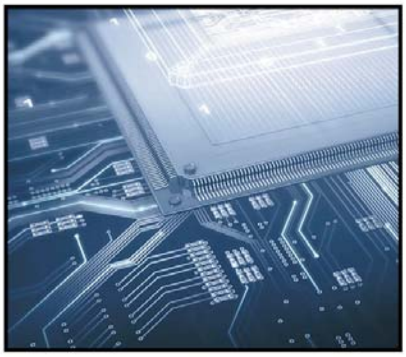

HALF-YEARLY FINANCIAL REPORT

30 June 2016

ACTIA Group

Limited Liability Company with an Executive Board and a Supervisory Board
with Share Capital of €15,074,955.75
Head Office: 5, Rue Jorge Semprun
31400 TOULOUSE
TOULOUSE Trade and Companies Register: 542 080 791

We present to you this half-yearly financial report covering the six month period ending 30 June 2016, drawn up in compliance with the provisions of Article L.451-1-2 III of the French Monetary and Financial Code and Articles 222-4 et seq. of the French Financial Markets Authority (AMF) General Regulation.

This report has been distributed in compliance with the provisions of Article 221-3 of the AMF General Regulation. It is also available on our company site - www.actia.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).

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1. STATEMENT OF THE PERSON RESPONSIBLE

"I hereby certify, to the best of my knowledge, that the condensed accounts for the past half year have been drawn up in compliance with the applicable accounting standards and give a true and fair view of the assets, financial health and results of all the companies included in the scope of consolidation and that the half-yearly management report in Chapter 2 "Half-yearly Management Report" gives a true and fair view of the important events that have occurred during the six months under review and of their effect on the half-yearly accounts, the principal related party transactions, as well as a description of the principal risks and areas of uncertainty for the remaining six months of the financial year".

19 September 2016

Jean-Louis Pech

Chairman of the Executive Board

2. HALF-YEARLY MANAGEMENT REPORT

2.1 Financial highlights

2.1.1 Revenue

The Group's consolidated accounts show revenue for the first half of 2016 of €221.8 million, an increase of 21.2%.

In € millions	2016			2015			% change		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
AUTOMOTIVE	94.3	105.8	**200.1**	78.0	88.2	**166.1**	21.0%	20.0%	20.5%
TELECOMMUNICATIONS	11.2	10.4	**21.6**	8.8	8.1	**16.9**	27.4%	28.8%	28.1%
TOTAL	**105.5**	**116.2**	**221.8**	**86.8**	**96.3**	**183.0**	**21.6%**	**20.7%**	**21.2%**

The **Automotive** business represents 90.2% of Group revenue with growth of 20.5% over the first half.

The figures are a reflection of the continued growth in the sales of telematic portals for lightweight premium vehicles and the positive trend for sales of electric powertrains for lightweight vehicles.

The **Telecommunications** business represents 9.8% of Group revenue and grew by 28.1% over the first half.

The areas showing the most progress were ground stations and the success of the offer for the deployment of 4G networks. This year, the latter will have made the strongest contribution in the first half.

The sales of the international subsidiaries reached €115.3 million (52.0% of Group revenue), an increase of 21.2%. Sales by the French entities generated revenue of €106.4 million (48.0% of Group revenue). During the first half 2016, the revenue achieved with our international customers represented 64.5% of the Group's business, a slight decrease compared to the first half 2015 (65.4%), due to the significant business generated in France in the field of technical inspection and ground stations (Satcom).

2.1.2 The results

The consolidated results are as follows:

CONSOLIDATED GROUP RESULTS in € thousands	H1 2016	H1 2015	H1 2014
Revenue	221,772	183,040	163,818
Operating Income	13,270	7,521	8,012
Financial Result	(1,132)	(2,236)	(495)
Income for the period	10,902	4,676	5,783
attributable to owners of the parent	10,602	4,243	5,412
non-controlling interests	300	432	371

Taking full advantage of the growth delivered by both business divisions, the Group enjoyed a substantial increase in Operating Income (+76.4%), while limiting any adverse financial impacts.

The Telecoms Division business showed significant growth (+28.1%), which enabled it to once again achieve the record level of operating margin, last seen in the first half 2014, of 9.0%. Note that this division, which manufactures very short production runs, has a fixed cost structure that benefits immensely from higher sales. With an increase in shipments of product in the field of Telecom Network Infrastructure (IRT), the percentage of materials and supplies grew to 44.5% of revenue, whereas it was just 30.9% in the first half 2015.

The Automotive Division saw revenues grow by 20.5% with a product mix that continued to evolve towards longer production runs (telematic units), with the proportion of “low production run” products (diagnostics, products for fleets) and the invoicing of “studies” representing a correspondingly lower share of the overall business. This had a direct impact on the division’s results, which saw the amount of materials and supplies consumed grow to €21.0 million, now representing 55.7% of consolidated revenue as opposed to 54.4% as at 30 June 2015.

The impact of the major changes in the EUR/USD exchange rate during the first half 2015 is reflected in the basis of comparison between the two periods. Indeed, thanks to its hedging strategy, the Group was able to buy its dollar purchases at an average rate of 1.1591 over the period, compared to 1.1987 during the first half 2015, thus continuing to benefit during the period from tools it put in place before the decline of the Euro. The Group was therefore able to outperform the open market, in which the average rate across the period was 1.1161.

Despite the pressure exerted by customers for ongoing decreases of selling prices, the Automotive Division achieved Operating Income of €11.7 million, compared to €7.7 million as at 30 June 2015. Changes to some of the other line items in the income statement, such as personnel related costs (+7.5%) with an additional 178 employees as compared to the period ending 30 June 2015, or external charges (+16.8%) due particularly to the use of subcontractors and consultants, bear witness to the efforts made to improve the Group’s profitability by controlling costs while simultaneously supporting growth.

In relation to 31 December, the fact that the increase in headcount was lower (+26 people) than in previous periods and was mainly limited to our Spanish and American sites, is a reflection of our determination to adapt our products and commercial focus, on the one hand to the challenges of the infotainment market, and on the other to the requirements of the American market.

With the continuation of the R&D programmes for telematic units for trucks, specialist vehicles and the aftermarket for electric utility vehicles and urban buses, as well as for the second generation of Podium dashboards, R&D expenditure rose by €4.6 million and, as at 30 June, represented 13.4% of consolidated revenue. The impact on the profit and loss account was €20.0 million, an increase of €7.1 million (+55.3%), with the re-invoiced portion declining across the period from 34.1% to 24.7%.

Interest payable was down, benefiting from an extremely favourable interest rate environment. The average rate of interest was 1.87% compared to 2.39% for the first half 2015.

The level of net debt rose very slightly compared to the situation at 30 June 2015 (+1.1%), but was down by €6.0 million in relation to 31 December 2015 (-6.0%). Despite increased levels of investment (€4.2 million) compared to the same period in the previous year (+50.2%), due in particular to the commissioning of new production equipment, growth in the business and working capital requirements made it possible to generate cash of €6.2 million, as opposed to a negative cash flow of €15.1 during the first half 2015. Medium term financing to support the R&D effort will be put in place as of Q3 2016, as it is every year.

Gearing therefore dropped to 80.5% compared to 93.5% as at 30 June 2015 and gearing excluding discounting of receivables to 53.5% as opposed to 56.7%.

EBITDA therefore increased by 62.7% as compared to the same period 2015 and breaks down as follows:

EBITDA in € thousands	H1 2016	H1 2015	H1 2014
Income for the period	10,902	4,676	5,783
Taxation	1,316	698	1,812
Interest and financial costs	1,110	1,314	1,323
Provisions for depreciation	7,701	6,234	5,517
Depreciation of goodwill	0	0	0
TOTAL	**21,028**	**12,921**	**14,435**

2.2 THE BUSINESS

2.2.1 Automotive Division

With the continuation of the positive trend from previous periods, thanks to multi-year contracts, the Automotive Division contributed €200.1 million to the Group's business, an increase of 20.5% compared to the first half 2015.

Sales to foreign customers accounted for 70.2% of the division's sales up to 30 June 2016, with France progressing by €12.1 million (+25.6%) over the period. Europe, which represented 50.7% of the division's consolidated revenue, rose by 30.6%, thus helping to drive growth with an improvement of €23.7 million.

The Americas region slipped slightly by -0.8% with mixed results depending on the local economic situation and market cycles. The Group was down by €2.1 million in North America (-10.1%), but this in no way predetermines the full year's sales. However, South America progressed by 7.3%, in spite of a slowdown in the Brazilian market (-16.6%), and thanks to shipments in Argentina and Peru.

The Asia region grew by 7.3% (+€0.8 million), mainly due to renewed growth in the Chinese market (+11.8%) where the business has stabilised following an unsettled 2015. The market, however, remains subject to fierce competition.

At the end of the first half, the various lines of business had not all fared as expected, due mainly to the re-invoicing of R&D not being in a straight line across the accounting period.

The highlights of the first half 2016 across the 3 lines of business within the division were as follows:

- Vehicle manufacturers or OEM

  In confirmation of the trend seen in 2015, the OEM business achieved sales of €145.6 million (+17.7%), representing 65.7% of the Group's business.

  This growth continues to be the result of investments in the field of telematic units, with an improvement in shipments to premium brand automobile manufacturers (+22.8 million) and a slight decline for the manufacturers of HGVs (-€1.6 million), due to a more difficult market in general and pending the start of production of units for new contracts (HGVs and agricultural vehicles). However, in order to protect its position in this market, the Group continues with a sustained R&D effort.

  The buses and coaches segment declined in line with the ongoing economic crisis in Central and South America that has led our customers to curtail their investments in view of local uncertainty.

