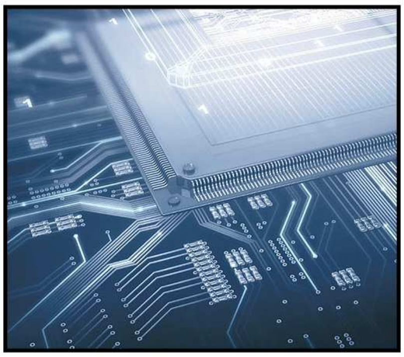

HALF-YEARLY FINANCIAL REPORT

June 30, 2015

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-month period ending June 30, 2015, 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, 2015 produced solely for the convenience of English speaking readers. As such, this report should consequently be read in conjunction with, and construed in accordance with French law and French generally accepted accounting principles. 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).

CONTENTS

1. DECLARATION BY THE PERSON RESPONSIBLE

To the best of my knowledge, the interim condensed consolidated financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the financial position and results of the company and its consolidated subsidiaries and the interim management report in section 2 herein includes 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 14, 2015

Jean-Louis Pech

Chairman of the Executive Board

2. INTERIM MANAGEMENT REPORT

2.1 Financial highlights

2.1.1 Revenue

The Group's consolidated sales rose to €183.0 million in the 2015 first half, up 11.7%.

In € millions	2015			2014			Change (%)		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
AUTOMOTIVE	78.0	88.2	**166.1**	68.3	75.6	**143.9**	14.2%	16.6%	**15.4%**
TELECOMMUNICATIONS	8.8	8.1	**16.9**	8.4	11.4	**19.9**	4.3%	<29.6>%	**<15.2>%**
TOTAL	**86.8**	**96.3**	**183.0**	**76.7**	**87.1**	**163.8**	**13.1%**	**10.5%**	**11.7%**

The Automotive division, representing 90.8% of Group revenue, maintained a sustained pace with 15.4% growth in sales in the first half.

This performance was bolstered by the continuing ramp up in production for telematic portals for trucks and above all high-end car models. Similarly, sales linked to electric cars also continued to show steady growth (+8.0%). Accordingly, revenue from automobile manufacturing segment accounted for 31.0% of consolidated revenue at June 30, 2015, up from 26.5% one year earlier and revenue relating from the truck segment 15.4%, up from 12.5%.

The **Telecommunications** division declined 15.2% in the 2015 first half, reflecting an unfavorable base effect from exceptional sales revenues in the 2014 first half from the military segment.

Over the six-month period, revenue from foreign subsidiaries grew 16.9% and represents 48.5% of total revenue. Accordingly, in the 2015 first half, sales with our international customers increased to 65.4% of total revenue compared to 61.7% at June 30, 2014: this percentage was impacted by lower sales from the Telecommunications division with the French customer base accounting for 90.1% of its sales at June 30, 2015 (vs. 80.8% at June 30, 2014).

2.1.2 Earnings

Consolidated results for the first half break down as follows:

GROUP CONSOLIDATED RESULTS (€ thousands)	H1 2015	H1 2014	H1 2013
Operating profit/(loss)	7,521	8,012	5,691
Net finance income (expense)	<2,236>	<495>	<460>
Net income/(loss) for the period	4,676	5,783	3,790
Attributable to the Group	4,243	5,412	3,778
Attributable to non-controlling interests	432	371	11

Results in the 2015 first half were significantly impacted by the effect of the adverse EUR/USD exchange rate trend on the Automotive division and lower sales from the Telecommunications division.

Specifically, the Telecommunications division in this period did not benefit from the exceptional sales revenues of 2014 that led to a record 8.6% operating margin starting in the 2014 first half and reflected its structure of fixed costs linked to very small runs, and therefore particularly sensitive to the level of billing volume. Despite this, the level of revenue for the 2015 first half, based on multi-year contracts remained satisfactory, and resulted in an operating margin of 3.0%.

The Automotive division's revenue grew 15.4% with a product mix evolving towards large production runs (telematic devices). As a result, the share from so-called "small production runs" (diagnostics, products for fleets) and sales for studies declined in proportion to total revenue. This shift directly impacted the division's income statement as the cost of purchases consumed rose €15.6 million and now represents 54.4% of consolidated revenue, up from 52.0% at June 30, 2014.

It is however important to note the impact of **EUR/USD** exchange rate trends on the cost of component purchases. For the French entity alone accounting for the major share of these purchases (approximately 60%), the euro's decline generated an additional cost of €1.8 million at constant exchange rates in relation to the average exchange rate for purchases of 1.3621 for just the 2014 first half. Indeed, the hedging strategy in place for several months has made it possible to apply an average exchange rate for purchases of the US dollar of 1.2169, outperforming financial markets. If the Group had purchased dollars at the average market rate (1.1157), costs for component purchases would have increased by €1.5 million. Exchange rate trends also impacted net financial income, with a provision of €1.1 million resulting from the valuation of hedging instruments at June 30 and a negative translation difference in relation to June 30, 2014 of €1.8 million.

Despite constant pressure from customers to lower sales prices, the Automotive division had current operating income of €7.7 million, up from €6.7 million at June 30, 2014. Increases in other income statement line items such as staff costs (+8.4%) with 159 additional employees in relation to June 30, 2014, or external charges (+9.1%) highlight efforts taken to improve the Group's profitability.

In relation to December 31, the rise in headcount was largely concentrated at our Tunisian sites, and included increases both for production (+67 employees) to support growth and for the engineering department (+55 employees) to support the Group's development projects and develop its own customer portfolio.

With the launch of R&D programs to support the 2014 commercial successes with telematic devices for trucks and special vehicles, and electric utility vehicles and public transit buses, R&D expenditures increased by €2.6 million and at June 30, 2015 represented 13.7% of consolidated revenue. The resulting impact on the income statement was €12.8 million, up €1.3 million (+10.9%), with the portion charged back to the customer declining from 39.6% to 34.1%.

Beyond changes in taxes linked to the activity, the impact of the application of the IFRIC 21 standard resulted in an additional expense of €275,000 recognized in the first half instead of the second.

Trends for interest expense remained stable, benefiting from a particularly favorable interest rate environment. The average rate for the period was 2.39% compared to 2.83% in the 2014 first half.

Net debt rose by €10.5 million in the first half as working capital requirements grew to <€10.6 million> in response to strong business growth. Pending the implementation of medium-term financing to support R&D and capital expenditures for equipment put into place in the third quarter of each year, the Group made use of its available cash flows, overdraft facilities and accounts receivable financing. Gearing as a result stood at 93.5% compared to 94.3% at June 30, 2014.

On that basis, EBITDA declined by 10.5% for the period under review, breaking down as follows:

EBITDA (€ thousands)	H1 2015	H1 2014	H1 2013
Net income / (loss)	4,676	5,783	3,790
Income tax	698	1,812	1,520
Interest expense and other financial charges	1,314	1,323	1,178
Depreciation and amortization	6,234	5,517	4,941
Goodwill impairment	0	0	0
TOTAL	**12,921**	**14,435**	**11,429**

2.2 BUSINESS OVERVIEW

2.2.1 Automotive Division

In line with the momentum of 2013 and 2014 from multi-annual contracts, the Automotive division contributed €166.1 million to Group revenue or growth of 15.4% from the 2014 first half.

International customers accounted for 71.1% of the division's sales at June 30, 2015, even if sales in France registered further growth of €1.1 million (+2.4%) in the period. Europe which accounts for 46.9% of the division's consolidated revenue, up 36.6%, followed this growth trend with increases of €8.4 million (+68.5%) from our Swedish customers, €5.8 million (+107.1%) from our British customers, €3.0 million (+31.7%) from our Belgian customers and €2.4 million (90.0%) from our Italian customers. A decline in sales was in contrast registered by the Group from German customers of €1.8 million (-10.9%) reflecting the completion of delivery of equipment in the diagnostics segment.

Sales in the Americas region declined 2.6%, with trends varying according to local economic conditions. Specifically, Group sales in the United States grew 8.9% (+€1.4 million). In contrast, sales declined in Mexico by 29.3% (-€1.0 million), despite renewed growth in our sector of activity after the adverse weather conditions of 2013, with the Mexican peso's full triggering a halt in local investments and, and in Brazil by 25.1% (-€0.8 million) in an environment of turbulent foreign exchange and economic conditions in which our customers attempt to hold their ground.

