

**SOGECLAIR**

**S.A. WITH CAPITAL OF €2,900,000**

**HEADQUARTERS: 7 avenue Albert Durand - CS 20069 - 31703 BLAGNAC Cedex**

**R.C.S. : 335 218 269**

Half-Yearly Financial Report  
for the half year ending 30 June 2017  
(L 451-1-2 III of Monetary and Financial Law  
Article 222-4 *et seq.* of the General Regulations of the AMF (Financial Markets Authority))

Here we present the half-yearly financial report for the half year ending 30 June 2017 drawn up in accordance with the provisions of Articles L. 451-1-2 III of Monetary and Financial Law and 222-4 *et seq.* of the General Regulations of the AMF (Financial Markets Authority).

This report has been distributed in accordance with the provisions of Article 221-3 of the general regulations of the AMF. In particular, it is available on the company's website: [www.sogeclair.com](http://www.sogeclair.com).

**Content**

- I. Declaration of the person responsible
- II. Half-yearly management report
- III. Complete accounts for the past half year presented in consolidated form
- IV. Auditors' report

## **I. Declaration of the person responsible**

"I certify that, to my knowledge, the accounts for the last half have been established in accordance with the applicable accounting standards and give a true and faithful picture of the asset base, financial situation and results of the company and of all the companies included in the consolidation, and that the management report for the half-year on page 3 presents a true and faithful picture of the important events of the first six months of the financial year, of their impact on the accounts, the main transactions between the related companies as well as a description of the main risks and uncertainties for the remaining six months of the financial year."

29/09/2017

Philippe ROBARDEY  
President & Chief Executive Officer

## II. Half-yearly management report

### 1. Key figures for the half year (in € million)

The SOGECLAIR Board of Directors met on 8 September 2017, and examined the accounts for the first half 2017. The limited examination procedures relative to the half-yearly accounts were carried out and the limited examination report was submitted on 8 September 2017.

The company issued a half-yearly financial report as soon as possible after the end of the first half on 13 September 2017 by means of a press release.

This report has been distributed in accordance with the provisions of Article 221-3 of the general regulations of the AMF. In particular, it is available on the company's website: [www.sogeclair.com](http://www.sogeclair.com).

#### 1.1. Consolidated turnover

| <i>(in € million)</i> | H1 2017      | H1 2016 | Variation |
|-----------------------|--------------|---------|-----------|
| Group                 | <b>74.34</b> | 67.73   | +9.75%    |
| Aerospace             | <b>64.53</b> | 60.88   | +6.00%    |
| Vehicle               | <b>1.55</b>  | 0.73    | +111.49%  |
| Simulation            | <b>8.26</b>  | 6.12    | +34.96%   |
| International         | <b>39.62</b> | 35.89   | +10.38%   |

#### 1.2. Consolidated results

| <i>(in € million)</i> | H1 2017     | H1 2016 | Variation |
|-----------------------|-------------|---------|-----------|
| EBITDA <sup>1</sup>   | <b>4.77</b> | 3.85    | +24.03%   |
| as % of turnover      | <b>6.4%</b> | 5.7%    |           |
| Operating result      | <b>2.64</b> | 1.36    | +94,58%   |
| Net result            | <b>1.22</b> | 1.23    | -0,65%    |
| including group share | <b>1.02</b> | 1.16    |           |

#### 1.3. Financial structure

| <i>(in € million)</i> | H1 2017      | H1 2016 | 2016  |
|-----------------------|--------------|---------|-------|
| Equity capital        | <b>44.04</b> | 40.02   | 45.55 |
| Gearing <sup>2</sup>  | <b>24%</b>   | 37%     | 16%   |
| WCR                   | <b>30.36</b> | 29.99   | 27.92 |

<sup>1</sup> Operating result - Other operating income and expenses + amortisation expenses and operating provisions

<sup>2</sup> Net debts excluding qualified pre-payments / equity capital

## **2. General description of the financial situation and results of the issuing company and its subsidiaries during the first half**

The half-year was marked by:

- A 9.75% turnover increase, boosted by the product's activity, concerns all the divisions (Aerospace, Simulation, Vehicle),
- Geographic expansion with significant growth in turnover outside France (+10,38% vs June 2016),
- A net improvement of operational results: good economic performance with an EBITDA standing at 4.77M€ (+24%) and an EBIT of 2.64M€ (+95%),
- The net result of 1.22 M€ is stable with a tax expense of 0.49 M€ against an 0.19 M€ tax benefit during the 1st semester 2016.

Equity capital amounts to €44.04 million. Cash totals nearly €13.85 million with gearing (excluding qualified pre-payments) at 24%.

## **3. Explanation of the important operations and events in the first half and of their impact on the situation of the issuing company and its subsidiaries**

### **Aerospace Division (turnover €64.5 million – EBITDA €2.5 million)**

The activity progressed (+6%), sustained by the good performance of Canada and composite material activities (inspection access doors).

The EBITDA decreases slightly while the EBIT increases up to 0.57M€ so that's 100% increase.

### **Simulation Division (turnover €8.3 million – EBITDA €1.4 million)**

The activity progressed (+35%) driven by simulation activities for the development of autonomous vehicle and by defense. AVS company was created with RENAULT (press release dated from the 4<sup>th</sup> July 2017) to speed up the development of autonomous vehicle.

EBITDA progressed by 89% with respect to the first half 2016.

### **Vehicle Division (turnover €1.5 million – EBITDA €0.2 million)**

Recovery of the activity and profitability of the division thanks to take orders. The division progressed (+111%) with an acceleration on Q2 2017.

It displays an EBITDA at 13.8% of the turnover.

## **4. Description of the main risks**

The risks linked to SOGECLAIR's activity are detailed in the 2016 reference document, available on the SOGECLAIR website ([www.sogeclair.com](http://www.sogeclair.com)).

The customers invoiced during the first half cover all our sectors of activity, thus representing a sufficient degree of diversity both in terms of customer base and of the number of contracts.

Our cooperation programmes and partnerships are progressing satisfactorily and do not lead us to anticipate any risks for the group's business.

SOGECLAIR is engaged in "risk-sharing" contracts, in the framework of customer programmes:

- Airbus A380 since 2001,
- Airbus A350 since 2009,
- Bombardier CSeries since 2011.

To date, these are the only contracts involving SOGECLAIR in financing and commercial risks shared with its customers. The main quantified data regarding these programmes are given in paragraph 1.2.2 of the attached appendix to the consolidated accounts.

## **5. Perspectives**

SOGECLAIR is strengthened by its business and profit's growth, with a strong balance sheet and forecasts a new profitable organic growth year. Over time, leading strategic partnerships (PrintSky, AVS,...) will keep growth and value creation going for the Group.

### III. Accounts for the past half-year presented in consolidated form

#### 1. Consolidated accounts

##### 1. CONSOLIDATED FINANCIAL SITUATION

| <b>ASSETS</b><br>(in €k)                                  | <b>NOTES</b> | <b>H1 2017</b> | <b>H1 2016</b> | <b>2016</b>    |
|---|--------------|----------------|----------------|----------------|
| Goodwill  | 1.3.1 & 4.1  | 12,200         | 12,478         | 12,596         |
| Intangible assets   | 4.1          | 7,064          | 8,050          | 7,692          |
| Property, plant and equipment                             | 4.2          | 5,926          | 5,259          | 5,528          |
| Equity method affiliates                                  |              | 68             | -39            | 66             |
| Investments in associates                                 | 4.3          | 1,312          | 1,237          | 1,308          |
| <b>Non-current assets</b>                                 |              | <b>26,571</b>  | <b>26,985</b>  | <b>27,191</b>  |
| Inventories   | 4.4          | 8,267          | 7,306          | 8,790          |
| Trade and other receivables                               | 4.5          | 48,378         | 48,272         | 46,103         |
| Available-for-sale financial assets                       |              | 15,020         | 13,425         | 13,249         |
| Current tax asset   | 4.6          | 5,018          | 4,855          | 4,427          |
| Cash and cash equivalents                                 | 4.7          | 13,851         | 9,477          | 14,878         |
| <b>Current assets</b>                                     |              | <b>90,534</b>  | <b>83,335</b>  | <b>87,447</b>  |
| <b>TOTAL ASSETS</b>                                       |              | <b>117,104</b> | <b>110,320</b> | <b>114,638</b> |
| <b>LIABILITIES</b><br>(in €k)                             | <b>NOTES</b> | <b>H1 2017</b> | <b>H1 2016</b> | <b>2016</b>    |
| Capital   | 4.8          | 2,900          | 2,900          | 2,900          |
| Share premium account                                     |              | 2,630          | 2,630          | 2,630          |
| Own shares  | 4.8          | -712           | -712           | -712           |
| Reserves and accrued profits                              |              | 33,616         | 30,139         | 34,966         |
| <b>Equity capital, group share</b>                        |              | <b>38,434</b>  | <b>34,957</b>  | <b>39,784</b>  |
| Minority interest   | 4.9          | 5,605          | 5,064          | 5,761          |
| <b>Equity capital, consolidated group</b>                 |              | <b>44,039</b>  | <b>40,021</b>  | <b>45,545</b>  |
| Long-term provisions                                      | 4.10         | 3,826          | 3,043          | 2,875          |
| Long-term qualified pre-payments                          | 4.11         | 2,462          | 2,958          | 2,953          |
| Borrowings  | 4.11         | 13,007         | 15,167         | 12,965         |
| Other long-term liabilities                               |              | 1              | 1              | 1              |
| <b>Non-current liabilities</b>                            |              | <b>19,296</b>  | <b>21,169</b>  | <b>18,795</b>  |
| Short-term qualified pre-payments                         | 4.11         | 741            | 399            | 634            |
| Current part of loans and long-term financial liabilities | 4.11         | 4,238          | 3,030          | 3,868          |
| Payables and other financial liabilities                  | 4.11         | 7,241          | 6,112          | 5,325          |
| Short-term borrowings                                     | 4.12         | 208            | 328            | 244            |
| Trade and other payables                                  |              | 13,020         | 12,143         | 13,896         |
| Tax and social liabilities                                |              | 21,139         | 20,152         | 19,702         |
| Deferred tax liabilities                                  | 4.13         | 35             | 247            |                |
| Other liabilities   |              | 7,147          | 6,720          | 6,628          |
| <b>Current liabilities</b>                                |              | <b>53,769</b>  | <b>49,130</b>  | <b>50,298</b>  |
| <b>TOTAL LIABILITIES</b>                                  |              | <b>117,104</b> | <b>110,320</b> | <b>114,638</b> |

