

**SOGECCLAIR**  
**S.A. WITH CAPITAL OF €2,900,000**  
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Half-Yearly Financial Report  
for the half year ending 30 June 2016  
(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 2016 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.sogecclair.com](http://www.sogecclair.com).

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## **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."

13/09/2016

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 2016, and examined the accounts for the first half 2016. The limited examination procedures relative to the half-yearly accounts were carried out and the limited examination report was submitted on 8 September 2016.

The company issued a half-yearly financial report as soon as possible after the end of the first half on 14 September 2016 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>	<b>H1 2016</b>	<b>H1 2015</b>	<b>Variation</b>
Group	<b>67.73</b>	64.47	+5.1%
Aerospace	<b>60.88</b>	57.71	+5.5%
Vehicle	<b>0.73</b>	1.15	-36.5%
Simulation	<b>6.12</b>	5.61	+9.1%
International	<b>35.88</b>	30.24	+18.7%

#### 1.2. Consolidated results

<i>(in € million)</i>	<b>H1 2016</b>	<b>H1 2015</b>	<b>Variation</b>
EBITDA <sup>1</sup>	<b>3.85</b>	2.23	+72.6%
as % of turnover	<b>5.7%</b>	3.5%	
EBITDA <sup>1</sup> before 2016 modification	<b>5.02</b>	3.61	+39%
Operating result	<b>1.36</b>	0.10	x 13.6
Net result	<b>1.23</b>	-0.74	
including group share	<b>1.16</b>	-0.49	

#### 1.3. Financial structure

<i>(in € million)</i>	<b>H1 2016</b>	<b>H1 2015</b>	<b>2015</b>
Equity capital	<b>40.02</b>	36.93	39.68
Gearing <sup>2</sup>	<b>37%</b>	27%	27%
WCR	<b>29.99</b>	21.82	25.34

<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:

- improved results,
- geographic expansion with significant growth in turnover outside France (+19% vs June 2015) and the opening of new offices (Savannah, Nantes),
- maintained expertise and skills through our participation in key R&D programmes (autonomous vehicle, cockpit of the future, etc.),
- new high added-value product and service offerings:
  - Products: structure, simulated cockpits, cabin furnishings...
  - Services: expertise in products and manufacturing processes
- innovative activities combining design and manufacturing professions,
- strengthening of the "product" activities with strong acceleration in the composite material activities (inspection access doors).

The Operating Result is up significantly (x13.6) benefitting from the improvement in the Aerospace Division notably with the ramp-up in the composite material wing inspection doors.

The Net Result stands at €1.23 million. Equity capital amounts to €40 million. Cash totals nearly €9.5 million with gearing (excluding qualified pre-payments) at 37 %.

## **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 €60.9 million – EBITDA €2.7 million)**

The activity progressed (+5.5%) with an acceleration in the 2<sup>nd</sup> quarter and EBITDA tripled with respect to the first half 2015. This growth was marked by the division's geographical expansion and the continuous development of its activities related to aircraft in service (production support).

The "product" activity saw strong growth linked to the composite material wing inspection door activities. During the first half 2016, SOGECLAIR bought out Mecachrome's holding in this subsidiary which is now a 100% holding.

### **Simulation Division (turnover €6.1 million – EBITDA €0.7 million)**

The activity is up (+9.1%) driven by the growth in the sales of synthetic environment software and of systems. The group occupies a position of key partner in major R&D projects (cockpit of the future, autonomous vehicle, etc.).

EBITDA progressed by 30.2% with respect to the first half 2015.

### **Vehicle Division (turnover €0.7 million – EBITDA -€0.04 million)**

The activity saw a 36.5% downturn and EBITDA fell by -5.9%.

Of note during the half-year:

- an activity affected by the wait-and-see attitude regarding orders in this pre-election period with, nevertheless, favourable perspectives in the framework of operational emergencies.
- the recruitment of an Executive Vice President in charge of sales.

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

The risks linked to SOGECLAIR's activity are detailed in the 2015 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**

Research and development along with commercial innovation – the group’s driving forces on an ever-more demanding market in terms of technology – allow SOGECLAIR to offer its customers sound support to help them take up their industrial and economic challenges.

The company’s demonstrated ability to anticipate its markets opens up perspectives for lasting international growth.

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

#### 1. Consolidated accounts

##### 1. CONSOLIDATED FINANCIAL SITUATION

<b>ASSETS</b> (in €k)	<b>NOTES</b>	<b>H1 2016</b>	<b>H1 2015</b>	<b>2015</b>
Goodwill	1.3.1 & 4.1	12,478	12,134	12,063
Intangible assets	4.1	8,050	9,122	8,883
Property, plant and equipment	4.2	5,259	4,780	4,940
Equity method affiliates		-39	38	17
Investments in associates	4.3	1,237	1,121	1,213
<b>Non-current assets</b>		<b>26,985</b>	<b>27,195</b>	<b>27,117</b>
Inventories	4.4	7,306	6,164	7,293
Trade and other receivables	4.5	48,272	41,857	43,231
Available-for-sale financial assets		13,425	12,077	13,488
Current tax asset	4.6	4,855	4,444	4,162
Cash and cash equivalents	4.7	9,477	13,494	11,074
<b>Current assets</b>		<b>83,335</b>	<b>78,036</b>	<b>79,248</b>
<b>TOTAL ASSETS</b>		<b>110,320</b>	<b>105,231</b>	<b>106,365</b>

  