  There was a slight improvement in the "off-highway" segment of nearly €0.9 million and particularly for agricultural vehicles, with business having not yet truly recovered for our customers. The contracts signed in 2014 should help to consolidate this positive trend in the second half 2016.

  Finally, in the area of electric vehicles, shipments of the BlueCar showed strong growth during the first half, which is not expected to continue into the second half with production now being more vulnerable to the speed of commercial deployment, as the main markets are now operational. Development concerning versions for electric buses and utility vehicles (partnership with Gruau for the development of the Electron II) continues and should make it possible to carry out pilot production runs in the second half 2016.

- Aftermarket

  Revenue at 30 June 2016 had reached €31.6 million, an increase of €8.7 million (+37.8%) over the same period 2015. However, progress is variable according to the types of market, customer and geographic area.

  In France, for example, the market for technical inspection has been driven by changes to the regulations involving gas emissions, thus requiring equipment to be updated, or even replaced, by 30 June 2016. Our sales have been multiplied by 3 compared to the first half 2015, thus confirming our position as one of the leaders in the French market, while also benefiting from the roll-out of our products in Latin America. This geographic region is expected to continue to perform well in the second half, whereas France will substantially decline following this period of intense activity.

When compared to the first half 2015, sales for workshop equipment and fleet management solutions were stable, even if, in the market for the latter, telematic box solutions have met with considerable interest and are beginning to enjoy their first commercial successes. These solutions are expected to go into production at the end of the 2016 financial year.

- Manufacturing – Design & Services

This line of business recorded sales of €23.0 million, an increase of €3.4 million, and so maintained its share of almost 10% of total Group consolidated revenue. By maintaining a diverse portfolio of customers for its factories in France and Tunisia, the Group was able to pursue its commercial activities against a background of fierce international competition and customers' concerns over the situation in Tunisia. Nevertheless, our factories have never produced more than during the first half 2016, with the investments made in 2014 and 2015 enabling them to absorb the very strong growth in demand experienced over the past few periods.

The product mix was slightly less favourable, but the impact of changes to the EUR / USD exchange rate on our purchases stabilised (-€0.9 million compared to the average exchange rate across the first half 2015). Unlike the situation at 30 June 2015, when the valuation of hedging instruments had given rise to a provision of €748 k, the valuation as at 30 June 2016 had no material effect on the income statement. Operating Income rose by €4.2 million (+56.1%), taking full advantage of the efforts made in terms of purchasing and the control of personnel related costs. The contribution to Net Income rose by €4.8 million. Given the favourable circumstances in the first half, the Group succeeded in increasing its operating margin to 5.8% from 4.5% as at 30 June 2015.

It should be noted that the division saw stocks increase by a modest 5.2% due to the deliberately early lower purchases of components when it was announced that they would no longer be required for production as of 2015 and despite the growth in the business, which in turn had a favourable impact on Working Capital Requirements.

Since 30 June 2015, headcount had increased by 178 people (+6.7%), leading to higher personnel related costs of +€3.2 million (+7.5%). This increase was due to both higher salaries and the recruitments made in the second half 2015, with the pace of recruitment then slowing down in the first half 2016, with the exception of Spain and the United States, where recruitment was respectively 12 and 11 people across the period.

2.2.2 Telecommunications Division

With a contribution to consolidated revenue of €21.6 million, the Telecommunications Division delivered its best ever first half thanks to its multi-year contracts and the invoicing of additional services. However, despite growth of 28.1%, this division still represents only 9.8% of the Group's business.

The first half 2016 highlights for the 4 lines of business in this division were as follows:

- Satcom

  With half-yearly billings of €12.4 million, the Satcom business progressed by 30.6%, with the solid base of the multi-year COMCEPT contract, a partnership with Airbus Defence & Space that continues to deliver, and provides occasional opportunities for the billing of additional services.

  Orders placed under the terms of short term contracts with the other customers of this line of business remained at a very satisfactory level.

- Energy / Aeronautics-Defence (EAD)

  Revenue as at 30 June amounted to €3.8 million, stable in relation to the first half 2015. This business is also able to rely on multi-year contracts in the area of energy.

- Broadcasting / Rail - Transport (BFT)

  This line of business recorded an improvement of €0.3 million (+34.5%), thanks to the move towards the application of telecommunications technologies in the field of transport, especially in terms of the rail business, which is only just beginning to have a positive impact on sales, despite clear progress in commercial terms.

  The broadcasting business, limited to the market for network maintenance, now represents only a very low level of activity.

- Infrastructure – Networks – Telecoms (IRT)

  Continued investments by mobile telephone customers in the deployment of the 4G network in France helped to drive sales by a further 46.5% (+€1.3 million).

Thanks to the overall level of growth, the contribution made by the division to Operating Income grew from €1.9 million, which compares to just €500 k as at 30 June 2015. With a cost base that consists mostly of fixed costs, changes to personnel related costs remained significant (+12.9%), but these now represented only 35.1% of revenue as opposed to 39.8% as at 30 June 2015. With recourse to external resources in order to maintain flexibility, external charges rose to 12.7% of revenue from 10.6% as at 30 June 2015. The operating margin improved to 9.0% from 3.0% in the same period 2015.

2.3 OUTLOOK

Given the solid operational and financial performance, ACTIA Group has decided to raise its annual objectives. Revenue is now expected to grow by at least 10% and the Group is now aiming for a level of operating profit at least equal to that of 2015. Indeed, an expected slowdown in the Telecommunications business in the second half and a more stable trend for the Automotive business against a background in which a significant proportion of production will now be linked to the commercial performance of the end customers, when spread across the full year, will weigh on the level of profitability enjoyed in the first half.

2.4 PRINCIPAL RELATED PARTY TRANSACTIONS

The principal related party transactions are listed under NOTE 18 “Transactions with related parties” in the notes to the condensed consolidated accounts as at 30 June 2016.

3. CONDENSED CONSOLIDATED INTERIM STATEMENTS

The condensed consolidated financial statements as at 30 June 2016 were approved by the Board of Directors on 19 September 2016.

Entity presenting the financial statements

ACTIA Group is domiciled in France. The head office of the Company is located at 5, Rue Jorge Semprun – 31400 Toulouse. The consolidated financial statements of the Company cover the Company and its subsidiaries (the whole referred to as “the Group”). The Group’s principal area of business is high added value, on-board electronic systems for the vehicle and telecommunications markets.

Declaration of conformity

The consolidated interim financial statements have been prepared in compliance with the IFRS Standards as published by the IASB and adopted by the European Union: this compliance includes the definitions, the accounting and assessment treatments recommended by the IFRS, as well as all the information required by these standards. In compliance with the standard IAS 34, *Interim Financial Reporting,* they do not include all the information required for annual financial statements and should be read in conjunction with the Group’s financial statements for the financial year ending 31 December 2015.

Basis of preparation of the financial statements

The accounting treatments and the calculation methods have been applied in an identical fashion to all the period presented.

The consolidated accounts have been prepared on an historical cost basis, with the exception of certain categories of assets and liabilities, in compliance with the IFRS Standards.

The amounts included in these financial statements are expressed in thousands of Euros (€k).

Use of estimates and assumptions

The preparation of financial statements according to the IFRS Standards requires senior management to exercise judgement, make estimates and use assumptions that have an impact on the application of accounting treatments and the valuations of assets, liabilities, income and expenditure. The estimates and the underlying assumptions are made on the basis of past experience and other factors that are considered reasonable in view of the circumstances. They then serve as the basis for exercising the judgement necessary to determine the book values of certain assets and liabilities, which cannot be directly arrived at using other sources. Real values may differ from estimated values.

The estimates and underlying assumptions used are subject to continuous review. The impact of changes to accounting estimates are recognized in the period in which the change occurs if it affects only that period, or in the period in which the change occurs as well as subsequent periods if the latter are also affected by the change.

The principal balance sheet items concerned by these estimates are Deferred tax assets (see NOTE 8 “Deferred taxation”, Goodwill (see NOTE 3 “Intangible assets), Capitalised development costs (see NOTE 3 “Tangible fixed assets”) and Provisions (see NOTE 13 “Provisions”).

Changes to IFRS Standards

The new IAS/IFRS texts and interpretations that came into effect as of 1 January 2016 and have been applied by the Group when preparing its consolidated accounts as at 30 June 2016 are as follows:

	IASB Date of application	EU Date of adoption	EU Date of application
Amendments to IAS 1 – Disclosure initiative	01/01/2016	18/12/2015	01/01/2016
Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation	01/01/2016	02/12/2015	01/01/2016
Amendments to IAS 19 – Defined benefit plans: employee contributions	01/07/2014	09/01/2015	01/02/2015
Annual improvements 2010-2012	01/07/2014	17/12/2014	01/02/2015
Amendments to IFRS 11 – Accounting for acquisitions of interest in joint operations	01/01/2016	24/11/2015	01/01/2016
Annual improvements 2012-2014	01/01/2016	15/12/2015	01/01/2016
Amendments to IAS 27 – Equity method in separate financial statements	01/01/2016	18/12/2015	01/01/2016

The application of these new standards and interpretations had no material impact on the consolidated half-yearly accounts.

Other new standards, interpretations and amendments have been adopted by the European Union, but with a date of application for periods beginning post 1 January 2016. These are:

	IASB Date of application	EU Date of adoption	EU Date of application
Amendments to IAS 7 - Disclosure initiatives	01/01/2017	Q4 2016?	01/01/2017?
Amendments to IAS 12 – Recognition of deferred tax assets for unrealised losses	01/01/2017	Q4 2016?	01/01/2017?

