for 12% of the Automotive division's revenue, in line with June 30, 2012.

It should also be noted that the productivity of the Tunisian sites is back up to a good level. As a result, fixed-term contracts signed following the events of 2011 can be gradually phased out.

2.2.2 Telecommunications Division

Bolstered by a recovery in sales after new contracts were awarded in the earth station segment, and the renewed investments by our customers for mobile telephony, revenue for this division was up 4.3% to €14.6 million at June 30, 2013.

This upturn also benefited from optimized infrastructure following different measures implemented in 2011 (redundancy plan) and 2012.

As a result, this division' profitability is back on a sound footing which allowed it to achieve operating income of €393,000 (an increase of €1.7 million from June 30, 2012) and net income of €385,000 (also up €1.7 million). The steady reduction of personnel expenses (-2.4% from June 30, 2012) and external charges (-7.5% from June 30, 2012) were key factors in contributing to this division's turnaround.

❖ Satcom

With the execution of the Comcept contract in partnership with Astrium and renewed investments at the level of NATO, the order book of this business unit has been rebuilt. On this momentum, revenue was up 17.8% from June 30, 2012.

❖ Energy/Aeronautics-Defense (EAD)

Despite the small time lag in invoicing quarterly sales of €3.8 million (-19.3% compared with June 30, 2012), with no impact on revenue over the 12 month period, this business unit has deployed a multi-year plan in the field of energy with the transition to Smart Grids, for which our subsidiary delivers digital command and control units.

❖ Broadcast/Railways-Transport (BRT)

With total revenue of €2.2 million at June 30, 2013, up 31.5% from one year earlier, this business unit has implemented a slow transition to Telecommunications technologies for the train and public transport sector, as the digital television business shifts towards digital network maintenance with potentially a few exceptional export markets.

❖ Telecom-Networks-Infrastructures (TNI)

With 16.8% growth and revenue in €2.3 million, this business unit has benefited from renewed investments by historic customers in the mobile telephony sector, and driven notably by the deployment of 4G in the French market.

2.3 OUTLOOK

With positive momentum for orders and a production campaign for electrical vehicles in the second half, and despite a market environment that remains sensitive, the Group confirmed its target to achieve annual revenue at least in line with 2012, i.e. €290 million.

2.4 MATERIAL RELATED PARTY TRANSACTIONS

Material related party transactions are presented in Note 18 “Related-party transactions” to the condensed consolidated financial statements of June 30, 2013.

3. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements as of June 30, 2013 were approved by the Executive Board on September 06, 2013.

Compliance statement

The interim consolidated financial statements were prepared in accordance with IFRS published by the IASB and as adopted by the European Union, including the definitions and procedures for the recognition and measurement recommended by the IFRS as well as all disclosures required thereunder. In compliance with IAS 34, *Interim financial statements*, they do not include all disclosures required for annual financial statements and in consequence must be read in conjunction with the Group's annual financial statements for the fiscal year ended December 31, 2012.

Basis of preparation of financial statements

The accounting and measurement methods have been consistently applied in an identical manner to each of the periods presented.

The consolidated financial statements have been prepared on the basis of the historical cost approach, except for certain classes of assets and liabilities, in compliance with IFRS.

Amounts mentioned in these financial statements are denominated in euros and rounded to the nearest thousand (€ thousands).

Use of estimates

The preparation of financial statements under IFRS requires management to make judgments, estimates and assumptions that have an impact on the application of the accounting methods and on the amounts of the assets, liabilities, income and expenses. These estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They are thus used as the basis of judgment required to calculate the carrying amounts of certain assets and liabilities that cannot be obtained directly from other sources. Actual amounts may differ from estimates.

All estimates and underlying assumptions are reassessed on an ongoing basis. The impact of changes in accounting estimates is recognized in the period in which the change occurs where it only affects that period, or in the period in which the change occurs and subsequent periods where the latter are likewise affected by the change.

The main balance sheet line items affected by these estimates are deferred tax assets (see Note 8 "Deferred tax"), goodwill (see Note 3 "Intangible assets"), capitalized development costs (see Note 3 “Intangible assets") and provisions (see Note 13 "Provisions").

Changes in IFRS

The new IAS/IFRS and interpretations coming into force on January 1, 2013 and applied by the Group for the consolidated financial statements of June 30, 2013 are as follows:

	IASB application date	EU adoption date	EU application date
Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income (OCI)	7/1/2012	6/5/2012	7/1/2012
Amendments to IFRS 1 – Severe inflation and removal of fixed dates	7/1/2011	12/11/2012	1/1/2013
Amendments to IAS 12 – Deferred tax – Recovery of underlying assets	1/1/2012	12/11/2012	1/1/2013
Amendments to IAS 19 – Post-employment benefits	1/1/2013	6/5/2012	1/1/2013

	IASB application date	EU adoption date	EU application date
IFRS 13 – Fair value measurement	1/1/2013	12/11/2012	1/1/2013
IFRIC 20 – Stripping costs	1/1/2013	12/11/2012	1/1/2013
Amendments to IFRS 7 – Disclosures: offsetting financial assets and financial liabilities	1/1/2013	12/13/2012	1/1/2013
Amendments to IFRS 1 – Government loans;	1/1/2013	3/4/2013	1/1/2013
Annual improvements to IFRS / 2009-2011	1/1/2013	3/27/2013	1/1/2013

The application of these new standards and interpretations had no impact on the interim consolidated financial statements.

New standards, interpretations and amendments have been adopted by the European Union applicable for periods commencing on or after January 1, 2013. These include:

	IASB application date	EU adoption date	EU application date
IFRS 10 – "Consolidated financial statements	1/1/2013	12/11/2012	1/1/2014
IFRS 11 – Joint arrangements	1/1/2013	12/11/2012	1/1/2014
IFRS 12 – Disclosure of interest in other entities	1/1/2013	12/11/2012	1/1/2014
Consecutive amendments of IFRS 10, 11, 12 on IAS 27 – Separate financial statements and IAS 28 – Investments in associates and joint ventures	1/1/2013	12/11/2012	1/1/2014
Amendments for transition to IFRS 10, 11 and 12	1/1/2013	4/4/2013	1/1/2014
Amendments to IAS 32 Financial Instruments: Presentation – Offsetting financial assets and financial liabilities	1/1/2014	12/13/2012	1/1/2014
IFRIC 21 – Accounting for levies charged by public authorities on entities that participate in a specific market	1/1/2014	Q1 2014 ?	?
Amendments to IFRS 36 – Recoverable amount disclosures for non-financial assets	1/1/2014	Q1 2014 ?	?

The Group has chosen to not apply these standards, interpretations and amendments in advance. Application of these new amendments is not expected to have an effect on the Group's consolidated financial statements.

<u>Seasonal factors affecting revenue</u>

The Group is subject to recurring seasonal trends of its Telecommunications business for which major accounts and government customers in the second half account for the major share of its deliveries (between 55% and 60 % of its annual revenue).