## 2. CONSOLIDATED INCOME STATEMENT

| <b>INCOME STATEMENT</b><br>(in €k)   | <b>NOTES</b> | <b>H1 2017</b> | <b>H1 2016</b> | <b>2016</b>  |
|--|--------------|----------------|----------------|--------------|
| Sales  | 4.14         | 74,340         | 67,734         | 136,253      |
| Other income from the activity   | 4.15         | 655            | 506            | 3,312        |
| Cost of goods sold   |              | -30,090        | -25,451        | -52,210      |
| Personnel charges  |              | -39,417        | -38,168        | -73,812      |
| Taxes and duties   |              | -588           | -556           | -1,172       |
| Amortisation and provisions  |              | -2,098         | -2,425         | -3,853       |
| Other charges  |              | -131           | -220           | -339         |
| <b>Current operating income</b>  |              | <b>2,671</b>   | <b>1,420</b>   | <b>8,449</b> |
| Income from sale of consolidated holdings  | 4.16         |                |                |              |
| Other operating income and charges   | 4.17         | -36            | -9             | -184         |
| <b>Operating profit before contribution of equity method affiliate income</b>                  |              | <b>2,635</b>   | <b>1,411</b>   | <b>8,265</b> |
| Share of equity method affiliates in profit  |              | 2              | -56            | -47          |
| <b>Operating profit</b>  |              | <b>2,637</b>   | <b>1,355</b>   | <b>8,218</b> |
| Income from cash flow and cash flow equivalents  |              | -622           | -18            | 53           |
| Gross finance costs  |              | -291           | -330           | -629         |
| <b>Net finance costs</b>   | 4.18         | <b>-913</b>    | <b>-347</b>    | <b>-577</b>  |
| <b>Other financial income and charges</b>  | 4.19         | <b>-18</b>     | <b>26</b>      | <b>-159</b>  |
| <b>Income before taxes</b>   |              | <b>1,706</b>   | <b>1,034</b>   | <b>7,482</b> |
| Income tax expense   | 4.20         | -487           | 194            | -1,099       |
| <b>Net profit</b>  |              | <b>1,220</b>   | <b>1,228</b>   | <b>6,383</b> |
| Group share  |              | 1,020          | 1,156          | 5,881        |
| Minority interest  |              | 200            | 72             | 502          |
| <b>(in Euros)</b>  |              | <b>H1 2017</b> | <b>H1 2016</b> | <b>2016</b>  |
| Profit per share   |              | 0.35           | 0.40           | 2.03         |
| Diluted profit per share   |              | 0.35           | 0.40           | 2.03         |
| <b>NET INCOME STATEMENT AND GAINS AND LOSSES ENTERED DIRECTLY AS EQUITY CAPITAL</b><br>(in €k) |              | <b>H1 2017</b> | <b>H1 2016</b> | <b>2016</b>  |
| <b>Net profit</b>  |              | <b>1,220</b>   | <b>1,228</b>   | <b>6,383</b> |
| <u>Elements that will subsequently be reclassified as net result:</u>                          |              |                |                |              |
| Conversion rate adjustment for foreign entities  |              | -485           | 462            | 553          |
| Fair value restatement of assets and long-term debts   |              |                |                | -31          |
| <u>Elements that will not subsequently be reclassified as net profit:</u>                      |              |                |                |              |
| Actuarial gains and losses on defined benefit schemes  |              | -511           | -65            | 45           |
| Related taxes  |              | 176            | 22             | -15          |
| <b>Total gains and losses entered directly as equity capital</b>                               |              | <b>-820</b>    | <b>419</b>     | <b>582</b>   |
| <b>Consolidated income</b>   |              | <b>399</b>     | <b>1,647</b>   | <b>6,965</b> |
| Parent company owners' share   |              | 359            | 1,416          | 6,247        |
| Non-controlling interests  |              | 40             | 230            | 717          |
| <b>Consolidated income</b>   |              | <b>399</b>     | <b>1,647</b>   | <b>6,965</b> |

### 3. CASHFLOW

#### 3.1. CONSOLIDATED CASHFLOW STATEMENT

| CONSOLIDATED CASHFLOW STATEMENT<br>(in €k)   | H1 2017       | H1 2016       | 2016          |
|--|---------------|---------------|---------------|
| <b>Net result of integrated companies (including minority interests)</b>                                       | 1,220         | 1,228         | 6,383         |
| +/- Net amortisation and provisions (excluding those relative to current assets)                               | 2,126         | 2,591         | 4,304         |
| -/+ Unrealised gains and losses linked to fair value variations  | -8            | -3            | -6            |
| -/+ Other recognised revenue and expenses  |               |               |               |
| -/+ Transfer capital gains and losses  | -69           | -9            | -30           |
| +/- share in results of associates consolidated by the equity method   | -2            | 56            | 47            |
| - Dividends (non-consolidated securities)  |               | -31           | -31           |
| <b>Cashflow after net finance costs and tax</b>  | <b>3,266</b>  | <b>3,831</b>  | <b>10,666</b> |
| + Net finance costs  | 184           | 247           | 516           |
| +/- Tax charge (including deferred taxes)  | 487           | -194          | 1,099         |
| <b>Cashflow before net finance costs and tax (A)</b>   | <b>3,936</b>  | <b>3,885</b>  | <b>12,281</b> |
| - Taxes paid (B)   | -789          | 974           | -792          |
| +/- Variation in WCR linked to the activity (including debt linked to staff benefits) (C)                      | -1,548        | -5,447        | -3,528        |
| <b>= NET CASHFLOW GENERATED BY THE ACTIVITY (D) = (A + B + C)</b>  | <b>1,599</b>  | <b>-588</b>   | <b>7,962</b>  |
| - Cash outflows linked to the acquisition of tangible and intangible assets                                    | -2,225        | -1,937        | -2,779        |
| + Cash inflows linked to the sale of tangible and intangible assets  | 46            | 37            | 247           |
| - Cash outflows linked to the acquisition of financial assets (non-consolidated securities)                    | -1            |               | -96           |
| + Cash inflows linked to the sale of financial assets (non-consolidated securities)                            |               |               | 42            |
| +/- Impact of changes of scope   | 22            |               | 237           |
| + Dividends received (equity method affiliates, non-consolidated securities)* see alternative presentation 7.2 |               | 31            | 31            |
| +/- Variation in loans and advances granted  | 8             | -11           | -142          |
| + Investment subsidies received  |               |               |               |
| +/- Other flows linked to investment operations  |               |               |               |
| <b>= NET CASHFLOW LINKED TO INVESTMENT OPERATIONS (E)</b>  | <b>-2,149</b> | <b>-1,879</b> | <b>-2,459</b> |
| + Sums received from shareholders at time of capital increases   |               |               |               |
| - paid by shareholders of the parent company   |               |               |               |
| - paid by minority shareholders of consolidated companies  |               |               |               |
| -/+ Buy-back and resale of own shares  |               |               |               |
| - Dividends paid out during the financial year   |               |               |               |
| - Dividends paid to parent company shareholders  | -1,708        | -1,101        | -1,101        |
| - Dividends paid to minority shareholders of consolidated companies  | -217          | -186          | -186          |
| + Receipts linked to new borrowings  | 2,528         | 5,118         | 5,828         |
| - Reimbursement of borrowings (including leasing contracts)  | -2,825        | -2,300        | -4,513        |
| - Net financing interest paid (including leasing contracts)  | -117          | -162          | -422          |
| +/- Other flows linked to financing operations   |               |               |               |
| <b>= NET CASHFLOW LINKED TO FINANCING OPERATIONS (F)</b>   | <b>-2,338</b> | <b>1,369</b>  | <b>-395</b>   |
| +/- Impact of changes in currency change rates (G)   | -55           | -60           | -79           |
| <b>= NET VARIATION OF CASHFLOW (D + E + F + G)</b>   | <b>-2,943</b> | <b>-1,159</b> | <b>5,029</b>  |

### 3.2. NET FINANCIAL DEBT VARIATION STATEMENT

| NET FINANCIAL DEBT<br>(in €k)                |                        | OPENING       | VARIATION     | FAIR VALUE<br>VARIATIONS | EXCHANGE<br>DIFFERENCIES | RECLASSI<br>FICATION | CLOSING       |
|--|------------------------|---------------|---------------|--------------------------|--------------------------|----------------------|---------------|
| Gross cashflow                               | (a)                    | 14,878        | -947          |                          | -80                      |                      | 13,851        |
| Debit balances and bank loans and overdrafts | (b)                    | 5,325         | 1,942         |                          | -25                      |                      | 7,241         |
| <b>Net cashflow</b>                          | <b>(c) = (a) - (b)</b> | <b>9,553</b>  | <b>-2,888</b> |                          | <b>-55</b>               |                      | <b>6,610</b>  |
| Gross financial debt                         | (d)                    | 20,421        | 24            | 5                        | -2                       |                      | 20,448        |
| <b>Net financial debt</b>                    | <b>(d) - ©</b>         | <b>10,868</b> | <b>2,912</b>  | <b>5</b>                 | <b>53</b>                |                      | <b>13,839</b> |

The debt ratios are given in chapter 3 of the 2016 reference document. The financing sources for investments are detailed in chapters 8 and 10 of the 2016 reference document. During the half-year SOGECLAIR has had to refinance the commercial and tax debts of a subsidiary for a balance of €3,516k on 30 June 2017.