The Group has chosen to not apply these standards, interpretations and amendments before the required date of application. They are not expected to have any material impact on the Group's consolidated accounts.

3.1 Consolidated balance sheet

Consolidated assets in € thousands	Notes	30/06/2016	31/12/2015
Goodwill	Note 3	21,668	21,668
Development costs	Note 3	36,151	36,875
Other intangible assets	Note 3	452	554
Total intangible assets	**Note 3**	**58,272**	**59,097**
Land	Note 4	2,827	2,961
Buildings	Note 4	5,784	6,087
Technical equipment	Note 4	13,346	10,504
Other tangible assets	Note 4	5,782	5,044
Total tangible fixed assets	**Note 4**	**27,740**	**24,597**
Equity method investments	Note 5	938	870
Non-current financial assets	Note 11	905	789
Deferred taxation	Note 10	9,881	8,407
Non-current tax credit	Note 11	9,257	10,239
TOTAL NON-CURRENT ASSETS		**106,992**	**103,998**
Stocks and work in progress	Note 7	94,961	90,728
Accounts receivable	Note 8	123,037	109,315
Other business related current receivables	Note 8	7,155	5,634
Current tax credit	Note 8	6,384	5,076
Other miscellaneous current receivables	Note 8	1,765	1,384
Current financial assets	Note 9.2	1,534	1,212
Total current receivables		**234,836**	**213,349**
Cash equivalents	Note 9.1	160	154
Cash	Note 9.1	24,440	20,884
Total cash and cash equivalents	**Note 9.1**	**24,601**	**21,039**
TOTAL CURRENT ASSETS		**259,437**	**234,388**
TOTAL ASSETS		**366,428**	**338,386**

Equity and consolidated liabilities in € thousands	Notes	30/06/2016	31/12/2015
Capital	Note 13	15,075	15,075
Premiums	Note 13	17,561	17,561
Reserves	Note 13	61,736	51,422
Retained earnings	Note 13	8,767	6,423
Translation reserve	Note 13	(1,063)	1,017
Treasury shares	Note 13	(162)	(162)
Income for the period	Note 13	10,602	15,290
Group common shareholders' equity	**Note 13**	**112,515**	**106,626**
Non-controlling interests	**Note 13**	**4,187**	**4,378**
EQUITY	**Note 13**	**116,702**	**111,004**
Borrowings from credit institutions	Note 12	40,191	42,195
Miscellaneous debt	Note 12	1,979	1,511
Lease financing obligations	Note 12	4,632	2,455
Total non-current debt	**Note 12**	**46,802**	**46,161**
Deferred tax liabilities	Note 10	2,864	2,839
Provisions for pensions and other long term benefits	Note 15	9,158	7,607
TOTAL NON-CURRENT LIABILITIES		**58,824**	**56,607**
Other provisions	**Note 15**	**6,149**	**5,431**
Short term debt	Note 12	71,763	74,865
Financial instruments	Note 9.2	531	251
Total current debt		**72,294**	**75,116**
Accounts payable	Note 16	59,660	50,403
Other operating liabilities	Note 16	36,153	30,186
Corporate taxes	Note 16	2,082	1,232
Other miscellaneous debt	Note 16	3,400	255
Deferred income		11,164	8,153
TOTAL CURRENT LIABILITIES		**190,903**	**170,776**
TOTAL EQUITY AND LIABILITIES		**366,428**	**338,386**

3.2 Consolidated income statement

Consolidated income statement in € thousands	Notes	H1 2016	H1 2015	FY 2015
Revenue from operations *(Turnover)*	**Note 17**	**221,772**	**183,040**	**381,208**
- Materials and supplies	Note 17	(121,317)	(95,892)	(203,875)
- Personnel costs	Note 17	(53,350)	(49,325)	(94,795)
- External charges	Note 17	(30,411)	(25,698)	(52,797)
- Taxes		(3,733)	(3,098)	(5,837)
- Provisions for depreciation	Note 17	(7,701)	(6,234)	(13,685)
+/- Changes in stocks of finished products and work in progress		4,317	2,442	4,674
+/- Exchange gains / losses on operating activities		1,182	606	1,719
+ Research tax credit		2,200	1,766	3,200
Current Operating Income	**Note 17**	**12,958**	**7,609**	**19,812**
+ Other operating income		225	180	348
- Other operating expenses		82	(245)	(254)
+/- Profit / loss on disposal of assets		4	(22)	(35)
- Depreciation of goodwill	Note 3			(118)
Operating Income	**Note 17**	**13,270**	**7,521**	**19,752**
+ Income from cash and cash equivalents		23	48	73
- Interest and financial costs	Note 17	(1,110)	(1,314)	(2,620)
+ Other financial income		382	486	1,381
- Other financial costs		(427)	(1,456)	(936)
Financial Result	**Note 20**	**(1,132)**	**(2,236)**	**(2,102)**
+ Group share of Net Income from equity method consolidated companies	Note 5	80	88	143
+ Taxation	Note 17	(1,316)	(698)	(1,633)
Income for the period	**Note 17**	**10,902**	**4,676**	**16,160**
* attributable to owners of the parent		10,602	4,243	15,290
* non-controlling interests		300	432	870
Basic and diluted earnings per share (in €) – Group share	**Note 14**	**0.53**	**0.21**	**0.76**

3.3 Statement of comprehensive income

Statement of comprehensive income in € thousands	H1 2016	H1 2015	FY 2015
Income for the period	**10,902**	**4,676**	**16,160**
Items that will not be reclassified to profit or loss			
Defined benefit pension plans – Actuarial differences	(1,035)	763	506
Deferred taxation on defined benefit pension plans – Actuarial differences	345	(254)	(169)
Items that may subsequently be reclassified to profit or loss			
Exchange translation differences	(2,234)	1,221	1,449
Other comprehensive income for the year, net of tax	**(2,923)**	**1,729**	**1,786**
Total comprehensive income for the period	**7,979**	**6,405**	**17,946**
* attributable to owners of the parent	7,832	6,166	17,104
* non-controlling interests	146	239	842

3.4 Statement of changes in equity

In € thousands	Capital	Treasury shares	Premiums	Consolidated Reserves, retained earnings, income	Translation reserve	Total attributable to the Group	Non-controlling interests	Total Shareholders' funds
As at 01/01/2015 restated*	**15,075**	**(162)**	**17,561**	**59,441**	**(459)**	**91,455**	**3,800**	**95,255**
Comprehensive income								
Income for the period				4,243		4,243	432	4,676
Other comprehensive income				508	1,415	1,923	(194)	1,729
Comprehensive income for the period	**0**	**0**	**0**	**4,752**	**1,415**	**6,166**	**239**	**6,405**
Transactions with shareholders								
Distributions to shareholders				(2,163)		(2,163)	(139)	(2,302)
Others				0		0	0	0
As at 30/06/2015	**15,075**	**(162)**	**17,561**	**62,030**	**955**	**95,459**	**3,900**	**99,358**
As at 01/01/2016	**15,075**	**(162)**	**17,561**	**73,135**	**1,017**	**106,626**	**4,378**	**111,004**
Comprehensive income								
Consolidated income				10,602		10,602	300	10,902
Other comprehensive income				(690)	(2,080)	(2,770)	(153)	(2,923)
Comprehensive income for the period	**0**	**0**	**0**	**9,913**	**(2,080)**	**7,832**	**146**	**7,979**
Transactions with shareholders								
Distributions to shareholders				(2,082)		(2,082)	(272)	(2,355)
Others				140		140	(66)	74
As at 30/06/2016	**15,075**	**(162)**	**17,561**	**81,105**	**(1,063)**	**112,515**	**4,187**	**116,702**

* Impact of the first application of IFRIC 21 - see Changes to IFRS Standards

3.5 Consolidated cash flow statement

Consolidated cash flow statement in € thousands	Notes	H1 2016	H1 2015
Income for the period	**7.1.3**	**10,902**	**4,676**
Adjustments for:			
Depreciation and provisions	7.1.3	8,754	6,981
Profit / loss from disposal of assets	7.1.3	(9)	12
Interest charges	7.1.3	1,110	1,314
Current tax charge (excl. Research tax credit)	7.1.3	2,374	1,235
Changes to deferred taxation	7.1.3	(1,058)	(537)
Research tax credit	7.1.3	(2,200)	(1,766)
Other income / expense	7.1.3	28	(740)
Share of the profit / loss of associates	7.1.3	(80)	(88)
Operating cash flow before changes to working capital requirements		***19,821***	***11,086***
Changes to working capital requirements related to the business	Note 25.5	320	(10,604)
Cash flow from operating activities		20,140	482
Income tax paid (excl. Research tax credit)		(1,524)	(1,026)
Receipt of Research tax credit		2,026	190
Net cash flow from operating activities		**20,643**	**(354)**
Capital purchases	Note 3	(12,461)	(8,295)
Dividends received from associates		12	25
Income from disposal of assets	7.1.3	18	55
Net cash flow from investing activities		**(12,430)**	**(8,216)**
Dividends paid to the owners of the parent company			
Dividends paid to non-controlling interests in consolidated companies		(272)	(139)
New borrowings	Note 12	11,276	4,468
Repayment of borrowings	Note 12	(11,124)	(9,133)
Interest paid	Note 20	(1,110)	(1,314)
Net cash flow from financing activities		**(1,229)**	**(6,118)**
Effect of exchange rate changes		(808)	(449)
Cash and cash equivalents – opening balance	Note 9.1	(31,444)	(26,861)
Cash and cash equivalents – closing balance	Note 9.1	(25,268)	(41,998)
Changes in cash and cash equivalents		**6,176**	**(15,137)**

3.6 Notes to the consolidated financial statements

NOTE 1. Accounting principles

The accounting principles applied by the Group to prepare its interim financial statements are identical to those applied as at 31 December 2015 for the annual accounts (see Notes for the financial year ending 31 December 2015).