3.1 Consolidated balance sheet

Consolidated assets (€ thousands)	Notes	6/30/2013	12/31/2012
Goodwill	Note 3	21,786	21,786
Development costs	Note 3	32,546	31,835
Other intangible assets	Note 3	1,267	1,634
Total intangible assets	**Note 3**	**55,599**	**55,255**
Land	Note 4	2,517	2,577
Buildings	Note 4	6,173	6,446
Plant and equipment	Note 4	6,614	7,068
Other property, plant and equipment	Note 4	4,622	5,034
Total property, plant and equipment	**Note 4**	**19,927**	**21,124**
Investments in associates (equity method)		590	532
Non-current financial assets	Note 9	772	724
Deferred tax	Note 8	8,763	8,971
Non-current research tax credit	Note 9	4,815	3,929
TOTAL NON-CURRENT ASSETS		**90,465**	**90,534**
Inventory and work-in-process	Note 5	75,200	71,774
Accounts receivable	Note 6	81,114	76,298
Other current receivables from operations	Note 6	4,258	3,411
Current tax credit	Note 9	5,380	6,101
Miscellaneous current receivables	Note 9	1,367	955
Financial instruments	Note 7.2	9	
Total current receivables		**167,328**	**158,540**
Marketable securities	Note 7.1	108	
Cash at bank and in hand	Note 7.1	12,073	9,199
Total cash and cash equivalents	**Note 7.1**	**12,181**	**9,199**
TOTAL CURRENT ASSETS		**179,509**	**167,738**
TOTAL ASSETS		**269,975**	**258,272**

Shareholders' Equity & Liabilities (€ thousands)	**Notes**	**6/30/2013**	**12/31/2012**
Share capital	Note 11	15,075	15,075
Share premiums	Note 11	17,561	17,561
Reserves	Note 11	32,595	27,714
Retained earnings	Note 11	4,253	6,063
Cumulative translation differences	Note 11	<1,224>	<1,365>
Treasury shares	Note 11	<162>	<162>
Net income	Note 11	3,778	4,412
Shareholders' equity attributable to Group	**Note 11**	**71,876**	**69,298**
Non-controlling interests in income	Note 11	11	<286>
Non-controlling interests in reserves	Note 11	2,818	3,147
Non-controlling interests	**Note 11**	**2,829**	**2,861**
CONSOLIDATED SHAREHOLDERS' EQUITY	**Note 11**	**74,705**	**72,159**
Bank borrowings	Note 10	22,910	27,724
Other financial liabilities	Note 10	2,383	1,960
Finance lease liabilities	Note 10	3,220	3,709
Total non-current financial liabilities	**Note 10**	**28,512**	**33,393**
Deferred tax liabilities	Note 8	2,471	2,351
Provisions for pensions and other non-current employee benefits	Note 13	5,312	4,988
TOTAL NON-CURRENT LIABILITIES		**36,295**	**40,731**
Other provisions	**Note 13**	**4,440**	**4,737**
Current financial liabilities	Note 10	68,843	66,488
Financial instruments	Note 7.2	1,616	2,776
Total current financial liabilities		**70,459**	**69,264**
Accounts payable	Note 14	43,173	37,315
Other operating liabilities	Note 14	28,892	25,724
Tax payables (income tax)	Note 14	761	572
Miscellaneous liabilities	Note 14	1,857	1,013
Deferred income		9,394	6,757
TOTAL CURRENT LIABILITIES		**158,975**	**145,382**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**269,975**	**258,272**

3.2 Consolidated income statement

Consolidated income statement (€ thousands)	**Notes**	**H1 2013**	**H1 2012**	**FY 2012**
Revenue *(Sales)*	**Note 15**	**145,658**	**145,743**	**289,110**
- Purchases consumed	Note 15	<71,882>	<70,702>	<137,899>
- Staff costs	Note 15	<43,838>	<42,184>	<82,722>
- External charges	Note 15	<20,907>	<25,022>	<48,859>
- Taxes and duties other than on income		<2,135>	<2,227>	<4,589>
- Depreciation and amortization	Note 15	<4,941>	<4,496>	<9,648>
+/- Changes in inventories of work-in-process and finished goods		2,733	1,713	2,605
+/- Translation gains and losses on operating transactions		<243>	<438>	<623>
+ Research tax credit		1,342	1,006	2,875
Current operating income	**Note 15**	**5,788**	**3,392**	**10,248**
+ Other operating income		227	226	1,371
- Other operating expenses		<327>	<248>	<1,220>
+/- Gains (losses) on disposals of non-current assets		2	<7>	<25>
Operating profit/(loss)	**Note 15**	**5,691**	**3,363**	**10,374**
+ Income on cash and cash equivalents		1	2	4
- Interest expense and other financial charges	Note 15	<1,178>	<1,442>	<2,738>
+ Other financial income		1,211	709	145
- Other financial expenses		<493>	<1,703>	<2,734>
Net financial expense	**Note 17**	**<460>**	**<2,433>**	**<5,323>**
- Goodwill impairment	Note 3			<500>
+ Share in the earnings of equity-method associates		79	85	136
+ Income tax	Note 15	<1,520>	<766>	<561>
Net income/(loss) for the period	**Note 15**	**3,790**	**249**	**4,126**
* Attributable to the Group		3,778	228	4,412
* Attributable to non-controlling interests		11	21	<286>
Basic earnings (loss) per share (in €) – attributable to the Group	**Note 12.1**	**0.188**	**0.011**	**0.220**
Diluted earnings (loss) per share (in €) – attributable to the Group	**Note 12.2**	**0.188**	**0.011**	**0.220**

3.3 Statement of comprehensive income

Statement of comprehensive income (€ thousands)	**H1 2013**	**H1 2012**	**FY 2012**
Net income/(loss) for the period	**3,790**	**249**	**4,126**
Post-employment benefits- actuarial gains and losses	103	702	495
Deferred taxes on post-employment benefits- actuarial gains and losses	<34>	<234>	<165>
Cumulative translation differences	164	199	<189>
Income and expenses recognized directly in equity	**233**	**667**	**141**
Comprehensive income/ (loss) of the period	**4,023**	**915**	**4,268**
* Attributable to the Group	3,988	903	4,540
* Attributable to non-controlling interests	34	12	<272>

3.4 Changes in shareholders' equity

(€ thousands)	Share capital	Treasury shares	Share premiums	Reserves, retained earnings, net income	Cumulative translation differences	Attributable to the Group	Non-controlling interests	Total equity including non-controlling interests
At 1/1/2012	**15,075**	**<162>**	**17,561**	**33,516**	**<1,162>**	**64,828**	**3,175**	**68,003**
Net income				228		228	21	249
Changes in translation differences					207	207	<9>	199
Actual gains and losses on post-employment benefits				468		468		468
Subtotal of income and expenses recognized in the period	**0**	**0**	**0**	**696**	**207**	**903**	**12**	**915**
Dividends paid						0	<108>	<108>
Change in share capital						0		0
Changes in Group structure						0		0
Other				<76>		<76>	74	<2>
At 6/30/2012	**15,075**	**<162>**	**17,561**	**34,137**	**<955>**	**65,655**	**3,153**	**68,808**
At 1/1/2013	**15,075**	**<162>**	**17,561**	**38,189**	**<1,365>**	**69,298**	**2,861**	**72,159**
Net income				3,778		3,778	11	3,790
Changes in translation differences					141	141	23	165
Actual gains and losses on post-employment benefits				69		69		69
Subtotal of income and expenses recognized in the period	**0**	**0**	**0**	**3,847**	**141**	**3,988**	**35**	**4,023**
Dividends paid				<1,407>		<1,407>	<66>	<1,473>
Change in share capital						0		0
Changes in Group structure (*)						0		0
Other				<3>		<3>	<0>	<3>
At 6/30/2013	**15,075**	**<162>**	**17,561**	**40,626**	**<1,224>**	**71,876**	**2,829**	**74,705**

(*) See Note 2 - Consolidated Companies - Comments (1)

3.5 Consolidated statement of cash flows

Consolidated Statement of Cash Flows (€ thousands)	Notes	H1 2013	H1 2012
Net income/(loss) for the period	**3.2**	**3,790**	**249**
Adjustments for:			
Depreciation, amortization and provisions	3.2	3,978	4,796
(Gains) losses on disposal of non-current assets	3.2	<2>	7
Interest expense	3.2	1,178	1,442
Current income tax (excluding research tax credit)	3.2	1,285	931
Change in deferred taxes	3.2	235	<165>
Research tax credit	3.2	<1,342>	<1,006>
CICE tax credit for competitiveness and employment(*Crédit d'Impôt pour la Compétitivité et l'Emploi*)		<347>	
Other income and expenses	3.2	10	<14>
Share in the earnings of equity-method associates	3.2	<79>	<85>
Operating income before change in working capital requirements		***8,706***	***6,155***
Change in working capital requirements from operating activities		3,334	<3,925>
Cash generated by operating activities		12,040	2,229
Income tax paid (excluding research tax credit)		<540>	<1,378>
Research tax credit and CICE tax credit collected			
Net cash generated by operating activities		**11,501**	**851**
Acquisitions of non-current assets	Note 3	<4,550>	<7,034>
Dividends received from associates			
Proceeds from disposals of non-current assets	3.2	2	0
Period acquisitions less cash acquired			
Net cash used by investing activities		**<4,547>**	**<7,034>**
Dividends paid to parent company shareholders			
Dividends paid to non-controlling interests in subsidiaries		<24>	<43>
Share capital increase paid in cash at parent			
Share capital increase paid in cash at subsidiaries			
(portion paid by non-controlling shareholders)			
Increases in borrowings	Note 10	10	6,567
Repayment of borrowings	Note 10	<7,629>	<7,355>
Interest payments	Note 17	<1,178>	<1,442>
Net cash generated (used) by financing activities		**<8,821>**	**<2,272>**
Impact of changes in exchange rates		<90>	<73>
Opening cash and cash equivalents	Note 7.1	<35,876>	<29,748>
Closing cash and cash equivalents	Note 7.1	<37,834>	<38,276>
Net cash and cash equivalents		**<1,958>**	**<8,527>**