SOGECLAIR also has an own share-holding with an off-balance sheet stock market value (excluding liquidity contract), based on the stock market value on 30 June 2017, amounting to €6.23 million, not posted in the cashflow.

### 4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (in k €)   | Group share |                                |            |                                  |  |                             |                                    |                      |
|--|-------------|--------------------------------|------------|----------------------------------|--|-----------------------------|------------------------------------|----------------------|
|  | CAPITAL     | Reserves linked to the capital | Own shares | Consolidated reserves and profit | Gains and losses entered directly in capital | Equity capital, group share | Equity capital, minority interests | Total equity capital |
|  | (1)         | (2)                            | (3)        | (4)                              | (5)  | (6)                         | (7)                                | (8)                  |
| <b>Equity capital, year-end N (31 December 2015)</b>           | 2,900       | 2,630                          | -712       | 29,476                           | -657   | 33,635                      | 6,044                              | 39,679               |
| Operations on capital  |             |                                |            |                                  |  |                             |                                    |                      |
| Share-based payments   |             |                                |            |                                  |  |                             |                                    |                      |
| Operations on own shares                                       |             |                                |            |                                  |  |                             |                                    |                      |
| Dividends  |             |                                |            | -1,101                           |  | -1,101                      | -186                               | -1,288               |
| Result for the period  |             |                                |            | 5,881                            |  | 5,881                       | 502                                | 6,383                |
| Gains and losses entered directly as equity capital            |             |                                |            |                                  | 367  | 367                         | 215                                | 582                  |
| <b>Net gains and losses entered directly as equity capital</b> |             |                                |            | 5,881                            | 367  | 6,247                       | 717                                | 6,965                |
| Variation of scope   |             |                                |            |                                  |  |                             |                                    |                      |
| Other movements  |             |                                |            | 1,023                            | -20  | 1,003                       | -814                               | 189                  |
| <b>Equity capital, year-end N (31 December 2016)</b>           | 2,900       | 2,630                          | -712       | 35,279                           | -311   | 39,785                      | 5,761                              | 45,546               |
| Operations on capital  |             |                                |            |                                  |  |                             |                                    |                      |
| Share-based payments   |             |                                |            |                                  |  |                             |                                    |                      |
| Operations on own shares                                       |             |                                |            |                                  |  |                             |                                    |                      |
| Dividends  |             |                                |            | -1,708                           |  | -1,708                      | -217                               | -1,925               |
| Result for the period  |             |                                |            | 1,020                            |  | 1,020                       | 200                                | 1,220                |
| Gains and losses entered directly as equity capital            |             |                                |            |                                  | -660   | -660                        | -160                               | -820                 |
| <b>Net gains and losses entered directly as equity capital</b> |             |                                |            | 1,020                            | -660   | 359                         | 40                                 | 399                  |
| Variation of scope   |             |                                |            |                                  |  |                             |                                    |                      |
| Other movements  |             |                                |            | 1                                | -2   | -1                          | 21                                 | 20                   |
| <b>Equity capital, year-end N (30 June 2017)</b>               | 2,900       | 2,630                          | -712       | 34,591                           | -973   | 38,435                      | 5,605                              | 44,040               |

### 1.1.1. Appendixes to the consolidated accounts

The half-yearly accounts have been drawn up in accordance with IAS 34, with the exception of the equity changes table for which the reference period adopted ends on 31 December 2016 instead of 30 June 2016. This option has been taken to make it easier to read the statements.

## 1 - INFORMATION RELATIVE TO THE ACCOUNTING BASELINE, THE CONSOLIDATION PROCEDURES AND THE VALUATION METHODS AND RULES

### 1.1. Standards applied

Pursuant to regulation N°1606/2002 adopted on 19 July 2002 by the European Parliament and Council, the half-year accounts of the SOGECLAIR group have been established in accordance with the IFRS baseline such as adopted in the European Union and presented in accordance with recommendation No. 2013-03 dated 7 November 2013 issued by the Conseil National de la Comptabilité (National Accounting Council).

### Standards, amendments and interpretations of the IFRS standards applicable as from 1<sup>st</sup> January 2017

The new standards and amendments applicable as of 1<sup>st</sup> January 2017 did not have any significant impact on the accounts to 30 June 2017.

### Standards not applied by SOGECLAIR:

- Standards, amendments and interpretations of the IFRS standards, already published by the IASB and adopted by the European Union, but whose application was not yet obligatory on 1<sup>st</sup> January 2017 and that have not been applied in anticipation by the SOGECLAIR Group when they apply to it.
- The new standards, revisions of the IFRS standards and interpretations published by the IASB not yet adopted by the European Commission are not applied by the SOGECLAIR Group.

### 1.2. CONSOLIDATION PROCEDURES

The companies of significant size, controlled exclusively and in which the group exercises a direct or indirect control over more than 50% of their capital have been consolidated by overall integration.

The subsidiaries are companies controlled by the group. Control supposes the exercising of a power over relevant activities, the exposure to variable returns as well as the capacity to use its power to have an influence over those returns. The applicable consolidation methods are covered by the IFRS 11 standard as far as the partnerships are concerned.

The shares in non-consolidated shareholdings are posted in the "Investments in associates" item for their cost of acquisition.

Furthermore, companies are excluded from the scope of consolidation when they only represent a negligible interest and their exclusion cannot negatively impact the faithful image principle.

Here, this concerns:

- ADM (35% subsidiary of SOGECLAIR AEROSPACE SAS).

During the first semester 2017, A.V Simulation (AVS) was created in France as well as two new American companies in the USA: Aerospace Corp et MSB Aerospace LLC.

### 1.3. EVALUATION METHODS AND RULES

#### 1.3.1. Conversion of the foreign companies' accounts

The group's presentation currency is the euro, the operating currency of the group's foreign companies is their local currency (pound sterling for Sogclair Aerospace Ltd, Tunisian dinar for Sogclair Aerospace Sarl, Canadian dollar for Sogclair Aerospace Inc, MSB Design Inc and Ressources Globales Aéro Inc, and the US dollar for MSB Global Resources Corp., MSB Aerospace Corp et MSB Aerospace Llc.).

The accounts of the group's foreign companies are posted in their operating currency, and their accounts are then converted into the group's presentation currency as follows:

- The balance sheet items, with the exception of the equity capital which is maintained at its historical cost, are converted using the closing date exchange rate.
- The income statement items are converted using the average rate for the period.

The income statement exchange differential is included in the other consolidated income items and therefore does not have any impact on the net result (it will be recycled as income when control is lost over the subsidiary).

The goodwill posted at the time of grouping with foreign companies is booked in the acquired company's assets and liabilities: it is therefore included in their operating currency and converted into euros at the closing exchange rate. There are therefore variations in the value of the assets which are explained in the consolidated income statement.

#### 1.3.2. Goodwill and assimilated

In compliance with the IFRS standards, goodwill was frozen in 2004 and is no longer amortised, but depreciation tests are performed annually (and/or half-yearly should indications of losses of value appear).

Depreciation is recorded once the recoverable value of the CGU to which the goodwill is assigned is lower than its net book value.

A Cash Generating Unit (CGU) is the smallest identifiable group of assets whose continuous utilisation generates cash inflows that are largely independent from the cash inflows generated by other assets or groups of assets.

Thus, the CGUs identified in the group are the legal entities, it being stated that when the legal entities have strong economic ties several entities are grouped together within one CGU.

Furthermore, a CGU necessarily and exclusively belongs to one of the operational sectors chosen by Sogclair by way of application of IFRS 8.

In this respect, the legal entities named Sogclair Aerospace (GmbH in Germany, Ltd in the United Kingdom, SA in Spain, SARL in Tunisia, SAS in France) have been grouped together in a single CGU given their indivision as transactional economic assets and their strong ties with the aeronautical industry. Likewise for the Canadian MSB Ressources Globales Inc and MSB Design Inc which have been grouped together in a single CGU.

The Oktal SA and Oktal Synthetic Environment SAS entities are grouped together in a single CGU due to their technical synergy.

The recoverable values are determined per legal entity, but their appreciation is analysed within the CGU to which they are attached.

The recoverable value is the highest value between the net fair value of the cost of disposal, when that can be determined, and the going concern value.

The net fair value of the costs of disposal corresponds to the best estimate of the net value that could result from a transaction made under the conditions of normal competition between well-informed and consenting parties. This estimate is determined on the basis of the market information available taking any special situations in to account.

The going concern value adopted by Sogeclair corresponds to the present value of the cash-flows from the identified CGUs. These flows are determined in the framework of the following economic assumptions and forecast operating conditions:

- the cashflows used are derived from three-year “Medium-Term Plans” for the entities concerned available on the valuation date and are extended to a five-year horizon,
- beyond that horizon, the terminal value corresponds to the capitalisation to infinity of the last flow within the horizon, on the basis of a rate to infinity of 2%,
- the actualisation rate stood at 8.61% at the end of 2016, on the basis of:
  - of the 10-year risk-free rate of 0.68%,
  - and of a market premium of 6.5% to which an average over five years of the Beta coefficient specific to Sogeclair is assigned, confirmed by other sources (Bloomberg, Thomson, Infiniti), of 1.22.

A "shock" called “mathematical shock” is applied to the most sensitive underlying parameters (growth of the activity, level of the operating margin, investments) to test the sensitivity of the estimation to an unfavourable change in the CGU's economic environment; the hypotheses adopted for the mathematical shock consist of halving the activity's growth rate and reducing the level of the operating margin (EBITDA) by 30%, and halving the amount of the investments, with respect to the values of the basic business plan.

The recoverable values, based on the going-concern values, are then compared with the net book values of the goodwill for determining any depreciation.

There were no indications on 30 June 2017 putting into question the impairment tests.

### 1.3.3. Intangible assets – development expenses

Concerning the work immobilised as development expenses, the amounts posted as assets include all of the development expenses through to completion of the work in accordance with IAS 38 along with the related financial costs in accordance with IAS 23.