NOTE 2. Consolidated companies

There are no changes to the scope of consolidation to report during the first half 2016.

NOTE 3. Intangible assets

During the first half 2016, capitalised development costs amounted to €4.4 million, compared to €5.1 million for the same period 2015.

Details of the purchases of intangible assets are given in the following table:

In € thousands	30/06/2016	30/06/2015	30/06/2014
Development costs			
AUTOMOTIVE Division	3,501	3,994	2,854
TELECOMMUNICATIONS Division	852	1,081	558
Total	**4,353**	**5,074**	**3,412**
Other intangible assets			
AUTOMOTIVE Division	128	189	109
TELECOMMUNICATIONS Division	45	33	1
Others (incl. Holding company)		1	0
Total	**173**	**223**	**110**

NOTE 4. Tangible fixed assets

During the first half 2016, purchases of fixed assets amounted to €6.5 million (€2.8 million in the same period 2015); all purchases were from external suppliers.

Details are given in the following table:

En k€	30/06/2016	30/06/2015	30/06/2014
Land			
AUTOMOTIVE Division	-	4	
TELECOMMUNICATIONS Division	-		-
Sub-total		**4**	
Buildings			
AUTOMOTIVE Division	49	176	38
Of which lease financing	-		
TELECOMMUNICATIONS Division	3	1	
Others (incl. Holding company)			
Sub-Total	**52**	**177**	**38**
Technical equipment			
AUTOMOTIVE Division	4,800	1,679	2,706
Of which lease financing	*3,398*	*220*	
TELECOMMUNICATIONS Division	106	30	60
Sub-total	**4,906**	**1,708**	**2,765**
Other tangible assets			
AUTOMOTIVE Division	1,498	872	774
Of which lease financing	*83*	*96*	*39*
TELECOMMUNICATIONS Division	38	46	10
Others (incl. Holding company)			0
Sub-total	**1,536**	**918**	**784**
Total	**6,493**	**2,807**	**3,587**
Of which lease financing	*3,481*	*316*	*39*

NOTE 5. Stocks and work in progress

The **net realizable value of** stocks is as follows:

In € thousands	30/06/2016	31/12/2015	30/06/2015	31/12/2014
Raw materials	39,835	39,201	40,353	30,543
Work in progress goods and services	21,790	17,795	18,718	16,236
Intermediate and finished products	22,563	22,938	19,554	18,998
Goods	10,774	10,795	11,368	10,922
Total	**94,961**	**90,728**	**89,993**	**76,700**

During the first half 2016, the overall level of stocks increased by €6.3 million (as opposed to +€12.9 million in the first half 2015). Details of these **half-yearly changes** are given in the following table:

In € thousands	Gross	Depreciation	Net
As at 31/12/2014	**86,211**	**(9,510)**	**76,700**
Change over the period	12,311		12,311
Net depreciation		389	389
Changes in scope			0
Effect of exchange rate changes	636	(44)	592
As at 30/06/2015	**99,158**	**(9,165)**	**89,993**
Changes over the period	791		791
Net depreciation		389	389
Changes in scope			0
Effect of exchange rate changes	(439)	(6)	(445)
As at 31/12/2015	**99,510**	**(8,782)**	**90,728**
Changes over the period	6,747		6,747
Net depreciation		(2,083)	(2,083)
Changes in scope			
Effect of exchange rate changes	(448)	18	(430)
As at 30/06/2016	**105,809**	**(10,847)**	**94,961**

Pledges of stocks are listed under Note 20 “Security given against assets”.

NOTE 6. Trade and other receivables

The details of **trade receivables and other current receivables** are given in the table, below:

In € thousands	Net amount as at 31/12/2015	Changes over the period	Depreciation / Reversal	Changes in scope	Effect of changes to exchange rates	Net amount as at 30/06/2016
Trade receivables	**109,315**	**15,160**	**(342)**		**(1,096)**	**123,037**
Pre-payments	**2,407**	(701)			(29)	**1,677**
Social security receivables	**690**	(224)			1	**468**
VAT claims	**1,011**	2,429			(3)	**3,437**
Accruals	**1,526**	68			(22)	**1,572**
Other business related current receivables	**5,634**	**1,572**			**(52)**	**7,155**
Tax receivables	**1,036**	46			(9)	**1,073**
Other tax receivables + Corporate taxes	**449**	114			1	**564**
Research tax credit	**3,591**	1,156				**4,747**
Current tax credit	**5,076**	**1,316**			**(8)**	**6,384**
Miscellaneous current receivables	**1,384**	**410**			**(28)**	**1,765**
Total	**121,410**	**18,457**	**(342)**		**(1,184)**	**138,341**

As at 30 June 2016, **the schedule for gross trade receivables not yet due / past due** (aged balance) is as follows:

In € thousands	Not yet due	Past due by 0 to 30 days	Past due by 31 to 60 days	Past due by 61 to 90 days	Past due by more than 91 days	Total trade receivables (gross)
Gross - as at 30/06/2016	100,643	7,530	5,492	3,260	8,654	**125,579**
Gross - as at 31/12/2015	90,478	8,701	3,199	2,402	6,750	**111,530**

No significant **uncollectible debt** was recognized as at 30 June 2016 or 30 June 2015.

NOTE 7. Cash, cash equivalents and financial instruments at fair value through profit and loss

Note 7.1 Cash and cash equivalents

The figures have changed as follows:

In € thousands	30/06/2016	31/12/2015	Change
Cash equivalents	160	154	6
Cash	24,440	20,884	3,556
Cash and cash equivalents	**24,601**	**21,039**	**3,562**
Short term bank borrowings	**(49,869)**	**(52,482)**	**2,613**
Total	**(25,268)**	**(31,444)**	**6,176**

Short term bank borrowings are included in “Short term debt” under Current Liabilities.

Marketable securities are recognized at their market value on the date of closing. The impact on the results over the period is as follows:

In € thousands	Fair value as at 30/06/2016	Fair value as at 31/12/2015	Impact
Marketable securities	160	154	0

The increase in the value shown in the table is linked to the acquisition of marketable securities over the period.

Note 7.2 Financial instruments at fair value through profit and loss

These include:

- Hedging instruments

As at 30 June 2016, the subsidiary ACTIA Automotive S.A. held interest rate swaps, the details of which are given in the table, below:

In € thousands	Initial amount	Amount as at 30/06/2016	Fixed rate	Start date	End date	Bullet redemption
SWAP 1	5,000	500	1.64%	03/10/2011	03/10/2016	quarterly
SWAP 2	5,000	5,000	0.50%	01/06/2016	01/06/2021	In fine
SWAP 3	5,000	5,000	0.34%	01/06/2016	01/06/2021	quarterly
SWAP 4	5,000	0	0.25%	01/09/2016	01/09/2021	quarterly
SWAP 5	5,000	0	0.45%	01/09/2016	01/09/2021	In fine
Total	**25,000**	**10,500**				

These interest rate hedges are not linked to specific finance contracts, but they cover the Group's debt to a level of €10.5 million as at 30 June 2016.

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

The impact of this treatment on the results is shown in the following table:

In € thousands	30/06/2016		31/12/2015	
	Fair value	Impact on results	Fair value	Impact on results
ASSET (LIABILITY) Financial instruments				
SWAP	(531)	(280)	(251)	427
Total	**(531)**	**(280)**	**(251)**	**427**

An analysis of ACTIA Group's exposure to interest rate risk is given under Note 21.2 "Market risks".

❖ Currency hedging instruments

As at 30 June 2016, ACTIA Automotive and ACTIA Telecom held currency hedging contracts. These hedges are listed in the following table:

In currency	Maximum initial amount	Maximum amount remaining to be acquired as at 30/06/2016	Minimum threshold	Strike	Start date	End date
EUR/USD Accumulator	$3,750,000	$150,000	1.0975	1.2175	05/02/2015	19/07/2016
EUR/USD Accumulator	$16,200,000	$2,600,000	1.0480	1.1700	13/02/2015	19/09/2016
EUR/USD Accumulator	$8,900,000	$0	1.1420	1.2660	20/01/2015	28/09/2016
EUR/USD forward purchases	$100,000	$100,000	-	1.1750	03/05/2016	02/12/2016
EUR/USD forward purchases	$100,000	$100,000	-	1.3200	23/02/2015	19/12/2016
EUR/USD Accumulator	$19,000,000	$5,200,000	1.0510	1.1860	11/03/2015	28/12/2016
EUR/USD Accumulator	$8,500,000	$5,250,000	1.0285	1.1620	07/12/2015	18/04/2017
EUR/USD Accumulator	$5,700,000	$4,300,000	1.0500	1.2110	28/04/2015	28/04/2017
EUR/USD Accumulator	$11,800,000	$8,800,000	1.0500	1.2108	28/04/2015	28/04/2017
EUR/USD Accumulator	$12,400,000	$10,200,000	1.0680	1.2050	15/04/2016	16/06/2017
EUR/USD Accumulator	$15,000,000	$12,000,000	1.0650	1.1945	26/04/2016	26/06/2017
EUR/USD Accumulator	$4,030,000	$3,224,000	1.0800	1.1760	06/04/2016	30/06/2017
EUR/USD Accumulator	$7,500,000	$7,500,000	1.1200	1.2740	24/08/2015	24/08/2017
EUR/USD Accumulator	$21,600,000	$19,800,000	1.0825	1.2230	03/05/2016	29/09/2017
EUR/USD Accumulator	$11,400,000	$10,200,000	1.0720	1.1963	06/05/2016	17/10/2017
EUR/USD Accumulator	$5,200,000	$5,200,000	1.0470	1.2170	10/03/2016	10/11/2017
EUR/USD Accumulator	$32,400,000	$29,600,000	1.0800	1.2005	17/05/2016	28/11/2017
EUR/USD range of options	$9,300,000	$9,300,000	1.0420	1.1975	28/01/2016	18/12/2017
EUR/JPY Accumulator	$120,000,000	$60,000,000	125.0000	138.1000	04/12/2015	16/12/2016
EUR/JPY Accumulator	¥120,000,000	¥90,000,000	120.0000	130.0000	26/04/2016	24/03/2017

ACTIA Group recognizes these foreign exchange hedging instruments at fair value through profit and loss.