Revenue in Asia grew 11.8% (+1.2 million) driven in particular by gains with customers in Turkey (+€0.6 million) and Malaysia (+0.4%). Against the backdrop of increasingly difficult market conditions in the first half, our Chinese portfolio nevertheless succeeded in achieving growth of 3.5% (+€0.2 million).

Revenue trends by business for the half-year period do not accurately reflect projections for the full year, namely because of an amount invoiced for R&D services not spread over the accounting period.

Highlights for the 2015 first half for the division's four business segments break down as follows:

- Embedded systems

  Confirming the trend registered in 2014 and starting in the first half (+20.3%), the Embedded Systems Business Group had sales of €106.0 million (+33.3%) accounting for on this date 57.9% of Group revenue.

  This growth is the product of investments in the sector for telematic devices, as the pace was ramped up for deliveries to Premium make automotive manufacturers (+€15.8 million), while maintaining a sustained pace for truck manufacturers (+€3.4 million). However, to ensure that it does not lose its position in this market, the Group has maintained sustained pace of efforts in R&D.

  The bus and coach segment registered marginal growth despite the crisis in Central and South America that led our customers to halt their investments in the face of local uncertainties. In contrast, our Spanish subsidiary maintained the growth momentum registered at the end of 2014, both in its local and in international markets, offsetting virtually by itself, the decline in South American markets.

  We also noted a decline in the "off-highway" segment of nearly €1.6 million, and in particular in the agricultural segment, reflecting the reduced activity of our customers. New contracts awarded in 2014 should make it possible to absorb the impact of this trend beginning in the first half of 2016.

  Finally, in the electric vehicle sector, the pace of deliveries for the BlueCar grew by 8%. Developments concerning versions for electric buses and utility vehicles (partnership with Gruau for the development of Electron II) continued and should result in the delivery of the first parts at the end of 2015.

- Diagnostics

  This Business Group had revenue of €36.0 million at June 30, 2015,down by €0.8 million(-2.2%) from one year earlier. The performances underpinning this figure nevertheless varied according to the type of market, customer or region.

  In the manufacturing diagnostics sector, revenue was significantly impacted by the end of deliveries of the diagnostic tool (PC) for a European manufacturer (end of the portion of the contract for firm orders, limited deliveries in connection with options), whereas the sales for services are developing well with another manufacturer. Successful inroads by our Chinese subsidiary accordingly made it possible to double sales in its market, even if the Chinese manufacturers are maintaining the strategy of addressing diagnostic needs internally.

Garage equipment and testing devices registered good gains in relation to last year's first half (+21.0%) namely in the export market and in particular for products destined for South America. Despite this, at the end of the first half, this trend marked a slowdown, accompanied by at the same time, renewed sales for equipment in France driven by recent regulatory developments. Confirmation of this trend is expected in the second half with the organization of the biennial Equip'Auto trade show and with difficult economic conditions in Central and South America;

- Systems and Services for transportation fleets

  Sales for this segment declined 30.5% to €6.9 million, reflecting a high degree of sensitivity to market conditions in South America, with sharp drops registered by our Mexican and Brazilian subsidiaries. At the same time, activities in France also declined significantly with a delay in the placing of an order by a customer and a market pending changes in regulations.

  To boost the performance of this Business Group, the Group reorganized its operations by merging ACTIA Muller into its parent company ACTIA Automotive and will set up an Aftermarket business by year-end.

- Services

  This Business Group had sales of €17.3 million, down marginally (-€0.4 million) and remaining stable at nearly 10% of the Group's consolidated revenue. With the goal of maintaining a diversified customer portfolio for these plants in France and Tunisia, the Group continued to pursue commercial initiatives in a context of significant international competition and heightened customer concerns regarding the situation in Tunisia. Despite this, production output of our plants has never been as high as it was in the 2015 first half, after capital expenditures in 2014 made it possible to absorb very high growth. This will be accompanied by further organizational and investment efforts in 2015 to continue to support our growth.

Despite a slightly less favorable product mix and a significant impact from Euro/US Dollar exchange rate trends on our purchases (-€1.8 million in relation to the average exchange rate for H1 2014) and on the valuation of our hedging instruments(- €2.0 million), current operating income rose by €1.0 million (+14,5%) and the contribution to net income declined by €0.2 million (-5.16%). In a difficult environment, the Group was successful in maintaining its operating margin at 4.5% compared to 4.7% at June 30, 2014.

It should be noted that the division registered an important increase in inventories (+15.7%) directly linked to growth in business but also purchases of components in advance of the announcement of their discontinued production in 2015.

Since June 30, 2014, headcount has risen by 151 employees (6.0%), resulting in a rise in staff costs of €3.3 million (+8.4%). This trend is linked to both the recruitment of new employees and also salary increases, particularly in countries subject to a high risk in employee turnover (United States, China). With the exception of these two countries, the Group tries to apply a wage policy designed to preserve its international competitiveness.

2.2.2 Telecommunications Division

After a period of exceptional activity in 2014, driven notably by amounts invoiced for contract pricing revisions or additional services, the division had sales of €16.9 million in the 2015 first half, a decline reflecting the unfavorable comparison base. Despite this, revenue was well above amounts recorded in the first six months of 2013 (€14.6 million) or 2012 (€14.0 million); While not exceptional, this level of activity is satisfactory and is based on multi-year contracts, contributing to a more steady revenue stream from invoicing over the period.

Highlights for the 2015 first half for the division's four business segments break down as follows:

- Satcom

  With half-year billings of €9.5 million, sales for this operating division were down 13.6% even if the COMCEPT multi-year contract in partnership with Airbus Défence & Space remained on track over the period.

  The level of orders for short-term contracts with other customers in this segment is satisfactory though will not be enough to offset this shortfall and in consequence reach the level of billings achieved in 2014.

- Energy/Aeronautics-Defense (EAD)

  Revenue at June 30, 2015 was €3.8 million, down 5.2% from last year's first half. Bolstered by multi-year contracts in the energy sector, the operating division is expected to return to the same level by year-end.

- Broadcast/Railways-Transport (BRT)

  Sales for this business unit declined by €1.7 million, as the shift to the application of telecommunications technologies in the transport sector, and in particular the railway sector, is not yet reflected in sales, despite undisputed commercial advances.

  Revenue generated by the broadcast sector, which now addresses only the network maintenance market, is now limited.

- Infrastructure – Networks– Telecom (INT).

  Continuing investments by customers in mobile telephony, in particular for the deployment of the 4G network in France have fueled growth of 16.2% (+€0.4 million).

Due to the decline in sales, the division contributed only €500,000 to operating income compared to €1.7 million at June 30, 2014. However, effective cost controls with declines in staff costs of 1.8%, despite the 1.25% increase in salaries as of July 1, 2014 and the decline in external charges of 28.7% made it possible to achieve an operating margin of 3.0%.

2.3 OUTLOOK

Based on the level for 2015 first half sales and positive trends for order intake for the months ahead, the Group now expects annual growth in sales of 10%, exceeding its initial guidance of 8%.

In light of pressure from adverse euro/US dollar exchange rate trends on margins and a highly competitive international environment, ACTIA Group intends to consolidate its operating performance in line with the level achieved in 2014.

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, 2015.

3. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements as of June 30, 2015 were approved by the Executive Board on September 14, 2015.

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, 2014.

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 using 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 entering into force on January 1, 2015 and applied by the Group to prepare the consolidated financial statements for the six-month period ending June 30, 2015 are as follows:

	IASB application date	EU adoption date	EU application date
IFRIC 21 – Levies	1/1/2014	6/13/2014	6/17/2014
Annual improvements to IFRS / 2011-2013	7/1/2014	12/18/2014	1/1/2015

Pursuant to adoption of IFRIC 21, the Group reviewed on January 1, 2015, the date for recognizing taxes applied to entities belonging to the Group's consolidation scope group. IFRIC 21 stipulates that no tax or levy should be recognized before the occurrence of the obligating event as specified by tax regulations.