3.6 Notes to the consolidated financial statements

NOTE 1. Accounting policies

The accounting policies adopted by the Group to prepare the interim financial statements are identical to those used for the annual financial statements for the period ended December 31, 2012 (refer to the notes to the financial statements for the period ended December 31, 2012).

NOTE 2. Consolidated companies

There were no changes in the Group structure with respect to consolidation in the six-month period ending June 30, 2013.

NOTE 3. Intangible assets

In the 2013 first half, capitalized development costs amounted to €3.3 million, down from €5.2 million for last year's same period.

Acquisitions of intangible assets break down as follows:

(€ thousands)	6/30/2013	6/30/2012	6/30/2011
Development costs			
AUTOMOTIVE sector	2,779	4,610	2,958
TELECOMMUNICATIONS sector	521	617	460
Total	**3,301**	**5,227**	**3,417**
Other intangible assets			
AUTOMOTIVE sector	178	192	358
TELECOMMUNICATIONS sector	19	19	3
Other (incl. holding)		0	22
Total	**197**	**211**	**383**

NOTE 4. Property, plant and equipment

In the 2013, first half acquisitions of property, plant and equipment totaled €1.1 million (€2.1 million in H1 2012) all purchased from third-party suppliers and break down as follows:

(€ thousands)	6/30/2013	6/30/2012	6/30/2011
Land			
AUTOMOTIVE sector	-	5	8
TELECOMMUNICATIONS sector	-		
Subtotal		**5**	**8**
Buildings			
AUTOMOTIVE sector	23	240	163
Of which finance leases	*-*	*198*	
TELECOMMUNICATIONS sector	6		10
Other (incl. holding)			21
Subtotal	**29**	**240**	**193**
Plant and equipment			
AUTOMOTIVE sector	732	1,300	1,543
Of which finance leases	*31*	*272*	
TELECOMMUNICATIONS sector	43	22	8
Subtotal	**775**	**1,322**	**1,551**
Other property, plant and equipment			
AUTOMOTIVE sector	274	512	685
Of which finance leases	*61*	*21*	
TELECOMMUNICATIONS sector	16	8	90
Other (incl. holding)	-	-	
Subtotal	**290**	**520**	**774**
Total	**1,093**	**2,087**	**2,526**
Of which finance leases	*92*	*490*	*-*

NOTE 5. Inventory and work-in-progress

The **net realizable value** of inventory breaks down as follows:

(€ thousands)	6/30/2013	12/31/2012	6/30/2012	12/31/2011
Raw materials	32,705	31,904	34,594	32,913
Work/services-in-process	15,343	12,426	13,588	12,231
Semi-finished and finished goods	14,790	14,981	13,078	12,695
Goods held for resale	12,363	12,463	12,443	14,068
Total	**75,200**	**71,774**	**73,703**	**71,908**

In the 2013 first half, inventories registered a net increase of €3.4 million (compared with €1.9 million in the 2012 first half). A breakdown of these **changes in the first half** is presented below:

(€ thousands)	Gross	Impairment	Net
At 12/31/2011	**80,589**	**<8,681>**	**71,908**
Change in the period	1,336		1,336
Net impairment		318	318
Changes in Group structure			0
Impact of changes in exchange rates	158	<16>	142
At 6/30/2012	**82,082**	**<8,379>**	**73,703**
Change in the period	<895>		<895>
Net impairment		<759>	<759>
Changes in Group structure			0
Impact of changes in exchange rates	<305>	30	<276>
At 12/31/2012	**80,882**	**<9,109>**	**71,774**
Change in the period	3,386		3,386
Net impairment		285	285
Changes in Group structure			0
Impact of changes in exchange rates	<246>	1	<245>
At 6/30/2013	**84,022**	**<8,822>**	**75,200**

Pledged inventories are set out in Note 20 "Encumbered assets".

NOTE 6. Accounts receivable

Trade and other current receivables that fall due to under one year are presented below:

(€ thousands)	Net value at 12/31/2012	Change in the period	Net allowances / reversals	Changes in Group structure	Impact of changes in exchange rates	Net value at 6/30/2013
Accounts receivable	**76,298**	**5,025**	**<52>**		**<157>**	**81,114**
Advances and prepayments	**1,562**	318			5	**1,884**
Amounts receivable from payroll tax agencies	**213**	80			<5>	**288**
VAT receivable	**741**	88			<0>	**829**
Prepaid expenses	**895**	368			<7>	**1,256**
Other current receivables from operations	**3,411**	**854**			**<7>**	**4,258**
Tax receivables	**3,148**	<474>			4	**2,678**
Other tax and income tax receivables	**450**	48			<19>	**479**
Research tax credit	**2,503**	<280>				**2,223**
Current tax credit	**6,101**	**<706>**			**<14>**	**5,380**
Miscellaneous current receivables	**955**	**413**			**<1>**	**1,367**
Total	**86,766**	**5,585**	**<52>**		**<180>**	**92,119**

At June 30, 2013, the **maturity of gross receivables, not due and due,** (aged trial balance) was as follows:

(€ thousands)	Not due	Past due 0 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	Past due more than 91 days	Gross value of total accounts receivable
Gross value at 6/30/2013	65,851	5,966	3,395	1,836	6,463	**83,512**
Gross value at 12/31/2012	57,481	8,894	3,711	1,910	6,659	**78,656**

No losses on bad debt were recognized at June 30, 2013 by ACTIA Group (unchanged from June 30, 2012.

NOTE 7. Cash, cash equivalents and financial instruments at fair value via income

Note 7.1 Cash and cash equivalents

These items changed as follows:

(€ thousands)	6/30/2013	12/31/2012	Change
Marketable securities	108		108
Cash at bank and in hand	12,073	9,199	2,874
Cash and cash equivalents	**12,181**	**9,199**	**2,983**
<Current bank facilities>	**<50,015>**	**<45,075>**	**<4,940>**
Total	**<37,834>**	**<35,876>**	**<1,958>**

Current bank facilities are included under “Current financial liabilities”.

Marketable securities are recognized at market value at the balance sheet date. The impact on income of the period is as follows:

(€ thousands)	Fair value at 6/30/2013	Fair value at 12/31/2012	Impact on earnings
Marketable securities	108	0	0

The rise in value presented in this table reflects the acquisition of marketable securities in the period.

Note 7.2 Financial instruments at fair value through profit or loss

These include:

- Interest rate risk hedging instruments

At 30 June 2013, ACTIA Automotive obtained interest rate swaps for which the detail is provided below:

(€ thousands)	Initial amount	Amount at 6/30/2013	Fixed rate	Inception date	Expiry date	Amortization
ACTIA Automotive						
Swap 1	5,000	5,000	1.68%	9/30/2011	9/30/2015	on maturity
Swap 2	5,000	3,500	1.64%	10/3/2011	10/3/2016	quarterly
Swap 3	5,000	5,000	1.54%	10/3/2011	10/3/2014	on maturity
Swap 4	5,000	5,000	1.25%	1/2/2012	1/5/2015	on maturity
Swap 5	5,000	5,000	1.25%	1/2/2012	1/5/2015	on maturity
Swap 6	20,000	20,000	2.23%	2/13/2012	2/13/2016	on maturity
Total	**45,000**	**43,500**				

While these interest rate hedges are not associated with specific financing agreements they did cover Group debt for up to €43.5 million at June 30, 2013.