The impact of this accounting treatment on the results is given in the following table:

In € thousands	30/06/2016		31/12/2015	
	Fair value	Impact on results	Fair value	Impact on results
ASSET (LIABILITY) Financial instruments				
EUR / USD Hedge	1,531	325	1,205	800
EUR / JPY Hedge	4	(3)	6	(7)
Total	**1,534**	**322**	**1,212**	**793**

NOTE 8. Deferred taxation

In € thousands	30/06/2016	31/12/2015
Tax assets recognized under:		
Timing differences	4,570	3,096
Of which provision for pension benefits	*2,049*	*1,532*
Of which profits on stocks	*553*	*576*
Of which other adjustments	*1,968*	*988*
Losses carried forward	5,311	5,311
Net total tax assets	**9,881**	**8,407**
Tax liabilities recognized under:		
Deferred tax liabilities	2,864	2,839
Net total tax liabilities	**2,864**	**2,839**
Net total deferred tax assets and liabilities	**7,017**	**5,568**

NOTE 9. Financial assets and liabilities

Financial assets and liabilities are carried at amortized cost.

The Group distinguishes between three categories of financial instruments according to the consequences of their characteristics in terms of their valuation method, and uses this classification to present some of the types of information required by the standard IFRS 13:

- Level 1 category: “market value”; financial instruments listed in an active market,
- Level 2 category: “model with observable inputs”; financial instruments whose valuation is calculated using valuation techniques based on observable inputs,
- Level 3 category: “model with unobservable inputs”.

Note 9.1 Financial assets

In € thousands	30/06/2016				31/12/2015			
	Financial assets available for sale	Financial assets at fair value through profit and loss	Loans and receivables	Consolidated Group accounts(*)	Financial assets available for sale	Financial assets at fair value through profit and loss	Loans and receivables	Consolidated Group accounts(*)
Non-current assets								
Non-current financial assets	175		730	**905**	119		670	**789**
Non-current Research tax credit			9,257	**9,257**			10,239	**10,239**
Current assets								
Trade receivables			123,037	**123,037**			109,315	**109,315**
Current tax credit			6,384	**6,384**			5,076	**5,076**
Other miscellaneous receivables			1,765	**1,765**			1,384	**1,384**
Financial instruments		1,534		**1,534**		1,212		**1,212**
Cash equivalents		160		**160**		154		**154**
Cash			24,440	**24,440**			20,884	**20,884**
Total	**175**	**1,694**	**165,613**	**167,482**	**119**	**1,366**	**147,568**	**149,053**

(*) The fair value is identical to the value recognized in the consolidated accounts for all the financial assets.

In € thousands	Category 1 Market price	Category 2 With observable inputs	Category 3 With unobservable inputs
Financial instruments		1,534	
Cash equivalents	160		
Total	**160**	**1,534**	**-**

Note 9.2 Financial liabilities

In € thousands	30/06/2016			31/12/2015		
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit and loss	Consolidated Group accounts(*)	Financial liabilities at amortized cost	Financial liabilities at fair value through profit and loss	Consolidated Group accounts(*)
Non-current liabilities						
Borrowings from credit institutions	40,191		**40,191**	42,195		**42,195**
Miscellaneous debt	908	1,071	**1,979**	440	1,071	**1,511**
Debt - lease financing	4,632		**4,632**	2,455		**2,455**
Current liabilities						
Short term debt	71,081	682	**71,763**	74,183	682	**74,865**
Financial instruments		531	**531**		251	**251**
Accounts payable	59,660		**59,660**	50,403		**50,403**
Other miscellaneous liabilities	3,400		**3,400**	255		**255**
Total	**179,872**	**2,284**	**182,156**	**169,931**	**2,004**	**171,935**

(*) The fair value is close to the value recognized in the consolidated accounts for the financial liabilities.

In € thousands	Category 1 Market price	Category 2 With observable inputs	Category 3 With unobservable inputs
Non-current liabilities			
Miscellaneous debt	1,071		
Current liabilities			
Short term debt	682		
Financial instruments		531	
Total	**1,753**	**531**	**-**

NOTE 10. Financial debt

Financial debt by type and by maturity is breaks down as follows:

In € thousands	30/06/2016				31/12/2015			
	<30/06/17	>01/07/17 <30/06/21	>01/07/21	Total	<31/12/16	>01/01/17 <31/12/20	>01/01/21	Total
Borrowings from credit institutions	19,011	38,494	1,697	**59,202**	19,687	40,476	1,720	**61,883**
Miscellaneous debt	1,165	1,712	267	**3,144**	1,354	1,244	267	**2,864**
Debt – lease financing(*)	1,718	3,987	645	**6,350**	1,342	2,071	384	**3,797**
Short term bank borrowings and overdrafts	49,869			**49,869**	52,482			**52,482**
Total	**71,763**	**44,193**	**2,609**	**118,565**	**74,865**	**43,791**	**2,370**	**121,026**

(*) see paragraph "Tangible fixed assets"

During the first half 2016, financial debt changed as follows:

In € thousands	As at 01/01/16	New borrowings	Repayments of borrowings and other changes	Translation differences	As at 30/06/16
Borrowings from credit institutions	**61,883**	7,327	(9,977)	(31)	**59,202**
Miscellaneous debt	**2,864**	469	(168)	(21)	**3,144**
Debt - lease financing	**3,797**	3,481	(928)		**6,350**
Short term bank borrowings and overdrafts	**52,482**		(2,388)	(226)	**49,869**
Total	**121,026**	**11,276**	**(13,460)**	**(278)**	**118,565**

As at 30 June 2016, the schedule for financial debt including interest not yet accrued breaks down as follows:

In € thousands	<30/06/17		>01/07/17 <30/06/21		>01/07/21		Total		
	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal + Interest
Borrowings from credit institutions	19,011	872	38,494	1,076	1,697	11	**59,202**	**1,959**	**61,161**
Miscellaneous debt	1,165		1,712		267		**3,144**	**0**	**3,144**
Debt - lease financing	1,718	83	3,987	149	645	8	**6,350**	**240**	**6,591**
Short term bank borrowings and overdrafts	49,869	663					**49,869**	**663**	**50,532**
Total	**71,763**	**1,618**	**44,193**	**1,225**	**2,609**	**20**	**118,565**	**2,863**	**121,428**

Financial debt by currency breaks down as follows:

In € thousands	EUR	USD	Others	Total
Borrowings from credit institutions	57,722	1,464	16	**59,202**
Miscellaneous debt	1,763	360	1,022	**3,144**
Debt - lease financing	6,350			**6,350**
Short term bank borrowings and overdrafts	48,742	18	1,109	**49,869**
Total	**114,577**	**1,841**	**2,147**	**118,565**

The net debt / equity ratio is as follows:

In € thousands	30/06/2016	31/12/2015
Borrowings from credit institutions	59,202	61,883
Miscellaneous debt	3,144	2,864
Debt - lease financing	6,350	3,797
Short term bank borrowings and overdrafts	49,869	52,482
Sub-total A	**118,565**	**121,026**
Cash equivalents	160	154
Cash	24,440	20,884
Sub-total B	**24,601**	**21,039**
Total net debt = A - B	**93,964**	**99,988**
Total equity	**116,702**	**111,004**
Net debt / equity ratio	**80.5%**	**90.1%**

The net debt / equity ratio, adjusted for the impact of the financing of trade receivables, the Research (CIR) and Competitivity and Employment (CICE) tax credits is as follows:

In € thousands	30/06/2016	31/12/2015
Borrowings from credit institutions	59,202	61,883
Miscellaneous debt	3,144	2,864
Debt - lease financing	6,350	3,797
Short term bank borrowings and overdrafts	49,869	52,482
- Financing of trade receivables	*(23,841)*	*(26,205)*
- Pre-financing CIR	*(5,260)*	*(7,236)*
- Pre-financing CICE	*(2,400)*	*(1,737)*
Sub-total A	**87,064**	**85,848**
Cash equivalents	160	154
Cash	24,440	20,884
Sub-total B	**24,601**	**21,039**
Total net debt = A - B	**62,463**	**64,810**
Total equity	**116,702**	**111,004**
Net debt / equity ratio	**53.5%**	**58.4%**

The breakdown of fixed and variable rate debt is as follows:

In € thousands	30/06/2016			31/12/2015		
	Fixed	Variable	Total	Fixed	Variable	Total
Borrowings from credit institutions	30,364	28,839	**59,202**	26,948	34,934	**61,883**
Miscellaneous debt	3,144	0	**3,144**	2,864	0	**2,864**
Debt - lease financing	6,350	0	**6,350**	3,797	0	**3,797**
Short term bank borrowings and overdrafts	2,115	47,754	**49,869**	2,474	50,008	**52,482**
Total	**41,973**	**76,593**	**118,565**	**36,083**	**84,943**	**121,026**
As a percentage	35.4%	64.6%	**100.0%**	29.8%	70.2%	**100.0%**

All debt covenants and short term bank borrowings must be checked on an annual basis at year end. As at 30 June 2016, they apply to 13.56% of debt.