In particular, the Group determined that the tax liability linked to the French social security levy (*Contribution Sociale de Solidarité des Sociétés*) must be recognized for its full amount on January 1, 2015, the date of occurrence of the tax obligating event as described by the regulations. Previously, this liability was recognized by the Group over the course of the year of taxation. The Group applied on a retrospective basis this change in accounting method by recording under shareholders' equity net of tax an amount of €237,000.

The adoption of IFRIC 21 also led to an increase in tax expenses of €275,000 for the 2015 first half.

New standards, interpretations and amendments have been adopted by the European Union though applicable for periods commencing on or after January 1, 2015. These include:

	IASB application date	EU adoption date	EU application date
Amendments to IAS 19 – Employee contributions	7/1/2014	1/9/2015	2/1/2015
Annual improvements to IFRS / 2010-2012 cycle	7/1/2014	12/17/2014	2/1/2015
Amendments to IAS 1 - Disclosure initiative	1/1/2016	Q4 2015 ?	1/1/2016 ?

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.

3.1 Consolidated balance sheet

Consolidated assets (€ thousands)	Notes	6/30/2015	12/31/2014
Goodwill	Note 3	21,786	21,786
Development costs	Note 3	36,248	34,019
Other intangible assets	Note 3	540	623
Total intangible assets	**Note 3**	**58,574**	**56,428**
Land	Note 4	2,978	2,896
Buildings	Note 4	5,998	5,821
Plant and equipment	Note 4	8,929	8,402
Other property, plant and equipment	Note 4	4,646	4,462
Total property, plant and equipment	**Note 4**	**22,551**	**21,581**
Investments in associates (equity method)		814	751
Non-current financial assets	Note 9	743	732
Deferred tax	Note 8	7,902	7,534
Non-current tax credit	Note 9	10,403	8,701
TOTAL NON-CURRENT ASSETS		**100,987**	**95,727**
Inventory and work-in-process	Note 5	89,993	76,700
Accounts receivable	Note 6	111,256	97,069
Other current receivables from operations	Note 6	6,925	4,358
Current tax credit	Note 9	5,126	4,904
Miscellaneous current receivables	Note 9	2,030	828
Financial instruments	Note 7.2	88	419
Total current receivables		**215,418**	**184,278**
Marketable securities	Note 7.1	233	150
Cash at bank and in hand	Note 7.1	16,931	24,350
Total cash and cash equivalents	**Note 7.1**	**17,164**	**24,500**
TOTAL CURRENT ASSETS		**232,582**	**208,778**
TOTAL ASSETS		**333,569**	**304,505**

Shareholders' Equity & Liabilities (€ thousands)	**Notes**	**6/30/2015**	**12/31/2014**
Share capital	Note 11	15,075	15,075
Share premiums	Note 11	17,561	17,561
Reserves	Note 11	50,811	40,065
Retained earnings	Note 11	6,975	4,907
Cumulative translation differences	Note 11	955	<459>
Treasury shares	Note 11	<162>	<162>
Net income	Note 11	4,243	14,235
Shareholders' equity attributable to Group	**Note 11**	**95,459**	**91,221**
Net income attributable to non-controlling interests	Note 11	432	891
Reserves attributable to non-controlling interests	Note 11	3,467	2,906
Non-controlling interests	**Note 11**	**3,900**	**3,797**
CONSOLIDATED SHAREHOLDERS' EQUITY	**Note 11**	**99,358**	**95,018**
Bank borrowings	Note 10	29,014	32,923
Other financial liabilities	Note 10	1,835	2,499
Finance lease liabilities	Note 10	1,546	1,837
Total non-current financial liabilities	**Note 10**	**32,395**	**37,259**
Deferred tax liabilities	Note 8	2,787	2,556
Provisions for pensions and other non-current employee benefits	Note 13	7,326	7,467
TOTAL NON-CURRENT LIABILITIES		**42,507**	**47,282**
Other provisions	**Note 13**	**5,417**	**5,536**
Current financial liabilities	Note 10	77,669	69,669
Financial instruments	Note 7.2	1,095	678
Total current financial liabilities		**78,764**	**70,347**
Trade payables	Note 14	57,263	45,462
Other operating liabilities	Note 14	33,950	31,263
Tax payables (income tax)	Note 14	1,291	1,083
Miscellaneous liabilities	Note 14	3,478	690
Deferred income		11,540	7,824
TOTAL CURRENT LIABILITIES		**191,703**	**162,205**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**333,569**	**304,505**

3.2 Consolidated income statement

Consolidated income statement (€ thousands)	**Notes**	**H1 2015**	**H1 2014**	**FY 2014**
Revenue *(Sales)*	**Note 15**	**183,040**	**163,818**	**339,893**
- Purchases consumed	Note 15	<95,892>	<82,566>	<171,262>
- Staff costs	Note 15	<49,325>	<46,145>	<88,114>
- External charges	Note 15	<25,698>	<24,399>	<47,647>
- Taxes and duties other than on income		<3,098>	<2,500>	<5,431>
- Depreciation and amortization	Note 15	<6,234>	<5,517>	<12,784>
+/- Changes in inventories of work-in-process and finished goods		2,442	4,377	4,407
+/- Translation gains and losses on operating transactions		606	<714>	<671>
+ Research tax credit		1,766	1,551	3,091
Current operating income	**Note 15**	**7,609**	**7,905**	**21,482**
+ Other operating income		180	314	873
- Other operating expenses		<245>	<207>	<1,114>
+/- Gains (losses) on disposals of non-current assets		<22>		110
Operating profit/(loss)	**Note 15**	**7,521**	**8,012**	**21,351**
+ Income on cash and cash equivalents		48	11	25
- Interest expense and other financial charges	Note 15	<1,314>	<1,323>	<2,669>
+ Other financial income		486	1,185	1,806
- Other financial expenses		<1,456>	<368>	<797>
Net finance income (expense)	**Note 17**	**<2,236>**	**<495>**	**<1,635>**
- Goodwill impairment	Note 3			
+ Share in the earnings of equity-method associates		88	78	128
+ Income tax	Note 15	<698>	<1,812>	<4,719>
Income (loss) for the period	**Note 15**	**4,676**	**5,783**	**15,126**
* Attributable to the Group		4,243	5,412	14,235
* Non-controlling interests		432	371	891
Basic earnings per share (in €) – attributable to the Group	**Note 12.1**	**0.21**	**0.27**	**0.71**
Diluted earnings per share (in €) – attributable to the Group	**Note 12.2**	**0.21**	**0.27**	**0.71**

3.3 Statement of comprehensive income

Statement of comprehensive income (€ thousands)	**H1 2015**	**H1 2014**	**FY 2014**
Net income/(loss) for the period	**4,676**	**5,783**	**15,126**
Post-employment benefits- actuarial gains and losses	763	<436>	<1,297>
Deferred taxes on post-employment benefits- actuarial gains and losses	<254>	145	432
Cumulative translation differences	1,221	<286>	1,217
Income and expenses recognized directly in equity	**1,729**	**<576>**	**352**
Comprehensive income/ (loss) of the period	**6,405**	**5,207**	**15,478**
* Attributable to the Group	6,166	4,883	14,669
* Attributable to non-controlling interest	239	324	810

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 1/1/2014	**15,075**	**<162>**	**17,561**	**47,245**	**<1,757>**	**77,961**	**3,146**	**81,106**
Net income				5,412		5,412	371	5,783
Changes in translation differences					<229>	<229>	<42>	<271>
Actual gains and losses on post-employment benefits				<270>		<270>	<9>	<279>
Subtotal of income and expenses recognized in the period	**0**	**0**	**0**	**5,141**	**<229>**	**4,912**	**321**	**5,233**
Dividends paid				<1,560>		<1,560>	<130>	<1,690>
Change in share capital						0		0
Changes in scope						0		0
Other				<9>		<9>	<5>	<14>
At 6/30/2014	**15,075**	**<162>**	**17,561**	**50,816**	**<1,986>**	**81,303**	**3,331**	**84,634**
At 1/1/2015	**15,075**	**<162>**	**17,561**	**59,207**	**<459>**	**91,221**	**3,797**	**95,018**
Net income				4,243		4,243	432	4,676
Changes in translation differences					1,415	1,415	<194>	1,221
Actual gains and losses on post-employment benefits				508		508		508
Subtotal of income and expenses recognized in the period	**0**	**0**	**0**	**4,752**	**1,415**	**6,166**	**239**	**6,405**
Dividends paid				<2,163>		<2,163>	<139>	<2,302>
Change in share capital						0		0
Changes in scope						0		0
Other*				234		234	3	237
At 6/30/2015	**15,075**	**<162>**	**17,561**	**62,030**	**955**	**95,459**	**3,900**	**99,358**