ACTIA Group recognizes interest rate hedging instruments at fair value through profit and loss.

Details of the impact of this treatment on earnings are set out below:

(€ thousands)	6/30/2013		12/31/2012	
	Fair value	Impact on earnings	Fair value	Impact on earnings
Financial instruments ASSETS <LIABILITIES>				
Swap	<1,393>	527	<1,920>	<1,163>
Total	**<1,393>**	**527**	**<1,920>**	**<1,163>**

Interest rate risk incurred by ACTIA Group is analyzed in Note 21.2 "Interest rate risk".

❖ Exchange rate risk hedging instruments

At June 30, 2013, ACTIA Automotive and ACTIA Sodielec had put in place the following exchange rate risk hedges. The breakdown of these financial instruments is presented below:

In foreign currency	Maximum Initial amount	Maximum amount to be acquired at 6/30/2013	Floor	Strike	Inception date	Expiry date
ACTIA Automotive						
Accumulator - EUR / USD	US$ 6,060,000	US$ 1,456,731	1.1850	1.3740	6/20/2012	6/11/2014
Accumulator - EUR / USD	US$ 6,060,000	US$ 1,560,000	1.1850	1.3740	7/23/2012	6/23/2014
Fixed Income Securities - EUR / USD	US$ 6,000,000	US$ 2,400,000	-	1.3015	10/10/2012	12/10/2013
Fixed Income Securities - EUR / USD	US$ 7,200,000	US$ 2,800,000	-	1.3105	8/20/2012	1/21/2014
Fixed Income Securities - EUR / USD	US$ 7,200,000	US$ 800,000	-	1.3025	9/3/2012	2/3/2014
Accumulator - EUR / USD	US$ 3,000,000	US$ 1,128,571	1.2000	1.3785	1/2/2013	12/31/2014
Accumulator - EUR / USD	US$ 3,120,000	US$ 1,170,000	1.2100	1.3825	1/2/2013	12/23/2014
Accumulator - EUR / USD	US$ 10,000,000	US$ 0	-	1.4000	12/6/2012	11/10/2015
Accumulator - EUR / USD	US$ 10,000,000	US$ 4,200,000	1.2000	1.3600	3/1/2013	3/2/2015
Accumulator - EUR / USD	US$ 13,200,000	US$ 6,600,000	1.2330	1.4000	9/18/2013	5/13/2016

In foreign currency	Maximum Initial amount	Maximum amount to be acquired at 6/30/2013	Floor	Strike	Inception date	Expiry date
Accumulator - EUR / USD	US$ 2,600,000	US$ 1,300,000	1.2400	1.4250	7/1/2014	6/8/2015
Accumulator - EUR / JPY	¥ 80,000,000	¥ 62,400,000	106.0000	115.0000	1/29/2013	12/22/2014
Accumulator - EUR / JPY	¥ 73,600,000	¥ 51,200,000	102.0000	115.4500	12/18/2012	9/12/2014
Accumulator - EUR / JPY	¥ 72,000,000	¥ 36,000,000	120.0000	140.9000	1/10/2014	12/10/2014
Forward currency purchases	¥ 20,000,000	¥ 20,000,000	-	119.9550	10/25/2013	10/25/2013
Forward currency purchases	¥ 20,000,000	¥ 20,000,000	-	119.9200	12/24/2013	12/24/2013
ACTIA Sodielec						
Accumulator - EUR / USD	US$ 900,000	US$ 900,000	1.2600	1.3605	9/5/2013	12/5/2013

ACTIA Group recognizes these exchange rate hedging instruments at fair value through profit or loss.

Details of the impact of this treatment on earnings are set out below:

(€ thousands)	6/30/2013		12/31/2012	
	Fair value	Impact on earnings	Fair value	Impact on earnings
Financial instruments ASSETS <LIABILITIES>				
EUR/USD hedge	<213>	642	<856>	<1,131>
Total	**<213>**	**642**	**<856>**	**<1,131>**

NOTE 8. Deferred tax

(€ thousands)	6/30/2013	12/31/2012
Tax assets recognized in respect of:		
Temporary differences	3,782	3,950
o.w. provision for retirement severance payments	*1,075*	*1,014*
o.w income from inventory	*578*	*528*
o.w other adjustments	*2,144*	*2,407*
Tax-loss carryforwards	4,980	5,021
Total net tax assets	**8,763**	**8,971**
Tax liabilities recognized in respect of:		
Deferred tax liabilities	2,471	2,351
Total net tax liabilities	**2,471**	**2,351**
Total net deferred tax assets /(liabilities)	**6,292**	**6,620**

NOTE 9. Financial assets and liabilities

Financial assets and liabilities are recognized at amortized cost.

Three categories of financial instruments are defined by the Group according to the consequences of their characteristics on the valuation method. The Group refers to this classification for the purpose of presenting certain disclosures required by IFRS 7:

- Level I: "market price": financial instruments with observable fair market values based quoted prices in an active market;
- Level 2: "internal model based on observable inputs": financial instruments valued using inputs other than quoted prices as described for level 1 but which are observable;
- Level 3: "model with unobservable inputs".

Note 9.1 Financial assets

(€ thousands)	6/30/2013				12/31/2012			
	Available-for-sale financial assets	Financial assets at fair value through profit or loss	Loans and receivables	Group consolidated financial data	Available-for-sale financial assets	Financial assets at fair value through profit or loss	Loans and receivables	Group consolidated financial data
Non-current assets								
Investments in associates	590			**590**	532			**532**
Non-current financial assets	74		698	**772**	72		651	**724**
Non-current research tax credit			4,815	**4,815**			3,929	**3,929**
Current assets								
Accounts receivable			81,114	**81,114**			76,298	**76,298**
Current tax credit			5,380	**5,380**			6,101	**6,101**
Miscellaneous current receivables			1,367	**1,367**			955	**955**
Financial instruments		9		**9**				**0**
Marketable securities		108		**108**				**0**
Cash at bank and in hand			12,073	**12,073**			9,199	**9,199**
Total	**664**	**117**	**105,447**	**106,228**	**604**	**0**	**97,134**	**97,737**

(€ thousands)	Category 1 Market price	Category 2 With observable inputs	Category 3 With unobservable inputs
Financial instruments		9	
Marketable securities	108		
Total	**108**	**9**	**-**

Note 9.2 Total financial liabilities

(€ thousands)	6/30/2013			12/31/2012		
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Group consolidated financial data	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Group consolidated financial data
Non-current liabilities						
Bank borrowings	22,910		**22,910**	27,724		**27,724**
Other financial liabilities	1,254	1,128	**2,383**	708	1,251	**1,960**
Finance lease liabilities	3,220		**3,220**	3,709		**3,709**
Current liabilities						
Current financial liabilities	68,355	488	**68,843**	65,985	503	**66,488**
Financial instruments		1,616	**1,616**		2,776	**2,776**
Accounts payable	43,173		**43,173**	37,315		**37,315**
Tax payables (income tax)	761		**761**	572		**572**
Miscellaneous liabilities	1,857		**1,857**	1,013		**1,013**
Total	**141,530**	**3,231**	**144,762**	**137,026**	**4,530**	**141,556**

(€ thousands)	Category 1 Market price	Category 2 With observable inputs	Category 3 With unobservable inputs
Non-current liabilities			
Other financial liabilities	1,128		
Current liabilities			
Current financial liabilities	488		
Financial instruments		1,616	
Total	**1,616**	**1,616**	**-**

NOTE 10. Financial liabilities

Financial liabilities by type of financing and maturity break down as follows:

(€ thousands)	6/30/2013				12/31/2012			
	<6/30/14	>7/1/14 <6/30/18	>7/1/18	Total	<12/31/13	>1/1/14 <12/31/17	>1/1/18	Total
Bank borrowings	16,271	20,768	2,142	**39,181**	18,232	25,293	2,432	**45,956**
Other financial liabilities	1,364	2,183	200	**3,747**	1,904	1,894	66	**3,864**
Finance lease liabilities (*)	1,192	3,047	173	**4,412**	1,278	3,453	255	**4,986**
Bank facilities and overdrafts	50,015			**50,015**	45,075			**45,075**
Total	**68,843**	**25,998**	**2,514**	**97,355**	**66,488**	**30,640**	**2,753**	**99,881**

* See Section "Property, plant and equipment”

In the 2013 first half changes in financial liabilities were as follows:

(€ thousands)	At 1/1/2013	Increases in borrowings	Repayments of loans and other changes	Cumulative translation differences	At 6/30/2013
Bank borrowings	**45,956**		<6,785>	10	**39,181**
Other financial liabilities	**3,864**	10	<95>	<32>	**3,747**
Finance lease liabilities	**4,986**	92	<666>		**4,412**
Bank facilities and overdrafts	**45,075**		5,093	<153>	**50,015**
Total	**99,881**	**102**	**<2,453>**	**<175>**	**97,355**

At June 30, 2013, the maturity of financial liabilities including interest breaks down as follows:

(€ thousands)	<6/30/2014		>7/1/2014 <6/30/2018		>7/1/2018		Total		
	Face value	Interest	Face value	Interest	Face value	Interest	Face value	Interest	Face value + interest
Bank borrowings	16,271	846	20,768	983	2,142	31	**39,181**	**1,860**	**41,041**
Other financial liabilities	1,364	-	2,183	-	200	-	**3,747**	**0**	**3,747**
Finance lease liabilities	1,192	195	3,047	270	173	7	**4,412**	**471**	**4,884**
Bank facilities and overdrafts	50,015	880	-	-	-	-	**50,015**	**880**	**50,895**
Total	**68,843**	**1,921**	**25,998**	**1,253**	**2,514**	**38**	**97,355**	**3,212**	**100,567**

Financial liabilities by currency break down as follows:

(€ thousands)	EUR	USD	Other	Total
Bank borrowings	37,939	1,242		**39,181**
Other financial liabilities	3,509		238	**3,747**
Finance lease liabilities	4,412			**4,412**
Bank facilities and overdrafts	48,170	72	1,773	**50,015**
Total	**94,031**	**1,314**	**2,010**	**97,355**

The ratio of net debt to shareholders' equity or gearing breaks down as follows:

(€ thousands)	6/30/2013	12/31/2012
Bank borrowings	39,181	45,956
Other financial liabilities	3,747	3,864
Finance lease liabilities	4,412	4,986
Bank facilities and overdrafts	50,015	45,075
Subtotal A	**97,355**	**99,881**
Other marketable securities	108	0
Cash at bank and in hand	12,073	9,199
Subtotal B	**12,181**	**9,199**
Total net debt = A - B	**85,174**	**90,682**
Total shareholders' equity	**74,705**	**72,159**
Gearing	**114%**	**126%**

The breakdown between variable and fixed rate debt is set out below:

(€ thousands)	6/30/2013			12/31/2012		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bank borrowings	9,710	29,472	**39,181**	10,650	35,307	**45,956**
Other financial liabilities	3,747	0	**3,747**	3,864	0	**3,864**
Finance lease liabilities	4,412	0	**4,412**	4,986	0	**4,986**
Bank facilities and overdrafts	2,385	47,630	**50,015**	2,919	42,156	**45,075**
Total	**20,254**	**77,101**	**97,355**	**22,419**	**77,462**	**99,881**
Breakdown by percentage	21%	79%	**100%**	22%	78%	**100%**

All covenants on the borrowings and bank credit lines must be verified annually at the end of each period. At June 30, 2013, they apply to 7.39 % of borrowings.

In 2012, selected covenants of the eleven loans and credit lines had been breached. For these eleven loans and credit lines, a one-year waiver was obtained in the 2013 second quarter. In consequence, the non-current portion of this financing amounting to €4.1 million remained classified under current debt at June 30, 2013.

Guarantees given in respect of borrowings and liabilities are set out in Note 20 "Encumbered assets”.

In connection with the loan agreements obtained by the Group, certain banks include in these agreements general provisions relating to the right to use assets or obtain new loans.

NOTE 11. Shareholders' equity

In the 2013 first half, changes to the Group's **shareholders' equity** reflected mainly net income for the period.

The breakdown of the **changes in numbers of shares** over the period is as follows:

Units	12/31/2012	share capital increase	6/30/2013
ACTIA Group shares - ISIN FR 0000076655	**20,099,941**	**None**	**20,099,941**

At June 30, 2013, the share capital was comprised of 11,138,908 shares with ordinary voting rights, 8,957,704 shares with double voting rights and 3,329 treasury shares with no voting rights.

There are 12.243.382 registered shares and 7.856.559 bearer shares.

There are no preferred dividend stock or preference shares within ACTIA GROUP S.A.

The par value is €0.75 per share.

In the 2013 first half, changes in the Group's shareholders' equity stemmed mainly from:

- Net income of the period of €3,778,000;
- The dividend distribution voted by the General Meeting of the holding ACTIA Group SA. The dividend amount per share was €0.07. The shares will have an ex-dividend date of September 23, for payment in cash on September 26, 2013.

NOTE 12. Earnings per share

Note 12.1 Basic earnings per share

The basic earnings per share at June 30, 2013 were calculated on the basis of net income attributable to the Group for the period, namely € 3,778,309, divided by the weighted average number of shares outstanding during the period or 20,096,612 shares. These calculations break down as follows:

Euros	6/30/2013	12/31/2012
Consolidated net income (loss) attributable to Group *(in €)*	**3,778,309**	**4,412,468**
Weighted average number of shares		
Shares issued at January 1	20,099,941	20,099,941
Treasury shares held at the end of the period	<3,329>	<3,329>
Weighted average number of shares	**20,096,612**	**20,096,612**
Basic earnings (loss) per share *(in €)*	**0.188**	**0.220**

Note 12.2 Diluted earnings per share

Diluted earnings per share at June 30, 2013 were calculated on the basis of net income attributable to the Group for the period or € 3,778,309. This result was not subject to any adjustments. The weighted average number of potential ordinary shares that may be created totaled 20,096,612.

These calculations break down as follows:

Euros	6/30/2013	12/31/2012
Diluted net income *(in €)*	**3,778,309**	**4,412,468**
Weighted average number of potential shares		
Weighted average number of ordinary shares	20,096,612	20,096,612
Impact of share subscription plans	0	0
Diluted weighted average number of shares	**20,096,612**	**20,096,612**
Diluted earnings per share *(in €)*	**0.188**	**0.220**

NOTE 13. Provisions

In the 2013 first half, provisions for pension and other non-current employee benefits rose €324,000 to €5,312,000 at June 30, 2013. The actuarial gain recognized in Other Comprehensive Income represents a reversal of €103,000. There were no changes in calculation assumptions at June 30, 2013 in relation to those applied one year earlier:

- a 3.25 % discount rate;
- a 2.25 % salary escalation rate;
- an average turnover rate for the employee category of "managers" for certain entities.

The assumptions for calculations may be adjusted on the basis of internal data for the analysis of payroll expenses.

Other provisions for contingencies and expenses decreased overall <€297,000>.