As at 31 December 2015, all non-current debts were within the financial ratios. As a consequence, there were no requests for waivers and no reclassifications.

Collateral given against borrowings and financial debt is listed under Note 20 “Security given against assets”.

In the case of the borrowing agreements entered into by the Group, certain banks include general clauses regarding the use of the assets or the taking out of new loans in the agreements.

NOTE 11. Equity

During the first half 2016, changes to the Group’s **Equity** related mainly to the income for the period.

Details of **changes to the number of shares** during the course of the period are as follows:

In units	31/12/2015	Increase in capital	30/06/2016
ACTIA Group shares - ISIN FR 0000076655	**20,099,941**	**N/A**	**20,099,941**

As at 30 June 2016, the Share Capital consisted of 8,975,262 single voting shares, 11,113,234 double voting shares and 11,445 treasury shares with no voting rights.

There are 12,188,361 registered shares and 7,911,580 bearer shares.

The Company ACTIA GROUP S.A. has no priority dividend shares and no preference shares.

The nominal value of a share is €0.75.

During the first half 2016, changes to the Group’s Equity related to:

- Income for the period of €10,602 k,
- The distribution of dividends decided on by the General Meeting of the Holding Company ACTIA Group S.A.. The amount of dividend payable per share is €0.10. The dividend will be paid on 30 September 2016 after ex-dividend trading on 28 September and suspended on 29 September.

NOTE 12. Earnings per share

Note 12.1 Basic earnings per share

The calculation of basic earnings per share as at 30 June 2016 was carried out on the basis of the income attributable to the Group (“owners of the parent”), the details of which are given in the following table:

In Euros	30/06/2016	31/12/2015
Consolidated income attributable to owners of the parent *(in €)*	**10,602,370**	**15,290,034**
Weighted average number of shares		
Shares issued as at 1 January	20,099,941	20,099,941
Own 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 per share *(in €)*	**0.528**	**0.761**

Note 12.2 Diluted earnings per share

The calculation of basic earnings per share as at 30 June 2016 was carried out on the basis of the income attributable to the shareholders or owners of the Group. No correction has been made to this income. The weighted average number of potential ordinary shares for the period was 20,096,613.

The detailed calculation is given in the following table:

In Euros	30/06/2016	31/12/2015
Diluted earnings *(in €)*	**10,602,370**	**15,290,034**
Weighted average number of potential shares		
Weighted average number of ordinary shares	20,096,613	20,096,613
Effect of stock option plans	0	0
Diluted weighted average number	**20,096,613**	**20,096,613**
Diluted earnings per share *(in €)*	**0.528**	**0.761**

NOTE 13. Provisions

During the first half 2016, provisions for pensions and other long term benefits increased by €1,551 k and stood at €9,158 k as at 30 June 2016. The actuarial difference in Other Comprehensive Income corresponds to a provision of €1,035 k. The assumptions used for the calculation as at 30 June 2016 were changed as follows:

- Discount rate of 1.05% (2.03% as at 31/12/15) for the French companies, 6.83% (6.60% as at 31/12/15) for the Tunisian companies,
- Salary inflation of 2.25% for the French companies and 3% for the Tunisian companies,
- Higher or lower revenue depending on the companies and the categories of employees (management and non-management).

These assumptions may also be adjusted using internal analyses of payroll.

The overall increase in the other provisions for risks and charges was €718 k.

NOTE 14. Other current liabilities

The details of **other current liabilities** are given in the following table:

In € thousands	Net amounts as at 31/12/2015	Changes during the period	Changes to scope	Effect of foreign exchange variances	Net amounts as at 30/06/2016
Suppliers of goods and services	**50,403**	**9,543**	**0**	**(287)**	**59,660**
Prepayments received	**5,704**	420		(16)	**6,108**
Social security liabilities	**17,874**	3,218		(155)	**20,936**
Tax liabilities	**6,608**	2,618		(116)	**9,109**
Other operating liabilities	**30,186**	**6,255**	**0**	**(288)**	**36,153**
Tax liabilities (Corporate taxes)	**1,232**	**880**		**(30)**	**2,082**
Fixed asset liabilities	**33**	(26)		(0)	**6**
Advances payable	**90**	2,278		(23)	**2,345**
Miscellaneous liabilities	**132**	921		(5)	**1,048**
Other miscellaneous liabilities	**255**	**3,173**	**0**	**(28)**	**3,400**
Total	**82,076**	**19,852**	**0**	**(632)**	**101,295**

NOTE 15. Operating segments

In accordance with the provisions of the standard IFRS 8, the information by operating segment is based on the approach taken by management, meaning the way in which management allocates resources depending on the performance of the different segments. Within ACTIA Group, the Chairman of the Board of Directors is the chief operating decision maker. The Group has two segments to present, which offer distinct products and services and are managed separately insofar as they require different technological and commercial strategies. The types of activities conducted by each of the two segments presented may be summarised as:

- The Automotive Division includes the activities: Original Equipment Manufacturer (OEM), Aftermarket and Manufacturing - Design & Services (MDS),

- The Telecommunications Division includes the activities: Satcom (SAT), Energy / Aeronautics – Defence (EAD), Broadcasting / Rail – Transport (BFT) and Infrastructure-Networks-Telecommunications (IRT).

In addition to these two operating segments there is also:

- A heading "Others" that includes the Holding Company ACTIA Group S.A. and the property management company *SCI Les Coteaux de Pouvourville* (accounted for using the equity method).

For the first half 2016, the key operating indicators by operating segment are as follows:

In € thousands	30/06/2016			
	Automotive	Telecom-munications	Others	Consolidated Group accounts
Revenue from ordinary activities				
(Turnover)				
* excl. Group (external customers)	200,139	21,591	42	**221,772**
Materials and supplies	(111,427)	(9,598)	(292)	**(121,317)**
Personnel costs	(45,364)	(7,581)	(404)	**(53,350)**
External charges	(26,302)	(2,748)	(1,361)	**(30,411)**
Provisions for depreciation (A)	(7,083)	(616)	(1)	**(7,701)**
Current Operating Income	**11,672**	**1,643**	**(358)**	**12,958**
Depreciation of goodwill (C)	0	0	0	**0**
Operating Income	**11,694**	**1,938**	**(361)**	**13,270**
Interest and financial costs (B)	(1,004)	(37)	(69)	**(1,110)**
Taxes (D)	(1,248)	19	(87)	**(1,316)**
NET INCOME (E)	**9,165**	**1,884**	**(147)**	**10,902**
EBITDA (F) = (E)-(A)-(B)-(C)-(D)	**18,501**	**2,517**	**11**	**21,028**
SEGMENT ASSETS				
Non-current assets	87,628	18,619	745	**106,992**
Stocks	85,460	9,501	0	**94,961**
Trade receivables	99,438	23,599	0	**123,037**
Other current receivables	14,825	1,924	88	**16,838**
Cash and cash equivalents	22,782	1,121	697	**24,601**
TOTAL SEGMENT ASSETS	**310,133**	**54,765**	**1,531**	**366,428**
INVESTMENTS				
Intangible	3,627	897	0	**4,524**
Tangible	6,431	147	0	**6,578**
Financial	86	0	100	**186**
TOTAL INVESTMENTS	**10,144**	**1,044**	**100**	**11,288**
SEGMENT LIABILITIES				
Non-current liabilities	49,911	5,357	3,555	**58,824**
Short term debt	60,891	4,563	6,309	**71,763**
Accounts payable	54,337	4,597	726	**59,660**
Other current liabilities	45,218	11,447	2,814	**59,480**
TOTAL SEGMENT LIABILITIES	**210,357**	**25,964**	**13,405**	**249,726**

For the first half 2015, the key indicators by operating segment were as follows:

In € thousands	30/06/2015			
	Automotive	Telecom-munications	Others	Consolidated Group accounts
Revenue from ordinary activities				
(Turnover)				
* excl. Group (external customers)	166,144	16,858	38	**183,040**
Materials and supplies	(90,401)	(5,210)	(281)	**(95,892)**
Personnel costs	(42,213)	(6,716)	(396)	**(49,325)**
External charges	(22,511)	(1,780)	(1,407)	**(25,698)**
Provisions for depreciation (A)	(5,442)	(791)	(1)	**(6,234)**
Current Operating Income	**7,673**	**407**	**(471)**	**7,609**
Depreciation of goodwill (C)	0	0	0	**0**
Operating Income	**7,491**	**500**	**(470)**	**7,521**
Interest and financial costs (B)	(1,190)	(41)	(82)	**(1,314)**
Taxes (D)	(729)	102	(71)	**(698)**
NET INCOME (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**
Stocks	81,231	8,762	0	**89,993**
Trade receivables	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**
INVESTMENTS				
Intangible	4,183	1,113	1	**5,297**
Tangible	2,731	76	0	**2,807**
Financial	6	0	0	**6**
TOTAL INVESTMENTS	**6,919**	**1,190**	**1**	**8,110**
SEGMENT LIABILITIES				
Non-current liabilities	33,715	4,736	4,056	**42,507**
Short term debt	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**

NOTE 16. Income taxes

The details Group income taxes are as follows:

In € thousands		30/06/2016	30/06/2015
Income from consolidated companies		10,822	4,588
Current taxation (credit)		2,374	1,235
Deferred taxation (credit)		(1,058)	(537)
Of which	*Deferred tax on temporary differences*	*(1,058)*	*(532)*
	Deferred tax on changes in tax rates	*0*	*(5)*
Income from consolidated companies before tax		**12,138**	**5,286**

As at 30 June 2016, there were no deferred taxes resulting from the deactivation of fiscal losses.