The amounts immobilised are straight-line amortised over a period of 3 to 10 years depending on the programmes, according to the most probable perspectives of the economic return on the results of the work.

There are currently seven main programmes that have led to the assetisation of development expenses and the related financial expenses are posted as assets:

| (in €k)  | Assetisation period | Amortisation period                                    | Gross amount | Amount still to be amortised |
|--|---------------------|--|--------------|------------------------------|
| <b>Aerospace Division</b>  |                     |  |              |                              |
| Thermo-compression aeronautical subassemblies  | Since 2009          | 10 years starting from series deliveries               | 7,397        | 4,607                        |
| Modular aeronautical training platform   | Since 2014          | 4 years starting from commercialisation of the modules | 61           | 55                           |
| Aircraft interior monuments  | Since 2009          | 7 years starting from series deliveries                | 1,001        | 590                          |
| Aircraft modification authority label  | Since 2014          | 3 years starting from assetisation                     | 76           | 16                           |
| <b>Vehicle Division</b>  |                     |  |              |                              |
| Multi-mission terrestrial drone  | Since 2013          | 5 years starting from assetisation                     | 173          | 60                           |
| <b>Simulation Division</b>   |                     |  |              |                              |
| Terrain modellers (Agetim, Ray and Fast products) for simulators   | Since 2003          | 3 years starting from assetisation                     | 2,045        | 212                          |
| Simulation engines for the following sectors:<br>- automobile (ScanNer product),<br>- rail (OkSimRail product)<br>-air traffic (ScanAds product) | Since 2005          | 3 years starting from assetisation                     | 2,468        | 249                          |

#### **1.3.4. Financial instruments**

In respect of IFRS 7 it is stated that loans contracted by the group are fixed-rate loans and that there are no off-balance sheet financial instruments, nor any securitisation of the customer posting.

In the framework of its exposure to exchange rate risks, SOGECLAIR has been covering some of its contracts in US and Canadian dollars since the beginning of 2012. These are guaranteed-rate instruments and do not involve any adjustment in respect of hedge accounting. Any coverage losses or profits are entered as a result when accomplishing the exchange operation and at their fair value at each half-year/year-end closing date.

As of 30 June 2017, SOGECLAIR has not taken out any exchange rate hedging.

To date there are no commitments within SOGECLAIR SA or the group involving complex financial instruments.

#### **1.3.5. Current assets**

In accordance with the IAS 1 standard (Presentation of financial statements), an asset is classified current if you are intending to realise or sell it in the framework of the normal operating cycle, or realise it within the twelve months following the balance sheet date, or lastly if it is a cash asset.

The following assets are therefore classified as being current:

- inventory
- advances and down payments
- trade and other receivables
- deferred tax assets
- cash and cash equivalents
- prepaid expenses
- other receivables

#### **1.3.6. Use of estimates**

The preparation of financial statements in respect of IFRS requires the use of estimates and assumptions that may have an impact on the carrying amount of some elements in the balance sheet and income statement.

These estimates and assessments are updated by the Direction on the basis of the continuity of the exploitation in function of information available at the balance sheet date. They may evolve according to events or information that may call into question the circumstances under which they were developed.

These estimates mainly concerns:

- Recognition of turnover (Note 1.3.8)
- Deferred tax assets (Note 4.6)
- Termination benefits and provisions (Note 4.10)
- The assessment of goodwill (Note 1.3.2)

#### **1.3.7. Current and non-current liabilities**

In accordance with the IAS 1 standard (Presentation of financial statements) liabilities are classified current and non-current.

A liability is classified current if it must be settled in the framework of its normal operating cycle, or settled within the twelve months following the balance sheet date.

The following contingent liabilities are therefore classified current:

- the part of finance costs and qualified prepayments that are reimbursable within less than one year following the balance sheet date
- trade and other payables
- tax and social liabilities
- short-term provisions
- deferred tax liabilities
- other liabilities

The other contingent liabilities are classified non-current.

### 1.3.8. Sales recognition

Sales correspond to the amount of the work performed for customers by all of the companies that enter into the scope of consolidation. The sales and costs recognition method depends on the type of intervention.

#### Consulting and support activities

These contracts are subject to an obligation regarding the means. Sales for the consulting and support activities are posted gradually as the works are performed.

#### All-in development contracts and the associated systems, products and services

These contracts are subject to an obligation to achieve a given result and a performance-related commitment. Sales and the result are recorded in application of the IAS 18 standard using the percentage of completion method defined by the IAS 11 standard. Completion is calculated as a percentage of the costs borne for the works performed with respect to the total costs re-adjusted each month. When it is probable that the total of the re-adjusted costs of the contract will be higher than the total sales generated by the contract, the expected loss on completion is immediately posted as a liability in the Financial Situation Statement.

### 1.3.9. Dividends paid

The distribution of dividends paid out to the parent company's shareholders during the half ending 30 June 2017, in respect of the year ending 31 December 2016, is as follows:

- single voting right €497 k
- double voting right €1,211 k

### 1.3.10. Events after the balance sheet date

None.

### 1.3.11. Other information

SOGECLAIR has posted the fair value of the exchange rate coverage instruments as permitted by the IAS39 standard. It should be noted that, in an economic logic, only non-interest bearing financial commitments made or received are covered by IAS 39.

For the period, SOGECLAIR has posted accrued income, deducted from the personnel expenses, in respect of the CICE (Enterprise Competitiveness Tax Credit) for an overall amount of €705 k.

## 2 – SCOPE

### 1. List of consolidated companies

| NAME  | COUNTRY    | ACTIVITY   | % OF CONTROL IN 2017 | % OF CONTROL IN 2016 |
|---|------------|--|----------------------|----------------------|
| <b>Companies consolidated by full consolidation *</b> |            |  |                      |                      |
| Aviacomp SAS  | France     | Aeronautical and defence structural subassemblies                        | 100.00%              | 100.00%              |
| A.V. Simulation                                       | France     | Simulators   | 63.70%               |                      |
| Checkaero SARL  | Luxembourg | Expertise in the area of stress  | 75.00%               | 75.00%               |
| MSB Aerospace LLC                                     | USA        | Aircraft interior subassemblies  | 80.00%               |                      |
| MSB Aerospace Corp                                    | USA        | Sub-holding  | 80.00%               |                      |
| MSB Design Inc**                                      | Canada     | Aircraft interior subassemblies  | 80.00%               | 80.00%               |
| MSB Global Resources Corp**                           | USA        | Aerostructure, Systems installation, Configuration management, Equipment | 80.00%               | 80.00%               |
| Oktal SAS   | France     | Simulators   | 98.00%               | 97.98%               |
| Oktal Synthetic Environment SAS                       | France     | Virtual environments   | 54.94%               | 54.94%               |
| Ressources Globales Aéro Inc**                        | Canada     | Aerostructure, Systems installation, Configuration                       | 80.00%               | 80.00%               |

| management, Equipment   |                |  |  |         |         |
|-------------------------|----------------|--|--|---------|---------|
| Rain Luxembourg SA      | Luxembourg     |  | Sub-holding  | 100.00% | 100.00% |
| Séra Ingénierie SAS     | France         |  | Vehicles   | 80.00%  | 80.00%  |
| Sogclair SA             | France         |  | Holding  | Parent  | Parent  |
| Sogclair Aerospace GmbH | Germany        |  | Aerostructure, Systems installation, Configuration management, Equipment | 100.00% | 100.00% |
| Sogclair Aerospace Inc  | Canada         |  | Sub-holding  | 100.00% | 100.00% |
| Sogclair Aerospace Ltd  | United Kingdom |  | Aerostructure, Systems installation, Configuration management, Equipment | 100.00% | 100.00% |
| Sogclair Aerospace SA   | Spain          |  | Aerostructure, Systems installation, Configuration management, Equipment | 87.95%  | 87.95%  |
| Sogclair Aerospace Sarl | Tunisia        |  | Aerostructure, Systems installation, Configuration management, Equipment | 100.00% | 100.00% |
| Sogclair Aerospace SAS  | France         |  | Aerostructure, Systems installation, Configuration management, Equipment | 100.00% | 100.00% |

#### Equity method affiliates

|                    |        |  |                                     |        |        |
|--------------------|--------|--|-------------------------------------|--------|--------|
| S2E Consulting SAS | France |  | Systems engineering and electricity | 46.98% | 46.98% |
|--------------------|--------|--|-------------------------------------|--------|--------|

\* excluding 2 holding companies in Canada without any operational activities

\*\* From an accounting viewpoint the acquisition has been analysed as a firm purchase with deferred payment for the 20% minority holding by 2017. This deferred payment has been posted for its updated amount such as contractually stipulated (fair value estimate on the basis of the business plans) as minority holdings.

In order to protect the company's interests, SOGECLAIR does not wish to communicate further on the price of the transaction or, consequently, on the method of recognition of the debt posted with respect to minority interests.

### 3 - INFORMATION MAKING IT POSSIBLE TO COMPARE THE ACCOUNTS

#### Method

No change in accounting methods or valuation methods relating to the treatment of financial information, which may have an influence on the comparability of the accounts, occurred during the period.