NOTE 14. Other current liabilities

A breakdown of **other current financial liabilities** is presented below:

(€ thousands)	Net value at 12/31/2012	Change in the period	Changes in Group structure	Impact of changes in exchange rates	Net value at 6/30/2013
Accounts payable on goods and services	**37,315**	**5,892**		**<34>**	**43,173**
Advances and prepayments received	**4,283**	957		<17>	**5,224**
Amounts payable to payroll tax agencies	**14,458**	2,460		<77>	**16,841**
Tax payables (other than income tax)	**6,983**	<120>		<36>	**6,827**
Other operating liabilities	**25,724**	**3,297**		**<130>**	**28,892**
Tax payables (income tax)	**572**	**186**		**3**	**761**
Liabilities on non-current assets	**0**	2		<0>	**2**
Creditor curr. accs	**70**	1,504		<5>	**1,570**
Other miscellaneous liabilities	**943**	<651>		<7>	**285**
Miscellaneous liabilities	**1,013**	**856**		**<12>**	**1,857**
Total	**64,624**	**10,231**	**0**	**<172>**	**74,683**

NOTE 15. Operating segments

In compliance with IFRS 8, information provided by operating sector is based on the management approach, i.e. the method used by Management to allocate resources according to the performances of different sectors. At ACTIA Group, the Chairman of the Executive Board is the entity's chief operating decision-maker. The Group has two segments that propose different products and services and are managed separately as they require different technological and commercial strategies. The activities covered by the different segments can be summarized as follows:

- The Automotive segment, which includes the “Diagnostics”, “Embedded Systems”, "Systems and Services for Transportation Fleets" and “Services”;
- The Telecommunications segment that includes Satcom, Energy / Aeronautics-Defense (EAD), Broadcast / Railways-Transport (BRT) and Telecom-Networks-Infrastructures (TNI).

In addition to these two operating segments are two other headings:

- “Other” that includes the holding company, ACTIA Group S.A., and two real estate investment companies, SCI Les Coteaux de Pouvourville (accounted for under the equity method) and SCI de l’Oratoire,
- “Eliminations” that includes amounts eliminated between operating segments.

In the 2013 first half, **key aggregates by operating segments** broke down as follows:

(€ thousands)	6/30/2013				
	Automotive segment	Telecom segment	Other	Eliminations	Group consolidated financial data
Revenue					
(Sales)					
* Non-Group (external clients)	131,029	14,600	30	0	**145,658**
* Group (inter-segment sales)	13	84	1,112	<1,209>	**0**
Purchases consumed	<66,730>	<5,227>	<2>	76	**<71,882>**
Staff costs	<37,342>	<6,156>	<327>	<13>	**<43,838>**
External charges	<19,141>	<1,995>	<1,307>	1,536	**<20,907>**

(€ thousands)	6/30/2013				
	Automotive segment	Telecom segment	Other	Eliminations	Group consolidated financial data
Allowances for amortization (A)	<4,198>	<710>	<13>	<21>	**<4,941>**
Current operating income	**5,434**	**500**	**<521>**	**375**	**5,788**
Operating profit/(loss)	**5,440**	**393**	**<420>**	**278**	**5,691**
Interest expense and other financial charges (B)	<1,077>	<83>	<100>	82	**<1,178>**
Goodwill impairment (C)	0	0	0	0	**0**
Tax (D)	<1,542>	61	<42>	3	**<1,520>**
NET INCOME / (LOSS) (E)	**3,568**	**385**	**2,626**	**<2,789>**	**3,790**
EBITDA (F) = (E)-(A)-(B)-(C)-(D)	**10,385**	**1,117**	**2,781**	**<2,853>**	**11,429**
SEGMENT ASSETS					
Non-current assets	70,914	19,369	51,978	<51,797>	**90,465**
Inventories	62,464	12,747	0	<11>	**75,200**
Accounts receivable	67,377	13,788	568	<619>	**81,114**
Other current receivables	9,611	1,203	2,847	<2,647>	**11,014**
Cash and cash equivalents	9,670	1,989	523	<0>	**12,181**
TOTAL SEGMENT ASSETS	**220,037**	**49,096**	**55,916**	**<55,074>**	**269,975**
CAPITAL EXPENDITURES			**0**	**0**	**0**
Intangible assets	2,957	540	0	<0>	**3,497**
Property, plant and equipment	936	66	0	0	**1,002**
Financial assets	51	0	0	0	**51**
TOTAL CAPITAL EXPENDITURES	**3,944**	**606**	**0**	**0**	**4,550**
SEGMENT LIABILITIES					
Non-current liabilities	29,683	3,541	2,245	826	**36,295**
Current financial liabilities	57,061	5,952	8,835	<3,005>	**68,843**
Accounts payable	39,901	2,725	1,167	<619>	**43,173**
Other current liabilities	37,764	9,680	2,676	<3,162>	**46,958**
TOTAL SEGMENT LIABILITIES	**164,409**	**21,897**	**14,924**	**<5,960>**	**195,270**

In the 2012 first half, key aggregates by operating segments broke down as follows:

(€ thousands)	6/30/2012				
	Automotive segment	Telecom segment	Other	Eliminations	Group consolidated financial data
Revenue					
(Sales)					
* Non-Group (external clients)	131,712	14,003	27	0	**145,743**
* Group (inter-segment sales)	19	0	1,077	<1,096>	**0**
Purchases consumed	<65,051>	<5,652>	<2>	2	**<70,702>**
Staff costs	<35,522>	<6,306>	<350>	<6>	**<42,184>**
External charges	<23,076>	<2,158>	<1,266>	1,478	**<25,022>**
Allowances for amortization (A)	<3,704>	<758>	<13>	<21>	**<4,496>**
Current operating income	**4,891**	**<1,324>**	**<538>**	**362**	**3,392**
Operating profit/(loss)	**4,814**	**<1,290>**	**<437>**	**276**	**3,363**
Interest expense and other financial charges (B)	<1,233>	<135>	<157>	84	**<1,442>**
Goodwill impairment (C)	0	0	0	0	**0**
Tax (D)	<812>	58	0	<12>	**<766>**
NET INCOME / (LOSS) (E)	**1,819**	**<1,362>**	**37**	**<246>**	**249**
EBITDA (F) = (E)-(A)-(B)-(C)-(D)	**7,568**	**<526>**	**207**	**<297>**	**6,952**
SEGMENT ASSETS					
Non-current assets	63,718	20,644	53,561	<53,554>	**84,369**
Inventories	60,320	13,383	0	0	**73,703**

(€ thousands)	6/30/2012				
	Automotive segment	Telecom segment	Other	Eliminations	Group consolidated financial data
Accounts receivable	61,491	13,381	603	<632>	**74,843**
Other current receivables	10,722	925	370	<150>	**11,868**
Cash and cash equivalents	9,098	989	228	0	**10,315**
TOTAL SEGMENT ASSETS	**205,349**	**49,323**	**54,762**	**<54,337>**	**255,098**
CAPITAL EXPENDITURES			**0**	**0**	**0**
Intangible assets	4,802	636	0	0	**5,438**
Property, plant and equipment	1,566	30	0	0	**1,596**
Financial assets	0	0	0	0	**0**
TOTAL CAPITAL EXPENDITURES	**6,368**	**666**	**0**	**0**	**7,034**
SEGMENT LIABILITIES					
Non-current liabilities	27,833	4,695	4,995	1,057	**38,579**
Current financial liabilities	54,318	6,799	7,297	<4,497>	**63,917**
Accounts payable	38,559	3,313	748	<633>	**41,987**
Other current liabilities	33,172	8,574	1,510	<1,450>	**41,806**
TOTAL SEGMENT LIABILITIES	**153,882**	**23,381**	**14,549**	**<5,522>**	**186,290**

NOTE 16. Income tax

The breakdown for Group income tax aggregates is as follows:

(€ thousands)		6/30/2013	6/30/2012
Earnings (loss) of the consolidated companies		3,710	164
Current tax <credit>		1,285	<931>
Deferred tax <credit>		235	165
o.w.	*Deferred tax arising from timing differences*	*220*	*172*
	Deferred tax on change in tax rate	*15*	*<7>*
Pretax earnings (loss) of consolidated companies		**5,231**	**<602>**

At June 30, 2013, deferred tax from the derecognition of tax losses amounted to <€41,000> compared to <€47,000> at June 30, 2012.

NOTE 17. Note on Net financial expense

Net financial expense breaks down as follows:

(€ thousands)		6/30/2013	6/30/2012
Income on cash and cash equivalents		1	2
Interest expense and other financial charges		<1,178>	<1,442>
o.w.	*Interest expense on financial liabilities*	*<1,178>*	*<1,442>*
Other financial income		1,211	709
o.w.	*Interest income*	*39*	*74*
	Dividends received	*14*	*2*
	Income from financial instruments	*1,155*	*620*
Other financial expenses		<493>	<1,703>
o.w.	*Expenses on financial instruments*	*<493>*	*<1,703>*
Net financial expense		**<460>**	**<2,433>**

NOTE 18. Related-party transactions

The breakdown of transactions in the 2013 first half with related parties of ACTIA Group is presented below.