* Impact of the first-time application of IFRIC 21 - See section on changes in IFRS

3.5 Consolidated statement of cash flows

Consolidated Statement of Cash Flows (€ thousands)	**Notes**	**H1 2015**	**H1 2014**
Net income/(loss) for the period	**Note 3.2**	**4,676**	**5,783**
Adjustments for:			
Depreciation, amortization and provisions	Note 3.2	6,981	5,603
(Gains) losses on disposal of non-current assets	Note 3.2	12	
Interest expense	Note 3.2	1,314	1,323
Current income tax (excluding research tax credit)	Note 3.2	1,235	1,663
Change in deferred taxes	Note 3.2	<537>	149
Research tax credit	Note 3.2	<1,766>	<1,551>
Other income and expenses	Note 3.2	<740>	<424>
Share in the earnings of equity-method associates	Note 3.2	<88>	<78>
Operating income before change in working capital requirements		***11,086***	***12,467***
Change in working capital requirements from operating activities		<10,604>	<2,815>
Cash generated by operating activities		482	9,652
Income tax paid (excluding research tax credit)		<1,026>	<1,111>
Research tax credit and CICE tax credit collected		190	1,985
Net cash generated by operating activities		**<354>**	**10,526**
Acquisitions of non-current assets	Note 3	<8,295>	<6,900>
Dividends received from associates		25	21
Proceeds from disposals of non-current assets	Note 3.2	55	3
Period acquisitions less cash acquired			
Net cash used by investing activities		**<8,216>**	**<6,877>**
Dividends paid to parent company shareholders			
Dividends paid to non-controlling interests in subsidiaries		<139>	<80>
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	4,468	3,406
Repayment of borrowings	Note 10	<9,133>	<10,216>
Interest payments	Note 17	<1,314>	<1,323>
Net cash generated (used) by financing activities		**<6,118>**	**<8,213>**
Impact of changes in exchange rates		<449>	<17>
Opening cash and cash equivalents	Note 7.1	<26,861>	<29,327>
Closing cash and cash equivalents	Note 7.1	<41,998>	<33,908>
Net cash and cash equivalents		**<15,137>**	**<4,580>**

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, 2014 (refer to the notes to the financial statements for the period ended December 31, 2014).

NOTE 2. Consolidated companies

There were no changes in the Group structure with respect to consolidation in the six-month period ending June 30, 2015.

NOTE 3. Intangible assets

In the 2015 first half, capitalized development costs amounted to €5.1 million, up from €3.4 million for last year's same period.

Acquisitions of intangible assets break down as follows:

(€ thousands)	6/30/2015	6/30/2014	6/30/2013
Development costs			
AUTOMOTIVE sector	3,994	2,854	2,779
TELECOMMUNICATIONS sector	1,081	558	521
Total	**5,074**	**3,412**	**3,301**
Other intangible assets			
AUTOMOTIVE sector	189	109	178
TELECOMMUNICATIONS sector	33	1	19
Other (incl. holding)	1	0	
Total	**223**	**110**	**197**

NOTE 4. Property, plant and equipment

In the 2015, first half acquisitions of property, plant and equipment totaled €2.8 million (€3.6 million in H1 2014) all purchased from third-party suppliers and break down as follows:

(€ thousands)	6/30/2015	6/30/2014	6/30/2013
Land			
AUTOMOTIVE sector	4		
TELECOMMUNICATIONS sector	-		-
Subtotal	**4**		
Buildings			
AUTOMOTIVE sector	176	38	23
Of which finance leases	*-*		
TELECOMMUNICATIONS sector	1		6
Other (incl. holding)			
Subtotal	**177**	**38**	**29**
Plant and equipment			
AUTOMOTIVE sector	1,679	2,706	732
Of which finance leases	*220*		*31*
TELECOMMUNICATIONS sector	30	60	43
Subtotal	**1,708**	**2,765**	**775**

(€ thousands)	6/30/2015	6/30/2014	6/30/2013
Other property, plant and equipment			
AUTOMOTIVE sector	872	774	274
Of which finance leases	*96*	*39*	*61*
TELECOMMUNICATIONS sector	46	10	16
Other (incl. holding)		0	
Subtotal	**918**	**784**	**290**
Total	**2,807**	**3,587**	**1,093**
Of which finance leases	*316*	*39*	*92*

NOTE 5. Inventory and work-in-progress

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

(€ thousands)	6/30/2015	12/31/2014	6/30/2014	12/31/2013
Raw materials	40,353	30,543	30,980	29,791
Work/services-in-process	18,718	16,236	18,447	14,723
Semi-finished and finished goods	19,554	18,998	16,898	16,051
Goods held for resale	11,368	10,922	15,027	13,052
Total	**89,993**	**76,700**	**81,351**	**73,618**

In the 2015 first half, inventories registered a net increase of €12.9 million (compared with €8.8 million in the 2014 first half). A breakdown of these **changes in the first half** is presented below:

(€ thousands)	Gross	Impairment	Net
At 12/31/2013	**83,389**	**<9,771>**	**73,618**
Change in the period	8,644		8,644
Net impairment		<1,013>	<1,013>
Changes in scope			0
Impact of changes in exchange rates	113	<12>	101
At 6/30/2014	**92,146**	**<10,796>**	**81,351**
Change in the period	<6,490>		<6,490>
Net impairment		1,340	1,340
Changes in scope			0
Impact of changes in exchange rates	555	<55>	500
At 12/31/2014	**86,211**	**<9,510>**	**76,700**
Change in the period	12,311		12,311
Net impairment		389	389
Changes in scope			0
Impact of changes in exchange rates	636	<44>	592
At 6/30/2015	**99,158**	**<9,165>**	**89,993**

Pledged inventories are set out in Note 20 “Encumbered assets”.

NOTE 6. Accounts receivable

The detail of **Trade and other current receivables** are presented below:

(€ thousands)	Net value at 12/31/2014	Change in the period	Net allowances / reversals	Changes in scope	Impact of changes in exchange rates	Net value at 6/30/2015
Accounts receivable	**97,069**	**12,857**	**95**		**1,235**	**111,256**
Advances and prepayments	**2,133**	<852>			22	**1,303**
Amounts receivable from payroll tax agencies	**478**	<131>			1	**348**
VAT receivable	**429**	3,438			0	**3,867**
Prepaid expenses	**1,317**	76			14	**1,407**
Other current receivables from operations	**4,358**	**2,530**			**37**	**6,925**
Tax receivables	**1,679**	<282>			17	**1,413**
Other tax and income tax receivables	**816**	608			4	**1,429**
Research tax credit	**2,409**	<126>				**2,283**
Current tax credit	**4,904**	**200**			**21**	**5,126**
Miscellaneous current receivables	**828**	**1,188**			**14**	**2,030**
Total	**107,159**	**16,776**	**95**		**1,307**	**125,336**

At June 30, 2015, 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 6/30/2015	86,112	12,323	3,631	2,519	9,520	**114,105**
Gross value at 12/31/2014	76,654	9,892	3,417	1,658	8,381	**100,002**

No **losses on bad debt** were recognized at June 30, 2015 and at December 31, 2014.