NOTE 17. Notes to the financial result

The financial result is shown in the following table:

In € thousands		30/06/2016	31/12/2015
Income from cash and equivalents		23	73
Interest and financial costs		(1,110)	(2,620)
Of which	*Interest on debt*	*(1,110)*	*(2,620)*
Other financial income		382	1,381
Of which	*Interest received*	*43*	*91*
	Dividends received	*1*	*12*
	Income from financial instruments	*316*	*1,237*
Other financial costs		(427)	(936)
Of which	*Costs on financial instruments*	*(427)*	*(632)*
Financial result		**(1,132)**	**(2,102)**

NOTE 18. Transactions with related parties

Details of the transactions carried out in the first half 2016 with parties related to ACTIA Group are discussed below.

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

The nature of the relationship with LP2C is set out in the agreement signed by the two companies on 14 June 2013:

Ongoing services concern the following areas:

- Broad Group policy and management,
- Management of the business,
- Communications,
- Accounting, legal and administrative assistance,
- Financial assistance.

Additional activities: LP2C may undertake, upon request by ACTIA Group and on its behalf, specific and clearly defined activities, which are limited in duration and do not enter into the normal framework of the services listed above. These specific additional activities are subject to separate agreements established according to the same terms and conditions as the agreement covering the ongoing services.

This agreement has been entered into for a fixed period of five years, from 1 January 2013 to 31 December 2017.

The figures concerning balance sheet items are as follows:

In € thousands		H1 2016	H1 2015
Net amount of the transaction ((expense))		**(829)**	**(816)**
Of which	*Ongoing services*	*(874)*	*(860)*
	Ad hoc services to the holding company	*45*	*44*
Net balance sheet entry ((liability))		**(628)**	**(665)**
Of which	*Current account*	*0*	*0*
	Supplier payables	*(628)*	*(665)*
	Trade receivables	*0*	*0*
Invoicing terms		Quarterly	Quarterly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

Note 18.2 With investments consolidated by the equity method

The relationship between *SCI Los Olivos, SCI Les Coteaux de Pouvourville* and the Group involve the management of land and property:

- *SCI Los Olivos* owns land and a building in Getafe (Spain) that are rented to ACTIA Systems,
- *SCI Les Coteaux de Pouvourville* has a leaseback agreement with the companies *CMCIC Lease* and *OSEO Financement* and sublets the land and buildings located in Toulouse (Department 31) to ACTIA Group and ACTIA Automotive pro rata to the surface area used.

The figures concerning *SCI Los Olivos* are as follows:

In € thousands		H1 2016	H1 2015
Net amount of the transaction ((expense))		**(60)**	**(66)**
Of which	*Invoicing of rent*	*(60)*	*(66)*
	Interest and financial costs	*0*	*0*
Net balance sheet entry ((liability))		**0**	**(20)**
Of which	*Current account*	*0*	*0*
	Supplier payables	*0*	*(20)*
	Trade receivables	*0*	*0*
Invoicing terms		Monthly	Monthly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

The figures concerning *SCI Les Coteaux de Pouvourville* are as follows:

In € thousands		H1 2016	H1 2015
Net amount of the transaction ((expense))		**(379)**	**(379)**
Of which	*Invoicing of rent*	*(382)*	*(382)*
	Re-invoicing of miscellaneous costs	*3*	*3*
	Invoicing of security services	*0*	*0*
Net balance sheet entry ((liability))		**0**	**(21)**
Of which	*Current account*	*0*	*0*
	Supplier payables	*0*	*(23)*
	Trade receivables	*0*	*3*
Invoicing terms		Quarterly	Quarterly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

Note 18.3 With subsidiaries

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

Transactions with the subsidiaries are eliminated in full in the consolidated accounts. They are of various kinds:

- buying or selling of goods and services,
- rental of premises,
- transfer of research and development,
- buying or selling of capital assets,
- licence agreements,
- management fees,
- current accounts,
- loans…

Note 18.4 With the members of management bodies

This is the remuneration paid to individuals who are corporate officers of the Company ACTIA Group S.A.:

- ACTIA Group: members of the Board of Directors and Supervisory Board,
- LP2C, controlling company: members of the Board of Directors and Supervisory Board,
- In the controlled companies, subsidiaries of ACTIA Group.

The details of the **remuneration paid** to corporate officers are as follows:

In € thousands		H1 2016	H1 2015
Remuneration of company executives		**183**	**121**
Of which	*Fixed*	*179*	*118*
	Variable	*0*	*0*
	Exceptional	*0*	*0*
	Benefits in kind	*4*	*2*
Other remuneration for non-executive directors		**78**	**87**
Attendance fees		**0**	**0**
Total		**261**	**208**

Note 18.5 With other related parties

- GIE PERENEO

The company ACTIA Automotive S.A. holds 50% of the GIE *PERENEO*. The purpose of this economic interest group is to respond to Maintenance in Operational Condition (MOC) and upkeep of electronic systems service offers.

The figures concerning transactions with the GIE *PERENEO* are as follows:

In € thousands	H1 2016	H1 2015
Amount of the transaction ((expense))	532	517
Balance sheet entry ((liability))	479	520
Payment terms	Cash	Cash
Provisions for bad debt	0	0

The **financial information** regarding GIE *PERENEO* is as follows:

In € thousands	H1 2016	H1 2015
Total Assets	1,359	1,086
Debt	(1,329)	(1,070)
Revenue	1,749	1,649
Income	(6)	(28)

NOTE 19. Off-balance sheet commitments

The off-balance sheet commitments are as follows:

In € thousands	30/06/2016	31/12/2015
Commitments received		
Bank guarantees	241	3,553
Total commitments received	**241**	**3,553**

The main reason for the decrease (€2.5 million) is a bank guarantee for a supplier (related to a Last Buy Order for a component that was to be discontinued), which ended on 31 December 2015.

The above information does not include:

- Lease financing balances that are covered under NOTE 10 "Financial debt",
- Lease financing commitments and operating leases,
- Interest on borrowings that are covered under NOTE 10 "Financial debt",

Foreign currency term sales commitments and interest rate swaps that are covered under Note 7.2 "Financial instruments at fair value through profit and loss".

NOTE 20. Security given against assets

Security given against assets corresponds to assets serving as security against debts recognized under liabilities. This is broken down as follows:

In € thousands	30/06/2016				31/12/2015			
	Automotive Division	Telecom-munications Division	Other subsid-iaries	Total	Automotive Division	Telecom-munications Division	Other subsid-iaries	Total
Equity interests in consolidated companies(*)	199	1,290	0	**1,489**	199	1,290	0	**1,489**
Secured debt	*186*	*0*	*0*	***186***	*339*	*0*	*0*	***339***
Assignment of trade receivables	29,931	3,026	0	**32,957**	34,540	0	0	**34,540**
Of which: Dailly – assignments with recourse	*5,718*	*0*	*0*	***5,718***	*15,096*	*0*	*0*	***15,096***
Dailly – assignments without recourse	*24,213*	*3,026*	*0*	***27,239***	*19,444*	*0*	*0*	***19,444***
Discounted notes not yet matured	*0*	*0*	*0*	***0***	*0*	*0*	*0*	***0***
Assignment of CIR & CICE	7,660	0	0	**7,660**	8,973	0	0	**8,973**
Assignment of stocks	18	0	0	**18**	9	0	0	**9**
Assignment of assets	0	0	0	**0**	0	0	0	**0**
Assignment of equipment	2,251	0	0	**2,251**	1,680	0	0	**1,680**
Mortgages/Security (land/buildings)	4,120	0	0	**4,120**	4,621	0	0	**4,621**
Total	**44,179**	**4,316**	**0**	**48,495**	**50,023**	**1,290**	**0**	**51,312**

(*)Book value of pledged securities

NOTE 21. Risk factors

ACTIA Group undertakes reviews of risks that may have a material adverse effect on its business, financial health, its results, and its ability to achieve its objectives.

The principal risks to which ACTIA Group is exposed have been identified and are described in the 2015 Registration Document (Note 25).

The relevant and material risk factors as identified on the date of publication of the half-yearly report are presented in this paragraph.

Apart from the risks presented in this paragraph, the Group considers that there are no other material risks.

Note 21.1 Liquidity risks

The Company has undertaken a specific review of its liquidity risk and considers that it is in a position to meet its future commitments. However, ACTIA Group undertakes such reviews on a regular basis in order to be prepared for any eventualities and to be able to provide a rapid response if necessary.

A detailed study of the financial debt, the cash position, net debt and debt including interest is provided under NOTE 10 “Financial debt”.

The half-yearly accounts do not allow for the presentation of the medium term financing required for investment in R&D, because this will be put in place during the second half 2016. Concerning production equipment, following major investment in 2014 and 2015 (some of which resulted in commissioning in 2016), this year’s investments will be limited and spread more evenly across the financial year. An overall medium term financing budget of €27 million has been presented to its banking partners and the Group has received approvals for up to 2.2 times the stated requirements. This approval obtained from our banking partners will enable the Group to allocate its medium and short term financing in a manner best suited to its interests.