Note 18.1 With the holding company: LP2C S.A.

The scope of relations with LP2C is defined in an agreement signed between the two companies on March 25, 2013:

Recurring assignments:

- Group general strategy and management,
- Business coordination support,
- Communications support,
- Accounting, legal and administrative support,
- Financial support.

Periodic assignments: ACTIA Group may ask LP2C to carry out on its behalf specific, clearly defined assignments for limited durations not typically included in the services listed above. These periodic assignments shall be subject to a new agreement prepared in the same manner and terms as the contract governing the recurring assignments.

This agreement is concluded for a fixed period of five years from January 1, 2013 to December 31, 2017.

The financial details concerning key balance sheet aggregates are set out below:

(€ thousands)		H1 2013	H1 2012
Net transaction amount (<expense>)		**<687>**	**<673>**
o.w.	*Invoicing agreement*	*<720>*	*<700>*
	Sundry services to the holding company	*33*	*27*
Net balance sheet amount (<liability>)		**<1,000>**	**<528>**
o.w.	*Current accounts*	*0*	*0*
	Accounts payable	*<1,000>*	*<528>*
	Trade receivables	*0*	*0*
Invoicing terms		Quarterly	Quarterly
Payment terms		Immediate	Immediate
Impairment of doubtful accounts		**0**	**0**

Note 18.2 With equity-method associates

Relations between SCI Los Olivos, SCI Les Coteaux de Pouvourville and the Group concern real estate operations:

- SCI Los Olivos owns land and a building in Getafe (Spain) leased to ACTIA Systems Espana,
- SCI Les Coteaux de Pouvourville has a leaseback agreement with CMCIC Lease and OSEO Financement and subleases this land and the buildings in Toulouse (31) to ACTIA Group and ACTIA Automotive in proportion to floor space used.

The financial details concerning SCI Los Olivos are set out below:

(€ thousands)		H1 2013	H1 2012
Net transaction amount (<expense>)		**<67>**	**<87>**
o.w.	*Rental charges*	*<66>*	*<87>*
	Interest expense and other financial charges	*<1>*	*0*
Net balance sheet amount (<liability>)		**28**	**25**
o.w.	*Current accounts*	*40*	*25*
	Accounts payable	*<12>*	*0*
	Trade receivables	*0*	*0*
Invoicing terms		Monthly	Monthly
Payment terms		Immediate	Immediate
Impairment of doubtful accounts		**0**	**0**

The financial details concerning SCI Les Coteaux de Pouvourville are set out below:

(€ thousands)		H1 2013	H1 2012
Net transaction amount (<expense>)		**<365>**	**<357>**
o.w.	*Rental charges*	*<377>*	*<369>*
	Chargebacks of misc. expenses	*12*	*12*
	Building security charges	*0*	*0*
Net balance sheet amount (<liability>)		**<18>**	**<32>**
o.w.	*Current accounts*	*0*	*0*
	Accounts payable	*<18>*	*<32>*
	Trade receivables		
Invoicing terms		Quarterly	Quarterly
Payment terms		Immediate	Immediate
Impairment of doubtful accounts		**0**	**0**

Note 18.3 With subsidiaries

These are companies included in the Group's scope of consolidation (see Note 2 “Consolidated Companies”).

All transactions with subsidiaries are wholly eliminated from the consolidated financial statements. They are varied in nature:

- Purchase and sale of goods and services;
- Leasing of premises;
- Transfer of research and development;
- Purchase and sale of capitalized assets;
- License agreements;
- Management fees;
- Current accounts;
- Loans....

Note 18.4 With members of management bodies

This involves remuneration paid to corporate officers of ACTIA Group S.A.:

- At ACTIA Group: Members of the Executive Board and of the Supervisory Board;
- At the controlling company LP2C: Members of the Executive Board and of the Supervisory Board;
- At the controlled companies, subsidiaries of ACTIA Group.

The breakdown of remuneration paid to corporate officers is set out below:

(€ thousands)	H1 2013	H1 2012	H1 2011
Remuneration of corporate officers	**171**	**171**	**165**
o.w. Fixed	*168*	*168*	*162*
Variable	*0*	*0*	*0*
Non-recurring	*0*	*0*	*0*
Benefits in kind	*3*	*3*	*3*
Other remuneration of non-executive corporate officers	**87**	**87**	**89**
Directors' fees	**0**	**0**	**0**
Total	**258**	**258**	**254**

Note 18.5 With other related parties

- GIE PERENEO

ACTIA Automotive S.A. owns 50% of GIE PERENEO. The goal of this economic interest grouping is to provide operating maintenance services (OMS) and to extend the lifespan of electronic systems.

The financial details relating to transactions with GIE PERENEO are set out below:

(€ thousands)	H1 2013	H1 2012
Amount of transaction (<expense>)	580	850
Balance sheet amount (<liability>)	405	509
Payment terms	Immediate	Immediate
Impairment of doubtful accounts	0	0

Key financial aggregates for GIE Pereneo are set out below:

(€ thousands)	H1 2013	H1 2012
Total assets	1,076	793
Liabilities	<1,054>	<827>
Sales	1,716	1,563
Net income (loss) for the period	3	<4>

NOTE 19. Off-balance-sheet commitments

Off-balance-sheet commitments break down as follows:

(€ thousands)	6/30/2013	12/31/2012
Commitments received		
Bank guarantees	320	632
Total commitments received	**320**	**632**

The above information does not include:

- Amounts owed under finance leases dealt with in Note 10 "Financial liabilities";
- Commitments relating to capital leases and operating leases;
- Interest on borrowings presented in Note 10 "Financial liabilities";

Commitments relating to forward currency sales and interest rate swaps described in Note 7.2 "Financial instruments at fair value via income".

NOTE 20. Encumbered assets

Encumbered assets are assets used as collateral for balance sheet liabilities. They break down as follows:

(€ thousands)	6/30/2013				12/31/2012			
	Automotive Division	Telecom division	Other subsidiaries	Total	Automotive Division	Telecom division	Other subsidiaries	Total
Participating interests in consolidated companies (*)	0	1,290	199	**1,489**	0	1,290	199	**1,489**
Balance of debt guarantee		*1,321*	*1,053*	***2,374***	*0*	*1,138*	*1,187*	***2,326***
Trade receivables pledged	25,385	4,305	0	**29,690**	20,358	6,980	0	**27,338**
o.w. Assignment of trade receivables under guarantees	*8,404*	*0*	*0*	***8,404***	*4,704*	*0*	*0*	***4,704***
Trade receivables factoring with recourse	*16,981*	*4,305*	*0*	***21,286***	*15,636*	*6,980*	*0*	***22,617***
Bills discounted not yet due	*0*	*0*	*0*	***0***	*17*	*0*	*0*	***17***
Pledged research tax credit and CICE tax credit	5,213	0	0	**5,213**	2,791	0	0	**2,791**
Inventory pledged	132	0	0	**132**	498	0	0	**498**
Other receivables pledged	114	0	0	**114**	153	0	0	**153**
Equipment pledged	2,146	22	0	**2,167**	2,592	40	0	**2,632**
Mortgages / pledges (land / buildings)	3,817	0	0	**3,817**	3,906	0	0	**3,906**
Total	**36,806**	**5,617**	**199**	**42,622**	**30,298**	**8,310**	**199**	**38,808**

(*) Carrying value of pledged securities

NOTE 21. Risk factors

ACTIA Group has conducted assessments of risks that could have a material adverse effect on its business, financial position and ability to meet its objectives.

The main risk factors to which ACTIA Group is exposed have been identified and are described in the 2012 Registration Document.

This section presents the relevant material risk factors identified as of the date of publication of the Half Yearly Report.

Excluding the risks presented in this section, the Group considers that there do not exist other material risks.