### 4 - EXPLANATIONS ON THE ITEMS ON THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

#### 4.1. Intangible assets

| GROSS VALUES<br>(in thousands of Euros) | AT<br>BEGINNING<br>OF YEAR | INCREASES  | ASSETS<br>GENERATED IN-<br>HOUSE | WITH-DRAWALS | EXCHANGE<br>RATE<br>DIFFERENCES | REASSIGNMENT | AT YEAR-<br>END |
|---|----------------------------|------------|----------------------------------|--------------|---------------------------------|--------------|-----------------|
| Goodwill                                | 13,635                     |            |                                  |              | -351                            |              | 13,285          |
| Development expenses                    | 25,423                     |            | 50                               |              | -48                             |              | 25,425          |
| Software and brands                     | 7,852                      | 256        |                                  |              | -50                             | 84           | 8,142           |
| Current assets                          | 225                        | 52         |                                  | -5           |                                 | -84          | 189             |
| <b>Total</b>                            | <b>47,136</b>              | <b>309</b> | <b>50</b>                        | <b>-5</b>    | <b>-449</b>                     |              | <b>47,042</b>   |

| AMORTISATION & PROVISIONS<br>(in thousands of Euros) | AT BEGINNING<br>OF YEAR | AMORTISATION AND<br>LOSSES OF VALUE | WITH-<br>DRAWALS | EXCHANGE<br>RATE<br>DIFFERENCES | REASSIGNMENT | AT YEAR-END    |
|--|-------------------------|-------------------------------------|------------------|---------------------------------|--------------|----------------|
| Goodwill   | -1,039                  | -46                                 |                  |                                 |              | -1,085         |
| Development expenses                                 | -19,044                 | -613                                |                  | 20                              |              | -19,638        |
| Software and brands                                  | -6,765                  | -312                                |                  | 22                              |              | -7,055         |
| <b>Total</b>   | <b>-26,848</b>          | <b>-972</b>                         |                  | <b>42</b>                       |              | <b>-27,778</b> |
| <b>Net value</b>                                     | <b>20,288</b>           |                                     |                  |                                 |              | <b>19,264</b>  |

The detail of the immobilised expenses is given in paragraph 1.3.3 of this document.

## 4.2. Tangible assets

| GROSS VALUES<br>(in thousands of Euros)    | AT BEGINNING<br>OF YEAR | INCREASES    | WITHDRAWALS | EXCHANGE<br>RATE<br>DIFFERENCES | REASSIGNMENT | AT YEAR-END   |
|--|-------------------------|--------------|-------------|---------------------------------|--------------|---------------|
| Technical installations, plant & equipment | 2,986                   | 428          |             | -40                             | 1,407        | 4,780         |
| Installations & fittings                   | 2,604                   | 283          |             | -31                             | 44           | 2,899         |
| IT & office hardware                       | 8,260                   | 328          |             | -56                             | 129          | 8,662         |
| Current assets                             | 1,901                   | 369          |             |                                 | -1,789       | 480           |
| Others                                     | 2,009                   | -32          | -45         | -6                              |              | 1,926         |
| <b>Total</b>                               | <b>17,759</b>           | <b>1,376</b> | <b>-45</b>  | <b>-132</b>                     | <b>-210</b>  | <b>18,747</b> |

| AMORTISATION & PROVISIONS<br>(in thousands of Euros) | AT<br>BEGINNING<br>OF YEAR | AMORTISATION AND<br>LOSSES OF VALUE | WITHDRAWALS | EXCHANGE<br>RATE<br>DIFFERENCES | REASSIGNMENT | AT YEAR-END    |
|--|----------------------------|-------------------------------------|-------------|---------------------------------|--------------|----------------|
| Technical installations, plant & equipment           | -1,852                     | -201                                |             | 25                              |              | -2,028         |
| Installations & fittings                             | -1,625                     | -112                                |             | 11                              |              | -1,726         |
| IT & office hardware                                 | -7,493                     | -298                                |             | 46                              |              | -7,745         |
| Others   | -1,260                     | -137                                | 74          | 2                               |              | -1,321         |
| <b>Total</b>   | <b>-12,230</b>             | <b>-748</b>                         | <b>74</b>   | <b>84</b>                       |              | <b>-12,820</b> |
| <b>Net value</b>                                     | <b>5,528</b>               |                                     |             |                                 |              | <b>5,926</b>   |

The exchange rate differences concern the American, British, Canadian and Tunisian subsidiaries: MSB Aerospace LLC, MSB Global Ressources Corp, Sogclair Aerospace Ltd, MSB Design Inc, Ressources Globales Aero Inc, Sogclair Aerospace Inc et Sogclair Aerospace Sarl.

### Additional information concerning the financial leasing contracts (IAS 17):

Net book value of the current financial leasing contracts:

| (in thousands of Euros) | GROSS AMOUNT | AMORTISATION  | NET BOOK VALUE |
|-------------------------|--------------|---------------|----------------|
| Intangible assets       | 1,894        | -1,493        | 402            |
| Tangible assets         | 6,259        | -5,287        | 972            |
| <b>Total</b>            | <b>8,153</b> | <b>-6,780</b> | <b>1,373</b>   |

Term for outstanding leasing contracts:

| in thousands of Euros | < 1 YEAR   | 1 TO 2 YEARS | 3 TO 5 YEARS |
|-----------------------|------------|--------------|--------------|
| <b>Total</b>          | <b>578</b> | <b>406</b>   | <b>390</b>   |

### 4.3. Investments in associates

| GROSS VALUES<br>(in thousands of Euros)                | AT BEGINNING OF YEAR | INCREASES    | WITHDRAWALS | VARIATION IN FAIR VALUE | EXCHANGE RATE DIFFERENCES | REASSIGNMENT | AT YEAR END  |
|--|----------------------|--------------|-------------|-------------------------|---------------------------|--------------|--------------|
| Shareholdings  | 110                  | 1            |             | 2                       |                           |              | 113          |
| Fixed investments                                      |                      |              |             |                         |                           |              |              |
| Loans, guarantees and other receivables                | 1,295                | 31           | -39         | 13                      | -2                        |              | 1,298        |
| <b>Total</b>   | <b>1,405</b>         | <b>32</b>    | <b>-39</b>  | <b>15</b>               | <b>-2</b>                 |              | <b>1,411</b> |
| AMORTISSEMENTS & PROVISIONS<br>(in thousands of Euros) | AT BEGINNING OF YEAR | AMORTISATION | WITHDRAWALS | VARIATION IN FAIR VALUE | EXCHANGE RATE DIFFERENCES | REASSIGNMENT | AT YEAR END  |
| Shareholdings  |                      | -30          |             |                         |                           |              | -30          |
| Fixed investments                                      |                      |              |             |                         |                           |              |              |
| Loans  |                      |              |             |                         |                           |              |              |
| <b>Total</b>   |                      | <b>-30</b>   |             |                         |                           |              | <b>-30</b>   |
| <b>Net value</b>                                       |                      | <b>1,374</b> |             |                         |                           |              | <b>1,380</b> |

#### 4.4. Inventory

| GROSS VALUES<br>(in thousands of Euros)                 | AT<br>BEGINNING<br>OF YEAR | VARIATION   | WITHDRAWALS | EXCHANGE<br>RATE<br>DIFFERENCES | REASSIGNMENT | AT YEAR END  |
|---|----------------------------|-------------|-------------|---------------------------------|--------------|--------------|
| Stock of raw materials, supplies and other procurements | 3,025                      | 978         |             | -51                             |              | 3,951        |
| Stock of work in process                                | 4,008                      | -865        |             | -11                             |              | 3,131        |
| Stock of finished and intermediate products             | 2,394                      | -658        |             | -11                             |              | 1,725        |
| <b>Total</b>  | <b>9,427</b>               | <b>-546</b> |             | <b>-73</b>                      |              | <b>8,808</b> |

  

| PROVISIONS AND DEPRECIATION<br>(in thousands of Euros)         | AT<br>BEGINNING<br>OF YEAR | PROVISIONS FOR<br>DEPRECIATIONS<br>AND LOSSES OF<br>VALUE | WRITE-BACKS OF<br>DEPRECIATIONS<br>AND LOSSES OF<br>VALUE | EXCHANGE RATE<br>DIFFERENCES | REASSIGNMENT | AT YEAR<br>END |
|--|----------------------------|---|---|------------------------------|--------------|----------------|
| Depreciation of raw materials, supplies and other procurements |                            |   |   |                              |              |                |
| Depreciation of work in process                                | -362                       | -324  | 362   |                              |              | -324           |
| Depreciation of finished and intermediate products             | -275                       | -176  | 234   |                              |              | -217           |
| <b>Total</b>   | <b>-637</b>                | <b>-500</b>   | <b>596</b>  |                              |              | <b>-541</b>    |

  

|                           |              |  |  |  |  |              |
|---------------------------|--------------|--|--|--|--|--------------|
| <b>Net value of stock</b> | <b>8,790</b> |  |  |  |  | <b>8,267</b> |
|---------------------------|--------------|--|--|--|--|--------------|

The gross value of the goods and procurements is evaluated at the purchase price (including the associated costs minus deductions, discounts, and reductions).

The products manufactured are valued at the standard cost of production including:

- consumption of goods and procurements,
- consumption of subcontracting according to the generally observed cost,
- consumption of standard machine and man hours as stipulated in the manufacturing procedures,
- structural costs.

The provisions for stock depreciation essentially concern manufactured products whose cost price is higher than the sale price owing to the learning curve.

#### 4.5. Trade and other receivables

The customers' terms of payment have shortened over the half-year and are monitored closely.

#### 4.6. Deferred tax asset

| DEFERRED TAX ASSET<br>(in thousands of Euros) | H1 2017      | H1 2016      | 2016         |
|---|--------------|--------------|--------------|
| Temporary differences                         | 1,392        | 1,334        | 1,134        |
| Tax deficits                                  | 3,515        | 3,257        | 3,116        |
| Restatements                                  | 111          | 263          | 177          |
| <b>Total</b>                                  | <b>5,018</b> | <b>4,855</b> | <b>4,427</b> |

A deferred tax asset is constituted on the tax losses and temporary differences if it is probable that the company will dispose of future tax profits to which they may be charged.

SOGECLAIR limits the amount of the deferred taxes on the tax deficits of the subsidiaries concerned, to 10% of the sales for the year, at year-end, or of the annual budget at the time of the half-year accounts.

Only the deferred tax on the tax deficits of newly created companies is posted in its entirety.

The amount of the accumulated non-assetised deficits on 30 June 2017 totalled €1.6 million, representing a non-posted deferred tax of €0.5M.