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)	6/30/2015	12/31/2014	Change
Marketable securities	233	150	83
Cash at bank and in hand	16,931	24,350	<7,418>
Cash and cash equivalents	**17,164**	**24,500**	**<7,336>**
<Current bank facilities>	**<59,162>**	**<51,361>**	**<7,801>**
Total	**<41,998>**	**<26,861>**	**<15,137>**

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 6/30/2015	Fair value at 12/31/2014	Impact on earnings
Marketable securities	233	150	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 June 30, 2015, the subsidiary ACTIA Automotive contracted interest rate swaps for which details are provided below:

(€ thousands)	Initial amount	Amount at 6/30/2015	Fixed rate	Inception date	Expiry date	Amortization
Swap 1	5,000	5,000	1.68%	9/30/2011	9/30/2015	On maturity
Swap 2	20,000	20,000	2.23%	2/13/2012	2/13/2016	On maturity
Swap 3	5,000	1,500	1.64%	10/3/2011	10/3/2016	Quarterly
Swap 4	5,000	0	0.50%	6/1/2016	6/1/2021	On maturity
Swap 5	5,000	0	0.34%	6/1/2016	6/1/2021	Quarterly
Total	**40,000**	**26,500**				

While these interest rate hedges are not associated with specific financing agreements they did cover Group debt for up to 26.5 million at June 30, 2015.

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

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

(€ thousands)	6/30/2015		12/31/2014	
	Fair value	Impact on earnings	Fair value	Impact on earnings
Financial instruments ASSETS <LIABILITIES>				
Swap	<337>	341	<678>	507
Total	**<337>**	**341**	**<678>**	**507**

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

❖ Exchange rate risk hedging instruments

On June 30, 2015, ACTIA Automotive and ACTIA Telecom 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 6/30/2015	Floor	Strike	Inception date	Expiry date
TARN EUR/USD	US$ 3,300,000	US$ 1,800,000	-	1.23 / 1.16	2/13/2015	12/16/2015
Tunnel EUR / USD	US$ 2,400,000	US$ 1,200,000	1.2600	1.3705	10/15/2014	12/17/2015
Forward currency purchases EUR / USD	US$ 100,000	$0	-	1.3200	2/23/2015	12/19/2015
Accumulator - EUR / USD	US$ 7,400,000	US$ 5,200,000	1.1200	1.1200	4/1/2015	12/29/2015
TARN EUR/USD	US$ 16,400,000	US$ 10,400,000	-	1.1450 / 1.1000	3/20/2015	12/30/2015
Accumulator - EUR / USD	US$ 5,000,000	US$ 3,900,000	1.1400	1.2500	4/21/2015	3/29/2016
Accumulator - EUR / USD	US$ 13,200,000	US$ 4,400,000	1.2330	1.4000	9/18/2013	5/13/2016
Accumulator - EUR / USD	US$ 3,750,000	US$ 2,550,000	1.1400	1.2610	1/8/2015	6/21/2016
Accumulator - EUR / USD	US$ 3,750,000	US$ 2,750,000	1.0975	1.2175	2/5/2015	7/19/2016
Accumulator - EUR / USD	US$ 16,200,000	US$ 13,000,000	1.0480	1.1700	2/13/2015	9/19/2016
Accumulator - EUR / USD	US$ 8,900,000	US$ 6,500,000	1.1420	1.2660	1/20/2015	9/28/2016
FBA Protected - EUR/USD	US$ 18,200,000	US$ 15,000,000	1.0480	1.1750	3/11/2015	11/30/2016
Accumulator - EUR / USD	US$ 19,000,000	US$ 15,800,000	1.0510	1.1860	3/11/2015	12/28/2016
Accumulator - EUR / USD	US$ 19,400,000	US$ 16,200,000	1.0480	1.1865	2/13/2015	1/16/2017
Accumulator - EUR / USD	US$ 24,000,000	US$ 20,000,000	1.0150	1.1705	3/16/2015	2/16/2017
Accumulator - EUR / USD	US$ 25,000,000	US$ 20,000,000	1.1233	1.2750	2/12/2015	2/16/2017
Accumulator - EUR / USD	US$ 5,700,000	US$ 5,700,000	1.0500	1.2110	4/28/2015	4/28/2017
Accumulator - EUR / USD	US$ 11,800,000	US$ 11,800,000	1.0500	1.2108	4/28/2015	4/28/2017
Accumulator - EUR / USD	US$ 8,550,000	US$ 8,550,000	1.0500	1.2100	4/28/2015	4/28/2017
Accumulator - EUR / JPY	¥ 96,000,000	¥ 48,000,000	124.0000	142.0000	9/12/2014	12/17/2015

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

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

(€ thousands)	6/30/2015		12/31/2014	
	Fair value	Impact on earnings	Fair value	Impact on earnings
Financial instruments ASSETS <LIABILITIES>				
EUR/USD hedge	<677>	<1,082>	406	941
EUR/JPY hedge	7	<6>	13	188
Total	**<670>**	**<1,089>**	**419**	**1,129**

NOTE 8. Deferred tax

(€ thousands)	6/30/2015	12/31/2014
Tax assets recognized in respect of:		
Temporary differences	4,091	3,723
o.w. provision for retirement severance payments	*1,383*	*1,630*
o.w income from inventory	*660*	*520*
o.w other adjustments	*2,047*	*1,573*
Tax-loss carryforwards	3,811	3,811
Total net tax assets	**7,902**	**7,534**
Tax liabilities recognized in respect of:		
Deferred tax liabilities	2,787	2,556
Total net tax liabilities	**2,787**	**2,556**
Total net deferred tax assets /(liabilities)	**5,115**	**4,978**

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 13:

- Level 1: "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)	6/30/2015				12/31/2014			
	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	814			**814**	751			**751**
Non-current financial assets	74		669	**743**	74		658	**732**
Non-current research tax credit			10,403	**10,403**			8,701	**8,701**
Current assets								
Accounts receivable			111,256	**111,256**			97,069	**97,069**
Current tax credit			5,126	**5,126**			4,904	**4,904**
Miscellaneous current receivables			2,030	**2,030**			828	**828**
Financial instruments		88		**88**		419		**419**
Marketable securities		233		**233**		150		**150**
Cash at bank and in hand			16,931	**16,931**			24,350	**24,350**
Total	**888**	**321**	**146,415**	**147,625**	**825**	**569**	**136,510**	**137,904**

(€ thousands)	Category 1 Market price	Category 2 With observable inputs	Category 3 With unobservable inputs
Financial instruments		88	
Marketable securities	233		
Total	**233**	**88**	**-**

Note 9.2 Total financial liabilities

(€ thousands)	6/30/2015			12/31/2014		
	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	29,014		**29,014**	32,923		**32,923**
Other financial liabilities	1,178	656	**1,835**	1,843	656	**2,499**
Finance lease liabilities	1,546		**1,546**	1,837		**1,837**
Current liabilities						
Current financial liabilities	77,273	395	**77,669**	69,273	395	**69,669**
Financial instruments		1,095	**1,095**		678	**678**
Trade payables	57,263		**57,263**	45,462		**45,462**
Tax payables (income tax)	1,291		**1,291**	1,083		**1,083**
Miscellaneous liabilities	3,478		**3,478**	690		**690**
Total	**171,044**	**2,147**	**173,191**	**153,111**	**1,730**	**154,841**

(€ thousands)	Category 1 Market price	Category 2 With observable inputs	Category 3 With unobservable inputs
Non-current liabilities			
Other financial liabilities	656		
Current liabilities			
Current financial liabilities	395		
Financial instruments		1,095	
Total	**1,052**	**1,095**	**-**

NOTE 10. Financial liabilities

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

(€ thousands)	6/30/2015				12/31/2014			
	<6/30/2016	>7/1/2016 <6/30/2020	>7/1/2020	Total	<12/31/2015	>1/1/2016 <12/31/2019	>1/1/2020	Total
Bank borrowings	15,851	27,426	1,588	**44,866**	16,226	31,372	1,550	**49,149**
Other financial liabilities	1,573	1,584	250	**3,407**	1,027	2,213	286	**3,526**
Finance lease liabilities (*)	1,083	1,546		**2,629**	1,055	1,837		**2,892**
Bank facilities and overdrafts	59,162			**59,162**	51,361			**51,361**
Total	**77,669**	**30,556**	**1,839**	**110,063**	**69,669**	**35,422**	**1,837**	**106,928**

* See Section "Property, plant and equipment"

In the 2015 first half changes in financial liabilities were as follows:

(€ thousands)	At 1/1/2015	Increases in borrowings	Repayments of loans and other changes	Cumulative translation differences	At 6/30/2015
Bank borrowings	**49,149**	4,151	<8,549>	114	**44,866**
Other financial liabilities	**3,526**		<157>	38	**3,407**
Finance lease liabilities	**2,892**	316	<579>		**2,629**
Bank facilities and overdrafts	**51,361**		7,578	222	**59,162**
Total	**106,928**	**4,468**	**<1,707>**	**374**	**110,063**