Note 21.1 Liquidity risks

After conducting a specific review of its liquidity risk, the Company considers that it is able to honor its future debt obligations. However, given the particularly challenging worldwide economic environment, ACTIA GROUP performs regular reviews to anticipate the risk of tightening conditions and be able to respond rapidly if necessary.

A detailed analysis of financial liabilities, cash, net debt and other financial liabilities including interest-bearing debt is presented in Note 10 "Financial liabilities".

The interim financial statements do not indicate any medium-term financing solicited for R&D expenditures or for the purpose of maintaining production facilities. A total budget of €12 million was submitted to partners and the Group has received acceptance for up to 75% of these facilities that are expected to be put into place between now and October 2013.

A detailed analysis of financial assets and liabilities is provided in Note 9 "Financial assets and liabilities" and presented in the following tables:

At June 30, 2013:

(€ thousands)	<6/30/2014	>7/1/2014 <6/30/2018	>7/1/2018	Total
Total financial liabilities	<116,250>	<25,994>	<2,519>	**<144,762>**
Total financial assets	100,051	4,815	1,362	**106,228**
Net position before hedging	**<16,198>**	**<21,179>**	**<1,156>**	**<38,534>**
Off-balance-sheet commitments	<320>			**<320>**
Net position after hedging	**<16,518>**	**<21,179>**	**<1,156>**	**<38,854>**

At December 31, 2012:

(€ thousands)	<12/31/2013	>1/1/2014 <12/31/2017	>1/1/2018	Total
Total financial liabilities	<108,164>	<30,640>	<2,753>	**<141,556>**
Total financial assets	92,554	3,929	1,255	**97,737**
Net position before hedging	**<15,610>**	**<26,711>**	**<1,497>**	**<43,819>**
Off-balance-sheet commitments	<632>			**<632>**
Net position after hedging	**<16,242>**	**<26,711>**	**<1,497>**	**<44,451>**

For ACTIA Group, an entity's risk of experiencing difficulties in meeting its financial obligations is linked to the level of amounts invoiced and receivables collection. In this respect, there are no difficulties to be reported.

ACTIA Group companies independently manage their future cash needs. The parent company only intervenes in the event of difficulties. The cash is mainly generated from the company's operating activities and sometimes from bank lines put in place locally. Major capital expenditure programs (buildings and manufacturing equipment) are most often financed via loans or finance leases obtained by the subsidiary. ACTIA Automotive S.A., as the head of the Automotive, Division, sometimes finances major capital expenditure programs for its subsidiaries.

Lastly, the Group benefits from cash surpluses at certain Automotive Division subsidiaries, and has thus established bilateral treasury management agreements. To date, ACTIA Automotive S.A. has signed master agreements for cash pooling with its subsidiaries ACTIA Systems Espana, I+Me ACTIA GmbH, ACTIA Italia LTA and ATON Système S.A. to optimize surplus cash flows within the Group.

In the 2013 first half, ACTIA Automotive S.A. had €770,000 million originating from its subsidiaries:

- I+Me ACTIA GmbH for €500,000;
- ATON Systèmes for €270,000.

At June 30, 2013, these amounts were still held by ACTIA Automotive S.A. and may be transferred back to the subsidiaries in the second half of the year.

It should be noted that the purpose of these cash pooling agreements is to make use of available cash within the Group to limit recourse to the parent company's short-term financing facilities and in this way reduce financial expenses. As such, they do not involve the transfer of bank loans to the subsidiaries.

Note 21.2 Market risks

- Interest rate risk

At June 30, 2013, the Company has conducted an analysis of its **interest rate risk**. Figures obtained from this analysis are provided below:

(€ thousands)	Financial assets* (a)		Financial liabilities* (b)		Net position before hedging (c) = (a) - (b)		Interest rate risk hedges (d)		Net position after hedging (e) = (c) + (d)	
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
< 1 year	100,051		54,463	61,786	45,588	<61,786>	43,500	<43,500>	**2,088**	**<18,286>**
1 to 2 years	1,612		3,594	6,923	<1,982>	<6,923>			**<1,982>**	**<6,923>**
2 to 3 years	2,317		3,705	4,966	<1,387>	<4,966>			**<1,387>**	**<4,966>**
3 to 4 years	886		2,613	2,470	<1,728>	<2,470>			**<1,728>**	**<2,470>**
4 to 5 years			1,071	656	<1,071>	<656>			**<1,071>**	**<656>**
> 5 years	1,362		2,214	300	<852>	<300>			**<852>**	**<300>**
Total	**106,228**	**0**	**67,661**	**77,101**	**38,568**	**<77,101>**	**43,500**	**<43,500>**	**<4,932>**	**<33,601>**

* Detailed information on financial assets and liabilities is provided in Note 9 to the consolidated financial statements.

At Group level, the control is carried out to ensure that its total interest rate risk with respect to bank borrowings is equally split between fixed rates and variable rates.

In most cases, bank borrowings are obtained at variable rates and the benchmark rate is the 3-month Euribor. The breakdown of financial liabilities between variable and fixed rate debt is set out in Note 10 herein on "Financial liabilities".

To better distribute the risk between fixed and variable rates, the Group had recourse to hedging. In this way, the variable portion of its bank borrowings was reduced to 38%. The characteristics of the interest rate swap obtained by ACTIA Automotive S.A. are described in Note 7.2 on "Financial instruments at fair value via income".

The sensitivity to a +/- 1% change in the benchmark has been calculated on a post-hedging basis. Detailed figures on the basis of this analysis are presented below:

(€ thousands)	6/30/2013	
	Impact on pretax earnings	Impact on shareholders' equity before tax
Impact of a 1% increase in interest rates	**<336>**	**<336>**
Impact of a 1% decrease in interest rates	**336**	**336**

❖ Exchange rate risk

Foreign currency-denominated commercial and financial transactions present a systematic exchange rate risk.

Since 1999, the Group has invoiced in euros all inter-company flows in countries with the highest currency risks and limited customer payment terms in countries with weakening currencies.

For transactions denominated in foreign currencies (for example USD-denominated purchases or sales by Euro zone companies), the companies involved independently manage their exchange rate risk, putting in place exchange rate hedges when necessary. At June 30, 2013, ACTIA Automotive and ACTIA Sodielec put in place exchange rate hedges, the terms of which are set out in Note 7.2 “Exchange rate risk hedging instruments”.

The Group has conducted an analysis of its interest foreign exchange risk for accounts receivable and payable. Figures obtained from this analysis are provided below:

(€ thousands)	Trade receivables (Gross amounts) (a)	Trade payables (b)	Off-balance-sheet commitments (c)	Net position before hedging (d)=(a)+(b)+(c)	Financial hedging instruments (e)	Net position after hedging (f)=(d)+(e)
EUR	70,729	<32,306>	318	38,741		38,741
USD	4,963	<5,417>		<454>	3,968	3,514
Other currencies	7,820	<5,450>	2	2,371	231	2,603
Total	**83,512**	**<43,173>**	**320**	**40,658**	**4,199**	**44,857**

Because the majority of transactions are in euros, the Group's exposure to foreign exchange risk is very limited. The analysis of the sensitivity to a 1 % increase or decrease in foreign exchange rates was performed on the USD, the second currency most used within the Group. The nine other currencies grouped together in the table under "Other currencies" do not present a material risk.

The sensitivity to a 1% increase or decrease in the EUR/USD exchange rate has been calculated on a post-hedging basis. Detailed figures on the basis of this analysis are presented below:

(€ thousands)		Impact on pretax earnings		Impact on shareholders' equity before tax	
		Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
Net position after hedging in USD		3,514	3,514	3,514	3,514
USD	0.76453	0.7721753	0.7568847	0.7721753	0.7568847
Estimated risk		**+ 27**	**-27**	**+ 27**	**-27**

NOTE 22. Subsequent events

ACTIA Group was informed of the business combination of LP2C and SCIPIA, belonging to the Pech and Calmels families, through a merger by absorption, dated July 23, 2013. This transaction did not result in any changes in holdings and voting rights and the crossing of disclosure threshold thereon.

4. STATUTORY AUDITORS' REPORT

(See this report in Section 4 of the original French version of the Half-Yearly Financial Report)