#### 4.7. Cash and cash equivalents

| (in thousands of Euros) | H1 2017       | H1 2016      | 2016          |
|-------------------------|---------------|--------------|---------------|
| Cash                    | 6,868         | 2,541        | 7,895         |
| Cash equivalents        | 6,983         | 6,935        | 6,983         |
| <b>Total</b>            | <b>13,851</b> | <b>9,477</b> | <b>14,878</b> |

On 30 June 2017, the cash equivalents concerned liquid investments in:

- renewable one-month fixed-term account
- interest-bearing account,
- European capital fund with minimum guaranteed interest and the possibility of immediate, penalty-free sale of a significant proportion.

#### 4.8. Equity capital, group share

The equity capital, set at €2,900k, now consists of 2,900,000 shares with a nominal value of €1 each.

It must be remembered that in accordance with notification 2002-D of the Emergency Committee of the CNC on 18 December 2002 and according to the deliberation of the Board of Directors of SOGECLAIR held on 23 December 2002, the self-owned shares are deducted from the consolidated shareholders' equity.

On 30 June 2017, the balance of these shares on the company's books amounted to 144,340 shares (4.98% of the capital), unchanged since 31 December 2016. This restatement leads to an accumulated reduction of the consolidated equity capital of €712 k.

#### 4.9. Minority interests

| (in thousands of Euros)                                | H1 2017      | H1 2016               | 2016                |
|--|--------------|-----------------------|---------------------|
| <b>At beginning of year</b>                            | <b>5,761</b> | <b>6,044</b>          | <b>6,044</b>        |
| Variation of reserves                                  | -356         | -1,052 <sup>(1)</sup> | -785 <sup>(1)</sup> |
| Total income and expenditure entered during the period | 200          | 72                    | 502                 |
| <b>At end of period</b>                                | <b>5,605</b> | <b>5,064</b>          | <b>5,761</b>        |

(1) Including buy-back of minority interest in Aviacomp for €1,030k

#### 4.10. Long-term provisions

| LONG-TERM PROVISIONS<br>(in thousands of Euros) | AT BEGINNING<br>OF YEAR | CON-<br>TRIBUT-<br>IONS | SALES AND<br>DISPOSALS | WRITE-<br>BACKS | VARIATION IN<br>FAIR VALUE | EXCHANGE<br>RATE<br>DIFFERENCES | REAS-<br>SIGNMENT | AT YEAR END  |
|---|-------------------------|-------------------------|------------------------|-----------------|----------------------------|---------------------------------|-------------------|--------------|
| Provisions for retirement benefit obligations   | 1,908                   | 228                     |                        |                 | 511                        |                                 |                   | 2,647        |
| Provisions for restructurings                   |                         |                         |                        |                 |                            |                                 |                   |              |
| Other provisions for charges                    | 39                      | 3                       |                        |                 |                            | -1                              |                   | 41           |
| Provisions for losses on contracts              | 100                     | 164                     |                        | -100            |                            |                                 |                   | 164          |
| Other provisions for risks                      | 828                     | 148                     |                        |                 |                            | -2                              |                   | 974          |
| <b>Total</b>                                    | <b>2,875</b>            | <b>543</b>              |                        | <b>-100</b>     | <b>511</b>                 | <b>-4</b>                       |                   | <b>3,826</b> |

The other provisions for risks mainly concern social and tax risks.

There is no event later than 30 June 2017 liable to put into question the notion of going concern, nor any non-measurable risk and loss.

The impact of the reclassification of the actuarial gains (IAS19R) to the reserves amounts to €511k.

The discount rate used corresponds to TEC 10 which stood at 0.8% on 30 June 2017.

#### 4.11. Current and non-current financial debts

| NON-CURRENT FINANCIAL DEBTS<br>(in thousands of Euros)   | AT BEGINNING<br>OF YEAR | INCREASE     | REDUCTION   | VARIATION IN<br>FAIR VALUE | EXCHANGE RATE<br>DIFFERENCES | REAS-<br>SIGNMENT | AT YEAR<br>END |
|--|-------------------------|--------------|-------------|----------------------------|------------------------------|-------------------|----------------|
| Qualified prepayments (+ 1 year)                         | 2,953                   |              |             | 5                          |                              | -496              | 2,462          |
| Borrowings and debts with credit institutions (+ 1 year) | 10,333                  | 2,820        | -3          |                            |                              | -2,255            | 10,896         |
| Sundry non-current loans and financial liabilities       | 2,632                   | 26           | -547        |                            |                              |                   | 2,111          |
| <b>Total</b>   | <b>15,918</b>           | <b>2,846</b> | <b>-550</b> | <b>5</b>                   |                              | <b>-2,751</b>     | <b>15,469</b>  |

| CURRENT FINANCIAL DEBTS<br>(in thousands of Euros)              | AT<br>BEGINNING<br>OF YEAR | INCREASE     | REDUCTION     | VARIATION<br>IN FAIR<br>VALUE | EXCHANGE<br>RATE<br>DIFFERENCES | REASSIGN-<br>MENT | AT YEAR<br>END |
|---|----------------------------|--------------|---------------|-------------------------------|---------------------------------|-------------------|----------------|
| Current qualified prepayments (-1 year)                         | 634                        |              | -389          |                               |                                 | 496               | 741            |
| Current borrowings and debts with credit institutions (-1 year) | 3,813                      | 18           | -1,952        |                               | -2                              | 2,255             | 4,132          |
| Bank loans and overdrafts                                       | 5,325                      | 1,942        |               |                               | -25                             |                   | 7,241          |
| Sundry current loans and financial liabilities                  | 55                         | -13          | 64            |                               |                                 |                   | 106            |
| <b>Total</b>  | <b>9,827</b>               | <b>1,946</b> | <b>-2,277</b> |                               | <b>-27</b>                      | <b>2,751</b>      | <b>12,221</b>  |

The medium/long-term bank loan trends, excluding leases, are detailed below:

| <b>MEDIUM/LONG TERM BANK LOANS (excluding leases)</b><br>(in thousands of Euros) |  | 2017  |
|--|--|-------|
| Taken out during the half-year   |  | 2,594 |
| Reimbursed during the half-year  |  | 1,594 |

The gross financial debts schedule is given below:

| <b>GROSS LONG-TERM DEBT SCHEDULE</b><br>(in thousands of Euros) | TOTAL         | < 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | Longer       |
|---|---------------|----------|--------------|--------------|--------------|--------------|
| Qualified prepayments (+ 1 year)                                | 2,462         |          | 1,046        | 361          | 1,029        | 26           |
| Borrowings and debts with credit institutions (+ 1 year)        | 10,896        |          | 3,814        | 3,431        | 1,845        | 1,806        |
| Sundry non-current loans and financial liabilities              | 2,111         |          | 893          | 605          | 238          | 374          |
| <b>Non-current financial liabilities</b>                        | <b>15,469</b> |          | <b>5,753</b> | <b>4,397</b> | <b>3,112</b> | <b>2,206</b> |

| Characteristics of the loans taken out     | Fixed-date<br>financial debts<br>(1) | Terms             | Due dates | Coverage | Financial<br>covenants |
|--|--------------------------------------|-------------------|-----------|----------|------------------------|
| Fixed-rate amortisable                     | 13,622                               | From 0.57 to 2.1% | 2012-2023 | N/A      | None                   |
| Fixed-rate amortisable in Canadian dollars | 8                                    | Interest free     | 2012-2017 | N/A      | None                   |

(1) Total amount to be reimbursed on 30 June 2017

#### 4.12. Short-term provisions

| LONG-TERM PROVISIONS<br>(in thousands of Euros) | AT BEGINNING<br>OF YEAR | CONTRI-<br>BUTIONS | SALES AND<br>DISPOSALS | WRITE-<br>BACKS | EXCHANGE RATE<br>DIFFERENCES | REASSIGN-<br>MENT | AT YEAR<br>END |
|---|-------------------------|--------------------|------------------------|-----------------|------------------------------|-------------------|----------------|
| Provisions for restructurings                   |                         |                    |                        |                 |                              |                   |                |
| Other provisions for charges                    |                         |                    |                        |                 |                              |                   |                |
| Other provisions for risks                      | 244                     | 52                 |                        | -88             |                              |                   | 208            |
| <b>Total</b>                                    | <b>244</b>              | <b>52</b>          |                        | <b>-88</b>      |                              |                   | <b>208</b>     |

#### 4.13. Deferred tax liabilities

| DEFERRED TAX LIABILITIES<br>(in thousands of Euros) | H1 2017   | H1 2016    | 2016 |
|---|-----------|------------|------|
| Temporary differences                               |           |            |      |
| Restatement   | 35        | 247        |      |
| <b>Total</b>  | <b>35</b> | <b>247</b> |      |

#### 4.14. Turnover

In accordance with IFRS 8, turnover is presented division by division in paragraph 5 of this appendix.

#### 4.15. Other income from the activity

| <b>OTHER OPERATING INCOME</b><br>(in thousands of Euros) | <b>H1 2017</b> | <b>H1 2016</b> | <b>2016</b>  |
|--|----------------|----------------|--------------|
| Production in stock                                      |                |                |              |
| Production immobilised                                   |                |                |              |
| Operating and investment subsidies                       | 560            | 422            | 1,005        |
| Write-back on provisions, amortisations                  |                |                |              |
| Other income   | 95             | 85             | 2,307        |
| <b>Total</b>   | <b>655</b>     | <b>506</b>     | <b>3,312</b> |

The operating subsidies mainly concern innovation projects. They have been posted at their allocation date and are attached to the period according to the programmes' degree of advancement.

#### 4.16. Results of disposal of consolidated holdings

No consolidated shareholdings have been recorded during the last three financial years.