At June 30, 2015, the maturity of financial liabilities including non-accrued interest breaks down as follows:

(€ thousands)	< 6/30/2016		>7/1/2016 <6/30/2020		> 7/1/2020		Total		
	Face value	Interest	Face value	Interest	Face value	Interest	Face value	Interest	Face value + interest
Bank borrowings	15,851	807	27,426	963	1,588	9	**44,866**	**1,779**	**46,644**
Other financial liabilities	1,573		1,584		250		**3,407**	**0**	**3,407**
Finance lease liabilities	1,083	96	1,546	92			**2,629**	**188**	**2,817**
Bank facilities and overdrafts	59,162	889					**59,162**	**889**	**60,051**
Total	**77,669**	**1,792**	**30,556**	**1,055**	**1,839**	**9**	**110,063**	**2,856**	**112,919**

Financial liabilities by currency break down as follows:

(€ thousands)	EUR	USD	Other	Total
Bank borrowings	43,413	1,452		**44,866**
Other financial liabilities	2,356	300	751	**3,407**
Finance lease liabilities	2,629			**2,629**
Bank facilities and overdrafts	56,970	58	2,133	**59,162**
Total	**105,368**	**1,810**	**2,885**	**110,063**

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

(€ thousands)	6/30/2015	12/31/2014
Bank borrowings	44,866	49,149
Other financial liabilities	3,407	2,892
Finance lease liabilities	2,629	3,526
Bank facilities and overdrafts	59,162	51,361
Subtotal A	**110,063**	**106,928**
Other marketable securities	233	150
Cash at bank and in hand	16,931	24,350
Subtotal B	**17,164**	**24,500**
Total net debt = A - B	**92,899**	**82,428**
Total shareholders' equity	**99,358**	**95,018**
Gearing	**93.5%**	**86.7%**

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

(€ thousands)	6/30/2015			12/31/2014		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bank borrowings	13,096	31,770	**44,866**	13,380	35,769	**49,149**
Other financial liabilities	3,407	0	**3,407**	3,526	0	**3,526**
Finance lease liabilities	2,629	0	**2,629**	2,892	0	**2,892**
Bank facilities and overdrafts	2,959	56,202	**59,162**	3,522	47,839	**51,361**
Total	**22,091**	**87,972**	**110,063**	**23,319**	**83,608**	**106,928**
Breakdown by percentage	20.1%	79.9%	**100%**	21.8%	78.2%	**100%**

All covenants on the borrowings and bank credit lines must be verified annually at the end of each period. At June 30, 2015, they applied to 8.6% of borrowings.

At December 31, 2014, calculations for all covenants for the consolidated financial statements of the ACTIA Group or the Automotive division were in compliance.

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 2015 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	12/31/2014	share capital increase	6/30/2015
ACTIA Group shares - ISIN FR 0000076655	**20,099,941**	**None**	**20,099,941**

At June 30, 2015, the share capital was comprised of 8,988,211 shares with ordinary voting rights (including 22,099 own shares held in treasury) and 11,111,730 shares with double voting rights.

There are 12,188,394 registered shares and 7,911,547 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 2015 first half, changes in the Group's shareholders' equity stemmed mainly from:

- Net income of the period of €4,243,000;
- The dividend distribution voted by the General Meeting of the holding ACTIA Group SA. The dividend amount per share was €0.10. The shares will have an ex-dividend date of September 28, 2015 (before the stock market opening) for payment in cash on September 30.

NOTE 12. Earnings per share

Note 12.1 Basic earnings per share

Basic earnings per share at June 30, 2015 were calculated on the basis of income attributable to Group shareholders calculated as broken down below:

Euros	6/30/2015	12/31/2014
Consolidated net income (loss) attributable to Group *(in €)*	**4,243,238**	**14,235,475**
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	<3,328>	<3,328>
Weighted average number of shares	**20,096,613**	**20,096,613**
Basic earnings (loss) per share *(in €)*	**0.21**	**0.71**

Note 12.2 Diluted earnings per share

Diluted earnings per share at June 30, 2015 were calculated on the basis of net income attributable to the Group for the period or €4,243,238. This result was not subject to any adjustments. The weighted average number of potential ordinary shares that may be created for the period totaled 20,096,613.

These calculations break down as follows:

Euros	6/30/2015	12/31/2014
Diluted net income *(in €)*	**4,243,238**	**14,235,475**
Weighted average number of potential shares		
Weighted average number of ordinary shares	20,096,613	20,096,613
Impact of share subscription plans	0	0
Diluted weighted average number of shares	**20,096,613**	**20,096,613**
Diluted earnings per share *(in €)*	**0.21**	**0.71**

NOTE 13. Provisions

In the 2015 first half, provisions for pension and other non-current employee benefits declined by €141,000 to €7,326,000 at June 30, 2015. The actuarial gain recognized in Other Comprehensive Income represents a reversal of €763,000. Assumptions for the calculation at June 30, 2015 were as follows:

- A discount rate of 2.06% (1.49% at 12/31/2014);
- A salary escalation rate of 2.25% for French companies and 3% for Tunisian companies.
- Low or high turnover rates according to the companies and employee category (management or non-management).

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 <€120,000>.

NOTE 14. Other current liabilities

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

(€ thousands)	Net value at 12/31/2014	Change in the period	Changes in scope	Impact of changes in exchange rates	Net value at 6/30/2015
Accounts payable on goods and services	**45,462**	**11,434**		**367**	**57,263**
Advances and prepayments received	**7,637**	<788>		25	**6,873**
Amounts payable to payroll tax agencies	**17,036**	1,692		140	**18,869**
Tax payables (other than income tax)	**6,590**	1,526		92	**8,208**
Other operating liabilities	**31,263**	**2,430**		**257**	**33,950**
Tax payables (income tax)	**1,083**	**188**		**21**	**1,291**
Liabilities on non-current assets	**1**	5		0	**6**
Creditor curr. accs	**18**	2,657		<3>	**2,672**
Other miscellaneous liabilities	**672**	127		1	**800**
Miscellaneous liabilities	**690**	**2,789**		**<2>**	**3,478**
Total	**78,498**	**16,841**	**0**	**643**	**95,983**

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) products.

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

- “Other” that includes the holding company, ACTIA Group S.A., and the real estate investment company, SCI Les Coteaux de Pouvourville (accounted for under the equity method)

In the 2015 first half, key aggregates by operating segments broke down as follows:

(€ thousands)	6/30/2015			
	Automotive segment	Telecom segment	Other	Group consolidated financial data
Revenue				
(Sales)				
* Non-Group (external clients)	166,144	16,858	38	**183,040**
Purchases consumed	<90,401>	<5,210>	<281>	**<95,892>**
Staff costs	<42,213>	<6,716>	<396>	**<49,325>**
External charges	<22,511>	<1,780>	<1,407>	**<25,698>**
Allowances for amortization (A)	<5,442>	<791>	<1>	**<6,234>**
Current operating income	**7,673**	**407**	**<471>**	**7,609**
Operating profit/(loss)	**7,491**	**500**	**<470>**	**7,521**
Interest expense and other financial charges (B)	<1,190>	<41>	<82>	**<1,314>**
Goodwill impairment (C)	0	0	0	**0**
Tax (D)	<729>	102	<71>	**<698>**
NET INCOME / (LOSS) (E)	**4,356**	**621**	**<301>**	**4,676**
EBITDA (F) = (E)-(A)-(B)-(C)-(D)	**11,717**	**1,351**	**<147>**	**12,921**
SEGMENT ASSETS				
Non-current assets	82,787	17,627	573	**100,987**
Inventories	81,231	8,762	0	**89,993**
Accounts receivable	90,380	20,873	3	**111,256**
Other current receivables	12,682	1,214	272	**14,168**
Cash and cash equivalents	13,870	2,810	484	**17,164**
TOTAL SEGMENT ASSETS	**280,949**	**51,287**	**1,333**	**333,569**
CAPITAL EXPENDITURES				
Intangible assets	4,183	1,113	1	**5,297**
Property, plant and equipment	2,731	76	0	**2,807**
Financial assets	6	0	0	**6**
TOTAL CAPITAL EXPENDITURES	**6,919**	**1,190**	**1**	**8,110**
SEGMENT LIABILITIES				
Non-current liabilities	33,715	4,736	4,056	**42,507**
Current financial liabilities	66,970	3,941	6,758	**77,669**
Accounts payable	53,602	2,848	813	**57,263**
Other current liabilities	41,156	12,791	2,824	**56,772**
TOTAL SEGMENT LIABILITIES	**195,443**	**24,316**	**14,451**	**234,211**