A detailed study of financial assets and liabilities is provided under Note 9 “Financial assets and liabilities”, and is also set out in the following tables:

As at 30 June 2016:

In € thousands	<30/06/17	>01/07/17 <30/06/21	>01/07/21	Total
Total financial assets	157,321	9,257	905	**167,482**
Total financial liabilities	(135,354)	(44,193)	(2,609)	**(182,156)**
Net position before management	**21,967**	**(34,936)**	**(1,704)**	**(14,673)**
Off-balance sheet commitments	(241)			**(241)**
Net position after management	**21,726**	**(34,936)**	**(1,704)**	**(14,914)**

As at 31 December 2015:

In € thousands	<31/12/16	>01/01/17 <31/12/20	>01/01/21	Total
Total financial assets	138,025	10,239	789	**149,053**
Total financial liabilities	(125,774)	(43,791)	(2,370)	**(171,935)**
Net position before management	**12,251**	**(33,552)**	**(1,582)**	**(22,882)**
Off-balance sheet commitments	(3,553)			**(3,553)**
Net position after management	**8,698**	**(33,552)**	**(1,582)**	**(26,435)**

In ACTIA Group, the risk that an entity might experience difficulties in honouring its financial liabilities is related to its level of billings and debt collection, but there are no difficulties to report in this respect.

The companies in ACTIA Group manage their future cash requirements independently. The parent intervenes only in case of difficulties. Cash is generated principally by the business, and sometimes by local, short term bank borrowings. Major investments are decided on by senior Group management (buildings, production equipment and significant R&D projects) and partially financed by loans or leasing contracts taken on by the entity in question. ACTIA Automotive S.A., as the lead company in the Automotive Division, may be called upon to finance large investments on behalf of its subsidiaries (e.g. the investment in telematics with its subsidiary ACTIA Nordic).

Lastly, the Group, benefiting from the excess cash generated by certain subsidiaries, has set up bilateral cash management agreements.

To date, ACTIA Automotive S.A. has signed framework agreements with its subsidiaries ACTIA Systems (Spain), ACTIA I+Me (Germany), ACTIA Italia (Italy) and ACTIA PCs (France) in order to make the best possible use of the excess cash available within the Group. During the first half 2016, ACTIA Automotive S.A enjoyed access to €1,000 k from its subsidiaries:

- ACTIA I+Me: €1,000 k

Similarly, ACTIA Telecom has signed a bilateral cash management agreement with its parent ACTIA Group S.A. in the amount of €3.0 million, €2.0 million of which had been used as at 30 June 2016.

It should be noted that the purpose of these agreements is to make use of the cash available within the Group in order to limit use of the short term financing lines available to the parent, thereby reducing financial costs: it does not involve transferring bank borrowings to the subsidiaries.

Note 21.2 Market risks

❖ Interest rate risk

As at 30 June 2016, the Company examined its **interest rate risk** and the figures are as presented, below:

In € thousands	Financial assets* (a)		Financial liabilities* (b)		Net exposure before hedging (c) = (a) - (b)		Hedging instruments (d)		Net exposure after hedging (e) = (c) + (d)	
	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable
< 1 year	157,321		76,044	59,309	81,276	(59,309)	10,500	(10,500)	**70,776**	**(48,809)**
1 to 2 years	3,292		8,750	8,268	(5,457)	(8,268)			**(5,457)**	**(8,268)**
2 to 3 years	3,675		7,764	6,014	(4,089)	(6,014)			**(4,089)**	**(6,014)**
3 to 4 years	2,290		6,752	2,451	(4,462)	(2,451)			**(4,462)**	**(2,451)**
4 to 5 years			3,644	551	(3,644)	(551)			**(3,644)**	**(551)**
> 5 years	905		2,609		(1,704)	0			**(1,704)**	**0**
Total	**167,482**	**0**	**105,563**	**76,593**	**61,919**	**(76,593)**	**10,500**	**(10,500)**	**51,419**	**(66,093)**

* Details of Financial assets and liabilities are given under Note 11 in the notes to the consolidated accounts.

At Group level, checks are conducted to ensure that the overall interest rate risk remains equally shared between fixed and variable rates, as far as bank borrowings are concerned.

The majority of bank debt has been entered into at variable rates with the Euribor 3 month rate as the benchmark. As a floor of 0 has been put in place as imposed by the banks, and in view of low interest rates, the Group intends to favour fixed rate financing in 2016. The breakdown of fixed and variable rate financial debt is given under NOTE 10 “Financial debt”.

In order to achieve a balance between fixed and variable rates, the Group has put in place a hedging instrument designed to bring the share of variable rate bank borrowings to 60.6%. The characteristics of the rate swaps held by the Company ACTIA Automotive S.A. are described under Note 7.2 “Financial instruments at fair value through profit and loss”.

The sensitivity of a variance of +/- 1% of the benchmark rate has been calculated on a post-hedging basis. The figures resulting from this analysis are given below:

In € thousands	30/06/2016	
	Impact on income before tax	**Impact on equity before tax**
Impact of a variance of +1% of the interest rate	**(661)**	**(661)**
Impact of a variance of -1% of the interest rate	**661**	**661**

❖ Foreign exchange risk

Commercial and financial operations conducted in foreign currencies systematically involve a foreign exchange risk.

In countries where there are the most significant currency related risks, the Group invoices in Euros for all intra-group transactions and limits customer credit in countries with “soft” currencies.

For transactions conducted in foreign currencies (e.g. buying or selling in USD/JPY by companies in the Euro zone), the companies in question manage their foreign exchange risk independently and make use, as necessary, of foreign exchange hedges.

As at 30 June 2016, the companies ACTIA Automotive and ACTIA Telecom held foreign exchange hedging contracts the details of which are given under Note 7.2 “Financial instruments at fair value through profit and loss”.

It should be noted that the variety of instruments (multiple lines of different amounts and duration, use of instruments with different characteristics (forward purchases, accumulators…)) makes it possible to remain proactive. In this way, ACTIA Automotive, the French subsidiary most exposed to purchases in dollars, was able to achieve an average rate of 1.1625 - whereas the average rate in the financial markets was 1.1161 over the first half 2016 - thus reducing the impact by nearly €1.0 million. At constant average exchange rates for the whole Group, meaning 1.1987 for the first half 2015, the Group would have improved its Operating Income by €0.9 million over the first half 2016.

The Group has analysed the foreign exchange risk on trade receivables and payables after hedging and the resulting figures are presented in the table, below:

In € thousands	Trade receivables - gross (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	109,305	(41,557)	0	67,748		67,748
USD	5,144	(11,476)		(6,332)	8,259	1,927
Other currencies	11,130	(6,627)		4,503	288	4,791
Total	**125,579**	**(59,660)**	**0**	**65,919**	**8,546**	**74,466**

As the majority of transactions are conducted in Euros, the Group is not over sensitive to foreign exchange risk in accounting terms. The sensitivity analysis using a variance of +/- 1% in the exchange rate was carried out on the US dollar, the second most used currency by the Group, while the nine other currencies grouped together in the above table under “Other currencies” do not present any material risk.

The sensitivity to a variance of +/- 1% in the EUR/USD exchange rate was calculated on a post-hedging basis. The figures resulting from this analysis are as stated below:

In € thousands		Impact on income before tax		Impact on equity before tax	
		Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
Net position after USD hedging		1,927	1,927	1,927	1,927
USD	0.90074	0.90975	0.89173	0.90975	0.89173
Estimated risk		**+17**	**-17**	**+17**	**-17**

NOTE 22. Events after the reporting period

During the month of July 2016, ACTIA Group bought out the shareholdings of the non-Group minority interests in its subsidiary ACTIA Telecom, equivalent to 8.5% of the share capital, for a consideration of €2.5 million.

It also finalised the acquisition of a minority stake (20% of the share capital) in COOVIA, an internet start-up specialising in urban carpooling, for a current account contribution to be paid in instalments until end 2017, for a total investment of €1 million.

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.
Head office: 5, Rue Jorge Semprun - 31400 Toulouse
Share Capital: € 15,074,956
Statutory Auditors' Report for the interim financial statements 2016

Period from 1 January 2016 to 30 June 2016

Lady and Gentlemen shareholders,

Under the terms of the assignment entrusted to us by your General Meeting and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have carried out:

- a limited review of the condensed consolidated interim financial statements of the company ACTIA Group S.A. in respect of the period 1 January 2016 to 30 June 2016, as attached to this report,
- a verification of the information provided in the half-yearly management report.

These condensed consolidated interim financial statements have been compiled under the responsibility of the Board of Directors. Our role, on the basis of our limited review, is to express our opinion on these accounts.

I – Conclusion on the financial statements

We have carried out our limited review in accordance with the generally accepted professional standards in France. A limited review primarily involves discussions with the members of management in charge of accounting and financial matters and the application of analytical procedures. The scope of this review is less extensive than that required for an audit conducted in accordance with generally accepted professional standards in France. Consequently, the assurance that the accounts, taken as a whole, are free of material misstatements, obtained within the framework of a limited review, is only a moderate assurance, with less weight than that obtained within the framework of a full audit.

On the basis of our limited review, we have noted no material misstatements leading us to believe that the condensed consolidated interim financial statements do not comply with the requirements of standard IAS 34 – an IFRS accounting standard adopted by the European Union regarding interim financial information.

II – Specific verification

We have also carried out a verification of the information provided in the half-yearly management report commenting on the condensed consolidated interim financial statements, which we have examined as part of our limited review. We have no matters to report as to its fair presentation of and consistency with the condensed consolidated interim financial statements.

Labège, 20 septembre 2016	Paris, 20 septembre 2016
KPMG Audit *Department of KPMG S.A.*	Eric Blache
Philippe Saint-Pierre *Associate*	Eric Blache