#### 4.17. Other operating income and charges

The other operating income and charges correspond to the result of other non-current operations during the period.

| <b>OTHER OPERATING INCOME AND CHARGES</b><br>(in thousands of Euros)      | <b>H1 2017</b> | <b>H1 2016</b> | <b>2016</b> |
|---|----------------|----------------|-------------|
| Tax risks (provisions, write-backs, charges and income for the period)    |                |                |             |
| Social risks (provisions, write-backs, charges and income for the period) | -2             | -6             | -101        |
| Reimbursement on write-offs   |                |                |             |
| Gains or losses on sale of property, plant and equipment                  | 38             | 9              | 30          |
| Gains or losses on goodwill   |                |                |             |
| Other income and charges  | -72            | -12            | -113        |
| <b>Total</b>  | <b>-36</b>     | <b>-9</b>      | <b>-184</b> |

#### 4.18. Cost of net financial debt – Other financial charges and income

The cost of net financial debt includes:

- the income from cash and cash equivalents, that is to say:
  - the interest generated by the cash and cash equivalents
  - the result of the transfer of cash equivalents
- the cost of the gross financial debt, which essentially corresponds to the interest charges on financing operations and to exchange rate variations.

The net exchange rate losses amounted to -€729 k on 30 June 2017.

#### 4.19. Other financial charges and income

The other financial income and charges amount to €-18k for the half-year and include the income and charges linked to the other financial assets such as income from shareholdings, provisions and write-backs on financial provisions and exchange rate adjustments.

## 4.20. Income tax

The SOGECLAIR SA company has opted for the integrated tax system for the following companies: SOGECLAIR SA, SOGECLAIR AEROSPACE SAS, OKTAL SAS and AVIACOMP on 30 June 2017.

| <b>TAX CHARGE</b><br>(in thousands of Euros) | H1 2017     | H1 2016    | 2016          |
|--|-------------|------------|---------------|
| Deferred tax                                 | 435         | 688        | 600           |
| Tax payable (1)                              | -1,126      | -648       | -1,646        |
| Income or charge linked to tax integration   | 332         | 250        | 46            |
| Carry-back                                   |             | 3          |               |
| Contributions on dividend distributions      | -128        | -99        | -99           |
| Sponsorship tax credit                       |             |            |               |
| <b>Total</b>                                 | <b>-487</b> | <b>194</b> | <b>-1,099</b> |

(1) Including CVAE (Corporate Value Added Contribution)

Tax proof is presented below:

| <b>TAX PROOF</b><br>(in thousands of Euros)              | H1 2017     | H1 2016     | 2016          |
|--|-------------|-------------|---------------|
| Pre-tax profit (loss)                                    | 1,706       | 1,034       | 7,482         |
| Parent company's tax rate                                | 34,43%      | 34,43%      | 34,43%        |
| <b>Theoretical income (charge) tax on profits</b>        | <b>-587</b> | <b>-356</b> | <b>-2,576</b> |
| Permanent differences and others                         | -111        | -116        | -102          |
| Tax-exempted revenue and non-fiscally deductible charges | 477         | 254         | 320           |
| Impact of foreign tax rate differences and variations    | 13          | 2           | 7             |
| Income taxed at reduced rates (1)                        | -287        | -349        | -562          |
| Impact of deferred tax deficits and amortisations        | -268        | 558         | 632           |
| Tax credits  | 277         | 201         | 1,182         |
| <b>Income tax benefit (charge) posted</b>                | <b>-487</b> | <b>194</b>  | <b>-1,099</b> |

(1) Impact of CVAE in France and of the Trade Tax in Germany

## 4.21. Average workforce

| <b>WORKFORCE</b><br>full-time equivalence  | H1 2017      | H1 2016      | 2016         |
|--|--------------|--------------|--------------|
| Engineers, managers and senior technicians | 1,034        | 1,035        | 1,033        |
| Technicians and other non-managerial       | 322          | 399          | 305          |
| <b>Total</b>                               | <b>1,356</b> | <b>1,344</b> | <b>1,338</b> |

## 4.22. Financial commitments

| OFF-BALANCE SHEET COMMITMENTS<br>(in thousands of Euros) | H1 2017 | H1 2016 | 2016 |
|--|---------|---------|------|
|--|---------|---------|------|

### Commitments made:

#### Relative to financing the company

None

#### Relative to the issuer's operating activities

|   |           |           |           |
|---|-----------|-----------|-----------|
| Counter-guarantee on securities         |           | 13        | 13        |
| Counter-guarantee securities on markets | 15        | 15        | 15        |
| <b>Sub-total</b>                        | <b>15</b> | <b>28</b> | <b>28</b> |

### Commitments received:

#### Relative to the issuer's operating activities

|  |         |         |         |
|--|---------|---------|---------|
| Counter-guarantee securities on markets    | 3       |         |         |
| From customers on long-term programmes (1) | 114,000 | 120,327 | 119,000 |

#### Relative to financing the company

Payment guarantees received from customers

|                  |                |                |                |
|------------------|----------------|----------------|----------------|
| <b>Sub-total</b> | <b>114,003</b> | <b>120,327</b> | <b>119,000</b> |
|------------------|----------------|----------------|----------------|

<sup>1)</sup> We draw your attention to the fact that SOGECLAIR has received commitments from its customers on its long-term contracts dependent on their sales. On the basis of firm orders received by those customers, the value of this future income, according to the TEC 20 of 1.45% on 30 June 2017, is €107,000 k.

Additional information on the programmes subject to risk-sharing is provided in paragraph 1.6 of chapter 26 of the 2016 reference document.

## - SECTOR-BASED INFORMATION

In accordance with IFRS 8, the issuer has chosen to present the group's activity in three operational sectors corresponding to the sectors reviewed by the main operational decision-maker. It should be noted that no grouping of sectors has been made.

| NOM                                  | PAYS           | ACTIVITE   |
|--------------------------------------|----------------|--|
| <b>Division Aerospace*</b>           |                |  |
| Aviacomp SAS                         | France         | Aeronautical and defence structural subassemblies                        |
| Checkaero SARL                       | Luxembourg     | Expertise in the area of stress  |
| MSB Aerospace LLC                    | USA            | Aircraft interior subassemblies  |
| MSB Design Inc                       | Canada         | Aircraft interior subassemblies  |
| MSB Global Resources Corp            | USA            | Aerostructure, Systems installation, Configuration management, Equipment |
| Ressources Globales Aéro Inc         | Canada         | Aerostructure, Systems installation, Configuration management, Equipment |
| Sogeclair Aerospace GmbH             | Germany        | Aerostructure, Systems installation, Configuration management, Equipment |
| Sogeclair Aerospace Ltd              | United Kingdom | Aerostructure, Systems installation, Configuration management, Equipment |
| Sogeclair Aerospace SA               | Spain          | Aerostructure, Systems installation, Configuration management, Equipment |
| Sogeclair Aerospace Sarl             | Tunisia        | Aerostructure, Systems installation, Configuration management, Equipment |
| Sogeclair Aerospace SAS              | France         | Aerostructure, Systems installation, Configuration management, Equipment |
| S2E Consulting SAS                   | France         | Systems engineering and electricity                                      |
| <b>Simulation Division</b>           |                |  |
| A.V. Simulation                      | France         | Simulators   |
| Oktal SAS                            | France         | Simulators   |
| Oktal Synthetic Environment SAS      | France         | Virtual environments   |
| <b>Division Véhiculier</b>           |                |  |
| Séra Ingénierie SAS                  | France         | Vehicles   |
| <b>Holding</b>                       |                |  |
| Sogeclair SA                         | France         | Holding  |
| Rain Luxembourg (Holding Am Du Nord) | Luxembourg     | Sub-holding  |
| Sogeclair Aerospace Inc              | Canada         | Sub-holding  |
| MSB Aerospace Corp                   | USA            | Sub-holding  |

\* excluding 2 holding companies in Canada without any operational activities

SOGECLAIR's main customers are listed in the reference document available on the company's website ([www.sogeclair.com](http://www.sogeclair.com)).

SOGECLAIR has facilities in France, Germany, Spain, Canada, Luxembourg, the UK, Tunisia and the USA.

Besides the countries where it has facilities, the countries addressed by SOGECLAIR in 30 June 2017 are: South of Africa, Australia, Austria, China, Cyprus, South Korea, Denmark, India, Ireland, Israel, Italy, Japan, Latvia, Netherlands, Portugal, Qatar, Romania, Singapore, Slovenia, Spain, Sweden, Switzerland and Turkey.