In the 2014 first half, key aggregates by operating segments broke down as follows:

(€ thousands)	6/30/2014			
	Automotive segment	Telecom segment	Other	Group consolidated financial data
Revenue				
(Sales)				
* Non-Group (external clients)	143,913	19,875	30	**163,818**
Purchases consumed	<74,792>	<7,772>	<2>	**<82,566>**
Staff costs	<38,933>	<6,840>	<371>	**<46,145>**
External charges	<20,627>	<2,496>	<1,277>	**<24,399>**
Allowances for amortization (A)	<4,690>	<824>	<3>	**<5,517>**
Current operating income	**6,704**	**1,692**	**<491>**	**7,905**
Operating profit/(loss)	**6,790**	**1,713**	**<491>**	**8,012**
Interest expense and other financial charges (B)	<1,170>	<52>	<101>	**<1,323>**
Goodwill impairment (C)	0	0	0	**0**
Tax (D)	<1,697>	<63>	<52>	**<1,812>**
NET INCOME / (LOSS) (E)	**4,593**	**1,596**	**<406>**	**5,783**
EBITDA (F) = (E)-(A)-(B)-(C)-(D)	**12,151**	**2,536**	**<251>**	**14,435**
SEGMENT ASSETS				
Non-current assets	74,780	17,981	412	**93,172**
Inventories	70,198	11,152	0	**81,351**
Accounts receivable	74,638	15,251	5	**89,894**
Other current receivables	8,791	515	134	**9,440**
Cash and cash equivalents	11,003	2,736	27	**13,766**
TOTAL SEGMENT ASSETS	**239,411**	**47,634**	**579**	**287,624**
CAPITAL EXPENDITURES				
Intangible assets	2,948	559	0	**3,507**
Property, plant and equipment	3,517	70	0	**3,587**
Financial assets	<158>	<24>	<11>	**<194>**
TOTAL CAPITAL EXPENDITURES	**6,307**	**605**	**<11>**	**6,901**
SEGMENT LIABILITIES				
Non-current liabilities	31,301	4,261	3,389	**38,951**
Current financial liabilities	56,057	1,230	6,268	**63,555**
Accounts payable	43,448	3,642	1,197	**48,287**
Other current liabilities	37,800	12,193	2,204	**52,197**
TOTAL SEGMENT LIABILITIES	**168,606**	**21,326**	**13,058**	**202,989**

NOTE 16. Income tax

The breakdown for Group income tax aggregates is as follows:

(€ thousands)		6/30/2015	6/30/2014
Earnings (loss) of consolidated companies		4,588	5,705
Current tax <credit>		1,235	1,663
Deferred tax <credit>		<537>	149
o.w.	*Deferred tax arising from timing differences*	*<532>*	*176*
	Deferred tax on change in tax rate	*<5>*	*<27>*
Pretax earnings (loss) of consolidated companies		**5,286**	**7,517**

At June 30, 2015, there were no deferred taxes resulting from the derecognition of tax losses.

NOTE 17. Note on net financial income (expense)

Net financial expense breaks down as follows:

(€ thousands)	6/30/2015	6/30/2014
Income on cash and cash equivalents	48	11
Interest expense and other financial charges	<1,314>	<1,323>
o.w. Interest expense on financial liabilities	*<1,314>*	*<1,323>*
Other financial income	486	1,185
o.w. Interest income	*19*	*21*
Dividends received	*<2>*	*36*
Income from financial instruments	*454*	*1,120*
Other financial expenses	<1,456>	<368>
o.w. Expenses on financial instruments	*<1,455>*	*<368>*
Net finance income (expense)	**<2,236>**	**<495>**

NOTE 18. Related-party transactions

The breakdown of transactions in the 2015 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 June 14, 2013:

Recurring assignments concern:

- 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. As applicable, these periodic assignments must 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 2015	H1 2014
Net transaction amount (<expense>)	**<816>**	**<728>**
o.w. Invoicing agreement	*<860>*	*<760>*
Sundry services to the holding company	*44*	*32*
Net balance sheet amount (<liability>)	**<665>**	**<1,098>**
o.w. Current accounts	*0*	*0*
Accounts payable	*<665>*	*<1,098>*
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,
- 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 2015	H1 2014
Net transaction amount (<expense>)		**<66>**	**<66>**
o.w.	*Rental charges*	*<66>*	*<66>*
	Interest expense and other financial charges	*0*	*0*
Net balance sheet amount (<liability>)		**<20>**	**<24>**
o.w.	*Current accounts*	*0*	*0*
	Accounts payable	*<20>*	*<24>*
	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 2015	H1 2014
Net transaction amount (<expense>)		**<379>**	**<376>**
o.w.	*Rental charges*	*<382>*	*<380>*
	Chargebacks of misc. expenses	*3*	*4*
	Building security charges	*0*	*0*
Net balance sheet amount (<liability>)		**<21>**	**<0>**
o.w.	*Current accounts*	*0*	*0*
	Accounts payable	*<23>*	*<0>*
	Trade receivables	*3*	
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 or sale of goods and services;
- Leasing of premises;
- Transfer of research and development;
- Purchase or sale of capitalized assets;
- License agreements;
- Management fees;

- Current accounts;
- Loans;
- Guarantees…

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 2015	H2 2014	H1 2013
Remuneration of corporate officers		**356**	**271**	**171**
o.w.	*Fixed*	*351*	*268*	*168*
	Variable	*0*	*0*	*0*
	Non-recurring	*0*	*0*	*0*
	Benefits in kind	*5*	*3*	*3*
Other remuneration of non-executive corporate officers		**87**	**87**	**87**
Directors' fees		**0**	**0**	**0**
Total		**443**	**357**	**258**

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)	2015 first half	2014 first half
Amount of transaction (<expense>)	517	575
Balance sheet amount (<liability>)	520	283
Payment terms	Immediate	Immediate
Impairment of doubtful accounts	0	0

Key financial aggregates for GIE PERENEO are set out below:

(€ thousands)	2015 first half	2014 first half
Total assets	1,086	1,365
Liabilities	<1,070>	<1,357>
Sales	1,649	1,639
Net income / (loss) for the period	<28>	<9>

NOTE 19. Off-balance-sheet commitments

Off-balance-sheet commitments break down as follows:

(€ thousands)	6/30/2015	12/31/2014
Commitments received		
Bank guarantees	3,217	613
Total commitments received	**3,217**	**613**

The increase originates primarily (€2.5 million) from a bank guarantee obtained for a supplier in connection with a Last Buy Order (for the last order before discontinuing the manufacture of a component), expiring on December 31, 2015

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 through profit or loss”.

NOTE 20. Encumbered assets

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

(€ thousands)	6/30/2015				12/31/2014			
	Automotive Division	Telecom Division	Other subsidiaries	Total	Automotive Division	Telecom Division	Other subsidiaries	Total
Participating interests in consolidated companies (*)	199	1,290	0	**1,489**	199	1,290	0	**1,489**
Balance of debt guarantee	*488*	*0*	*0*	***488***	*632*	*0*	*0*	***632***
Trade receivables pledged	33,516	2,600	0	**36,117**	31,063	0	0	**31,063**
o.w. Dailly-type, guaranteed	*14,338*	*0*	*0*	***14,338***	*10,343*	*0*	*0*	***10,343***
Dailly-type, with recourse	*19,178*	*2,600*	*0*	***21,779***	*20,720*	*0*	*0*	***20,720***
Bills discounted not yet due	*0*	*0*	*0*	***0***	*0*	*0*	*0*	***0***
Pledges on CIR & CICE tax credits	7,989	0	0	**7,989**	7,352	0	0	**7,352**
Inventory pledged	6	0	0	**6**	9	0	0	**9**
Other receivables pledged	0	0	0	**0**	0	0	0	**0**
Equipment pledged	1,909	0	0	**1,909**	1,980	0	0	**1,980**
Mortgages / pledges (land / buildings)	4,860	0	0	**4,860**	5,334	0	0	**5,334**
Total	**48,478**	**3,890**	**0**	**52,368**	**45,937**	**1,290**	**0**	**47,226**

(*) 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 2014 Registration Document (Note 25).