## 4.1 Consolidated financial situation per division

| ASSETS<br>(in thousands Euros)                               | AEROSPACE     |               | VEHICLE      |              | SIMULATION   |              | HOLDING       |               |
|--|---------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|
|  | H1 2017       | 2016          | H1 2017      | 2016         | H1 2017      | 2016         | H1 2017       | 2016          |
| Goodwill   | 10,548        | 10,899        |              |              | 1,649        | 1,694        | 3             | 3             |
| Intangible assets  | 6,309         | 6,765         | 60           | 78           | 492          | 634          | 203           | 215           |
| Property, plant and equipment                                | 4,934         | 4,567         | 528          | 497          | 302          | 271          | 161           | 193           |
| Equity method affiliates                                     | 68            | 66            |              |              |              |              |               |               |
| Investments in associates                                    | 885           | 891           | 25           | 6            | 229          | 239          | 173           | 172           |
| Share eliminations   | -21,511       | -21,511       | -200         | -200         | -2,823       | -2,823       | 24,535        | 24,534        |
| <b>Non-current assets</b>                                    | <b>1,234</b>  | <b>1,678</b>  | <b>414</b>   | <b>381</b>   | <b>-152</b>  | <b>15</b>    | <b>25,074</b> | <b>25 117</b> |
| Inventory and work in-process                                | 8,234         | 8,745         |              |              | 33           | 45           |               |               |
| Trade and other receivables                                  | 40,104        | 39,491        | 2,495        | 1,167        | 5,726        | 5,440        | 52            | 5             |
| Other circulating assets                                     | 5,146         | 3,974         | 270          | 218          | 1,343        | 1,228        | 8,261         | 7,829         |
| Deferred income tax  | 4,296         | 3,740         | 85           | 100          | 345          | 365          | 292           | 222           |
| Cash and cash equivalents                                    | 4,041         | 2,739         | 6            |              | 1,419        | 1,546        | 8,384         | 10,593        |
| <b>Current assets</b>  | <b>61,820</b> | <b>58,688</b> | <b>2,857</b> | <b>1,485</b> | <b>8,867</b> | <b>8,624</b> | <b>16,990</b> | <b>18,649</b> |
| <b>TOTAL ASSETS</b>  | <b>63,054</b> | <b>60,366</b> | <b>3,271</b> | <b>1,867</b> | <b>8,715</b> | <b>8,639</b> | <b>42,065</b> | <b>43,767</b> |
|  |               |               |              |              |              |              |               |               |
| LIABILITIES<br>(in thousands of Euros)                       | AEROSPACE     |               | VEHICLE      |              | SIMULATION   |              | HOLDING       |               |
|  | H1 2017       | 2016          | H1 2017      | 2016         | H1 2017      | 2016         | H1 2017       | 2016          |
| Capital  |               |               |              |              |              |              | 2,900         | 2,900         |
| Capital contribution   |               |               |              |              |              |              | 2,630         | 2,630         |
| Own shares   |               |               |              |              |              |              | -712          | -712          |
| Reserves and accumulated results                             | 12,196        | 13,854        | 1,585        | 1 559        | 5,698        | 6,195        | 14,137        | 13,358        |
| <b>Equity capital, group share</b>                           | <b>12,196</b> | <b>13,854</b> | <b>1,585</b> | <b>1 559</b> | <b>5,698</b> | <b>6,195</b> | <b>18,955</b> | <b>18,176</b> |
| Minority interests   | 3,836         | 3,880         | 446          | 440          | 1,322        | 1,441        |               |               |
| <b>Consolidated equity capital</b>                           | <b>16,032</b> | <b>17,734</b> | <b>2,032</b> | <b>1 999</b> | <b>7,020</b> | <b>7,636</b> | <b>18,955</b> | <b>18,176</b> |
| Long-term provisions   | 2,098         | 1,584         | 121          | 103          | 1,187        | 945          | 421           | 243           |
| Long-term qualified pre-payments                             | 2,450         | 2,881         |              |              | 12           | 72           |               |               |
| Long-term borrowings and financial debts                     | 4,120         | 3,257         | 84           | 11           | 64           | 102          | 8,739         | 9,594         |
| Other long-term liabilities                                  | 1             | 1             |              |              |              |              |               |               |
| <b>Non-current liabilities</b>                               | <b>8,669</b>  | <b>7,724</b>  | <b>205</b>   | <b>114</b>   | <b>1,263</b> | <b>1,120</b> | <b>9,160</b>  | <b>9,837</b>  |
| Short-term qualified pre-payments                            | 632           | 407           |              |              | 110          | 227          |               |               |
| Current part of provisions for other liabilities and charges | 1,255         | 1,139         | 40           | 21           | 78           | 82           | 2,864         | 2,626         |
| Short-term borrowings and financial debts                    | 7,192         | 5,072         |              | 4            | 32           | 248          | 17            | 1             |
| Short-term provisions  | 156           | 244           | 52           |              |              |              |               |               |
| Trade and other payables                                     | 9,928         | 12,388        | 450          | 92           | 1,636        | 1,100        | 1,006         | 316           |
| Tax and social liabilities                                   | 16,591        | 15,027        | 629          | 413          | 2,615        | 2,770        | 1,305         | 1,492         |
| Deferred tax liabilities                                     | 35            |               |              |              |              |              |               |               |
| Other liabilities  | 3,564         | 2,887         | 279          | 68           | 3,304        | 3,673        |               |               |
| Intra-group eliminations                                     | -999          | -2,256        | -416         | -845         | -7,343       | -8,218       | 8,759         | 11,318        |
| <b>Current liabilities</b>                                   | <b>38,353</b> | <b>34,908</b> | <b>1,034</b> | <b>-246</b>  | <b>432</b>   | <b>-117</b>  | <b>13,950</b> | <b>15,754</b> |
| <b>TOTAL LIABILITIES</b>                                     | <b>63,054</b> | <b>60,366</b> | <b>3,271</b> | <b>1 867</b> | <b>8,715</b> | <b>8,639</b> | <b>42,065</b> | <b>43,767</b> |

## 4.2 Consolidated income statement per division

| INCOME STATEMENT<br>(in thousands of Euros)                            | AEROSPACE    |            | VEHICLE   |            | SIMULATION   |            | HOLDING    |            |
|--|--------------|------------|-----------|------------|--------------|------------|------------|------------|
|  | H1 2017      | H1 2016    | H1 2017   | H1 2016    | H1 2017      | H1 2016    | H1 2017    | H1 2016    |
| Sales  | 64,534       | 60,882     | 1,546     | 731        | 8,260        | 6,120      |            |            |
| Other income from the activity   | 328          | 100        | 1         | 2          | 320          | 400        | 6          | 4          |
| Cost of goods sold   | -24,962      | -22,325    | -738      | -153       | -3,113       | -2,040     | -1,276     | -934       |
| Personnel charges  | -34,493      | -33,117    | -568      | -527       | -3,512       | -3,446     | -843       | -1,077     |
| Taxes and duties   | -395         | -381       | -32       | -21        | -77          | -77        | -84        | -77        |
| Amortisation and provisions  | -1,397       | -2,080     | -150      | -52        | -377         | -284       | -173       | -10        |
| Other charges  | -38          | -175       |           | 3          | -37          | -9         | -56        | -39        |
| Intra-Group operations   | -2,464       | -2,279     | 4         | -79        | -428         | -202       | 2,888      | 2,561      |
| <b>Current operating income</b>  | <b>1,112</b> | <b>625</b> | <b>62</b> | <b>-95</b> | <b>1,034</b> | <b>463</b> | <b>462</b> | <b>427</b> |
| Other operating income and charges                                     | 18           | -4         | -2        | 2          | -32          |            | -20        | -6         |
| Operating profit before contribution of equity method affiliate income | 1,130        | 621        | 60        | -94        | 1,002        | 463        | 443        | 421        |
| Share of equity method affiliates in profit                            | 2            | -56        |           |            |              |            |            |            |
| Operating profit   |              |            |           |            |              |            |            |            |
| <b>OPERATING INCOME</b>  | <b>1,132</b> | <b>565</b> | <b>60</b> | <b>-94</b> | <b>1,002</b> | <b>463</b> | <b>443</b> | <b>421</b> |

## 5 - RELATED COMPANIES

### 5.1 Commercial lease

SCI SOLAIR, has a link with the directors of SOGECLAIR and there are shareholders who have voting rights greater than 10% (refer to chapter 8.3 of the 2016 reference document).

The contractual terms and conditions were drawn up according to market rules.

To 30 June 2017, the contractual relations with SCI SOLAIR have been exercised correctly and do not lead us to anticipate any risk for SOGECLAIR. There are no debts with respect to SCI SOLAIR on 30 June 2017.

The future payments will concern the payments of the rentals and charges relative to the rental contracts.

### 5.2 Board of Directors

The number of independent directors exceeds the minimum threshold recommended by the Middlednext Code.

The remuneration paid to the members of the Board of Directors is shown in paragraph 5.4 of the Board of Directors' report to the AGM in chapter 26 of the 2016 reference document.

You are also reminded that there is a life annuity paid for the benefit of Mr Jean-Louis ROBARDEY, further to the purchase of a business completed on 27 December 1985 (Refer to chapter 16.2.2 of the 2016 reference document).

### 5.3 Directors

No changes have been made during the period to the main directors' short- and long-term benefits.

# **S.A. SOGECLAIR**

**7, avenue Albert Durand  
31700 - BLAGNAC**

## **AUDITORS' REPORT ON THE HALF YEARLY FINANCIAL INFORMATION**

**Period of 1<sup>st</sup> January 2017 to 30<sup>th</sup> June 2017**

To the shareholders,

In performing the duty entrusted to us by your General Meeting and in application of article L.451-1-2 III of Monetary and Financial Law, we have proceeded with:

- a limited examination of the half-yearly consolidated accounts of the company SOGECLAIR SA, relative to the period from 1<sup>st</sup> January to 30<sup>th</sup> June 2017, such as appended to this report;
- a verification of the information provided in the half-yearly management report.

These half-yearly consolidated financial statements were drawn up under the responsibility of your Board of Directors. It is our duty to express an opinion on these financial statements based on our limited examination.

## **I OPINION ON THE ACCOUNTS**

We conducted our limited examination in accordance with the professional auditing standards in France. A limited examination essentially consists of interviewing the board members in charge of the accounting and financial aspects and of implementing analytical procedures. These tasks are less extensive than those required for an audit performed according to the professional auditing standards that apply in France. Consequently, the assurance – obtained in the framework of a limited examination – that the accounts taken as a whole do not include any significant anomalies is moderate, and is lower than that obtained in the framework of an audit.

On the basis of our limited examination, we have not noted any significant anomalies that could put into question, with respect to the IFRS baseline such as adopted in the European Union, the regularity and sincerity of the consolidated half-yearly accounts and the true and faithful picture they give of the asset base, financial situation at the end of the half-year, and of the result for the past half-year of the group made up of the people and entities comprised in the consolidation.

## II SPECIFIC VERIFICATION

We have also verified the information provided in the half-yearly management report relative to the half-yearly consolidated accounts on which we performed our limited examination. We have no special comment to make regarding their fairness and conformity with the half-yearly consolidated accounts.

**Drawn up in Toulouse, on 8 September 2017**

**The Auditors,**

**EXCO FIDUCIAIRE DU SUD  
OUEST**

**JEAN-MARIE FERRANDO**

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**MOREREAU AUDIT**

**ROBERT MOREREAU**

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 **Exco**  
FIDUCIAIRE DU SUD-OUEST