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, ACTIA Group performs regular reviews to anticipate the risk of tightening conditions and remain capable of responding rapidly if required.

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 requested for R&D expenditures or for the purpose of maintaining production facilities and production facilities (new and replacements). A total budget of €20 million was submitted to partners and the Group has received acceptance for up to 150% of these latter facilities that are expected to be put into place between now and September 2015. The level of amounts authorized by our banking partners will enable the Group to optimize the allocation of medium and short term financing in its best interests.

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

At June 30, 2015:

(€ thousands)	< 6/30/2016	>7/1/2016 <6/30/2020	> 7/1/2020	Total
Total financial assets	135,664	10,403	1,558	**147,625**
Total financial liabilities	<140,797>	<30,556>	<1,839>	**<173,191>**
Net position before hedging	**<5,133>**	**<20,152>**	**<281>**	**<25,566>**
Off-balance-sheet commitments	<3,217>			**<3,217>**
Net position after hedging	**<8,349>**	**<20,152>**	**<281>**	**<28,783>**

At December 31, 2014:

(€ thousands)	< 12/31/2015	>1/1/2016 <12/31/2019	> 1/1/2020	Total
Total financial assets	127,720	8,701	1,483	**137,904**
Total financial liabilities	<117,582>	<35,422>	<1,837>	**<154,841>**
Net position before hedging	**10,138**	**<26,721>**	**<353>**	**<16,937>**
Off-balance-sheet commitments	<613>			**<613>**
Net position after hedging	**9,525**	**<26,721>**	**<353>**	**<17,549>**

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. Capital expenditure programs (buildings and manufacturing equipment, significant R&D projects) 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 (for example, a telematics equipment investment for ACTIA Nordic).

Lastly, the Group benefits from cash surpluses at certain subsidiaries, and has established treasury management agreements.

To date, ACTIA Automotive S.A. has signed master agreements for cash pooling with its subsidiaries ACTIA Systems (Spain), ACTIA I+Me (Germany), ACTIA Italia (Italy) and ACTIA PCs (France) to optimize surplus cash flows within the Group. In the 2015 first half, ACTIA Automotive S.A had €1,600,000 originating from its subsidiaries:

- ACTIA I+Me: €1,000,000
- ACTIA PCs: €600,000

Similarly, ACTIA Telecom executed a bilateral cash pooling agreement with its parent company ACTIA Group S.A. for €3 million, with €1.8 million used at June 30, 2015.

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, 2015, 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	135,664		72,595	68,202	63,069	<68,202>	26,500	<26,500>	**36,569**	**<41,702>**
1 to 2 years	2,317		4,583	9,237	<2,266>	<9,237>			**<2,266>**	**<9,237>**
2 to 3 years	3,239		3,259	5,964	<20>	<5,964>			**<20>**	**<5,964>**
3 to 4 years	3,292		2,270	3,697	1,022	<3,697>			**1,022**	**<3,697>**
4 to 5 years	1,555		673	872	882	<872>			**882**	**<872>**
> 5 years	1,558		1,839	0	<281>	0			**<281>**	**0**
Total	**147,625**	**0**	**85,219**	**87,972**	**62,406**	**<87,972>**	**26,500**	**<26,500>**	**35,906**	**<61,472>**

* 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 "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 59%. The characteristics of the interest rate swap obtained by ACTIA Automotive S.A. are described in Note 7.2 "Financial instruments at fair value via income ".

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

(€ thousands)	6/30/2015	
	Impact on pretax earnings	Impact on shareholders' equity before tax
Impact of a 1% increase in interest rates	**<615>**	**<615>**
Impact of a 1% decrease in interest rates	**615**	**615**

❖ Exchange rate risk

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

The Group invoices in euros all inter-company flows in countries with the highest currency risks and limits customer payment terms in countries with weakening currencies.

For transactions denominated in foreign currencies (for example USD or JPY 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, 2015, ACTIA Automotive and ACTIA Telecom put in place exchange rate hedges, the terms of which are set out in Note 7.2 “Exchange rate risk hedging instruments”.

It should be noted that the diversity of tools (multiple lines for different amounts and terms, use of tools with different characteristics (forward purchases, accumulators, etc.)) made it possible to be highly responsive at the beginning of the period when the euro had depreciated significantly, by repositioning certain tools. Accordingly, ACTIA Automotive, a French subsidiary, and the largest user of dollars purchases, was able to work with an average exchange rate of 1.2169, compared to an average exchange rate on the market of 1.1157. This enabled it to reduce the impact by nearly €1.5 million. At constant exchange rates or 1.3641, the Group would have achieved an improvement in operating profit by €1.8 million for the 2015 first half.

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	99,400	<41,564>	3,217	61,053		61,053
USD	6,767	<9,990>		<3,224>	8,355	5,131
Other currencies	7,939	<5,709>		2,230	177	2,407
Total	**114,105**	**<57,263>**	**3,217**	**60,059**	**8,532**	**68,591**

Because the majority of transactions are in euros, the Group's accounting 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 above 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		5,131	5,131	5,131	5,131
USD	0.89771	0.90669	0.88873	0.90669	0.88873
Estimated risk		**+ 46**	**-46**	**+ 46**	**-46**

NOTE 22. Events after the balance sheet date

In the 2015 first half, ACTIA Muller was merged into its parent company ACTIA Automotive, a merger confirmed by the Board of Directors and the general meeting of July 20, 2015 with the creation of an Aftermarket activity within the Group.

4. STATUTORY AUDITORS' REPORT

This is a free translation into English of the statutory auditors' report issued in the French language and is consequently provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France. As the English version of the interim financial statements has not been audited by the Statutory Auditors, only the original French version of the Statutory Auditors' report is legally binding.

ACTIA Group S.A.
Registered office: 5 rue Jorge Semprun - 31432 Toulouse
Share capital: €15,074,956

Statutory auditors' report on 2015 interim financial information

To the shareholders,

Pursuant to our appointment as statutory auditors by your general meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("*Code Monétaire et Financier*"), we hereby report to you on:

- The limited review of the accompanying condensed consolidated interim financial statements of Actia Group S.A. for the six-month period from January 1, 2015 to June 30, 2015;
- The verification of the information given in the interim management report.

These interim condensed consolidated financial statements were prepared under the responsibility of the Executive Board. Our responsibility is to express our conclusion on these financial statements based on our limited review.

I – Review of the financial statements

We have conducted our limited review in accordance with the professional standards applicable in France. A limited review consists mainly in meeting with the members of management in charge of the accounting and financial aspects and in implementing analytical procedures. The scope of such a review is substantially less than for an audit conducted in accordance with generally accepted audit standards in France. As such, it provides a moderate assurance that the financial statements as a whole are free of material misstatements and a lesser assurance than would result from an audit.

Based on our limited review, we have identified no material irregularities that would indicate that the condensed consolidated interim financial statements are inconsistent with IAS 34, the IFRS adopted in the European Union for interim financial reporting.

Without qualifying the above conclusion we call your attention as an emphasis of matter to the note "Changes in IFRS" of the interim condensed consolidated financial statements presenting the impacts of applying IFRIC interpretation 21 on the recognition of taxes as from January 1, 2015.

II – Specific verifications

We have also reviewed the information given in the interim report accompanying the interim condensed consolidated financial statements that were the subject of our limited review. We have nothing to report with respect to the fair presentation of such information and its consistency with the interim consolidated financial statements.

Labège, September 15, 2015 — Paris, September 15, 2015

KPMG Audit
A Division of KPMG S.A.

Eric Blache

[French original signed by:]

Philippe Saint-Pierre
Partner

Eric Blache
Partner