<b>LIABILITIES</b> (in €k)	<b>NOTES</b>	<b>H1 2016</b>	<b>H1 2015</b>	<b>2015</b>
Capital	4.8	2,900	2,900	2,900
Share premium account		2,630	2,630	2,630
Own shares	4.8	-712	-734	-712
Reserves and accrued profits		30,139	26,433	28,817
<b>Equity capital, group share</b>		<b>34,957</b>	<b>31,229</b>	<b>33,635</b>
Minority interest	4.9	5,064	5,696	6,044
<b>Equity capital, consolidated group</b>		<b>40,021</b>	<b>36,925</b>	<b>39,679</b>
Long-term provisions	4.10	3,043	2,443	2,594
Long-term qualified pre-payments	4.11	2,958	3,171	3,055
Borrowings	4.11	15,167	12,642	10,746
Other long-term liabilities		1	63	97
<b>Non-current liabilities</b>		<b>21,169</b>	<b>18,318</b>	<b>16,492</b>
Short-term qualified pre-payments	4.11	399	588	216
Current part of loans and long-term financial liabilities	4.11	3,030	4,714	4,583
Payables and other financial liabilities	4.11	6,112	6,195	6,551
Short-term borrowings	4.12	328		
Trade and other payables		12,143	12,629	12,933
Tax and social liabilities		20,152	20,510	19,991
Deferred tax liabilities	4.13	247	212	171
Other liabilities		6,720	5,139	5,750
<b>Current liabilities</b>		<b>49,130</b>	<b>49,987</b>	<b>50,195</b>
<b>TOTAL LIABILITIES</b>		<b>110,320</b>	<b>105,231</b>	<b>106,365</b>

## 2. CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (in €k)	NOTES	H1 2016	H1 2015	2015
Sales	4.14	67,734	64,471	127,782
Other income from the activity	4.15	506	3,445	3,565
Cost of goods sold		-25,451	-24,345	-46,670
Personnel charges		-38,168	-39,250	-74,096
Taxes and duties		-556	-550	-1,081
Amortisation and provisions		-2,425	-3,495	-4,044
Other charges		-220	-164	-305
Current operating income		1,420	113	5,151
Income from sale of consolidated holdings	4.16			
Other operating income and charges	4.17	-9	-13	-13
Operating profit before contribution of equity method affiliate income		1,411	100	5,138
Share of equity method affiliates in profit		-56	-27	-47
Operating profit		1,355	73	5,091
Income from cash flow and cash flow equivalents		-18	-400	-1,075
Gross finance costs		-330	-341	-630
Net finance costs	4.18	-347	-740	-1 706
Other financial income and charges	4.19	26	21	32
Income before taxes		1,034	-646	3,417
Income tax expense	4.20	194	-93	-1,220
Net profit		1,228	-739	2,197
Group share		1,156	-491	2,216
Minority interest		72	-248	-19
(in Euros)		H1 2016	H1 2015	2015
Profit per share		0.40	-0.17	0.76
Diluted profit per share		0.40	-0.17	0.76
NET INCOME STATEMENT AND GAINS AND LOSSES ENTERED DIRECTLY AS EQUITY CAPITAL (in €k)		H1 2016	H1 2015	2015
Net profit		1,228	-739	2,197
<u>Elements that will subsequently be reclassified as net result:</u>		462	-9	-708
Conversion rate adjustment for foreign entities		462	-11	-670
Fair value restatement of assets and long-term debts			3	-38
<u>Elements that will not subsequently be reclassified as net profit:</u>		-43	-50	-79
Actuarial gains and losses on defined benefit schemes		-65	-76	-120
Related taxes		22	26	41
Total gains and losses entered directly as equity capital		419	-58	-787
Consolidated income		1,647	-797	1,410
Parent company owners' share		1,416	-547	1,661
Non-controlling interests		230	-250	-251
Consolidated income		1,647	-797	1,410

### 3. CASHFLOW

#### 3.1. CONSOLIDATED CASHFLOW STATEMENT

<b>CONSOLIDATED CASHFLOW STATEMENT</b> (in €k)	<b>H1 2016</b>	<b>H1 2015</b>	<b>2015</b>
<b>Net result of integrated companies (including minority interests)</b>	1,228	-739	2,197
+/- Net amortisation and provisions (excluding those relative to current assets)	2,591	1,844	3,955
-/+ Unrealised gains and losses linked to fair value variations	-3	9	17
-/+ Other recognised revenue and expenses			
-/+ Transfer capital gains and losses	-9	12	-3
-/+ Dilution gains and losses			
+/- share in results of associates consolidated by the equity method	56	27	47
- Dividends (non-consolidated securities)	-31		
<b>Cashflow after net finance costs and tax</b>	<b>3,831</b>	<b>1,152</b>	<b>6,214</b>
+ Net finance costs	247	293	634
+/- Tax charge (including deferred taxes)	-194	93	1 220
<b>Cashflow before net finance costs and tax (A)</b>	<b>3,885</b>	<b>1,539</b>	<b>8,067</b>
- Taxes paid (B)	974	-558	-3,854
+/- Variation in WCR linked to the activity (including debt linked to staff benefits) (C)	-5,447	-3,066	-4,986
<b>= NET CASHFLOW GENERATED BY THE ACTIVITY (D) = (A + B + C)</b>	<b>-588</b>	<b>-2,085</b>	<b>-772</b>
- Cash outflows linked to the acquisition of tangible and intangible assets	-1,937	-872	-1,843
+ Cash inflows linked to the sale of tangible and intangible assets	37	54	47
- Cash outflows linked to the acquisition of financial assets (non-consolidated securities)		-42	-42
+ Cash inflows linked to the sale of financial assets (non-consolidated securities)		9	9
+/- Impact of changes of scope		-56	-55
+ Dividends received (equity method affiliates, non-consolidated securities)* see alternative presentation 7.2	31		
+/- Variation in loans and advances granted	-11	-37	-158
+ Investment subsidies received			
+/- Other flows linked to investment operations			
<b>= NET CASHFLOW LINKED TO INVESTMENT OPERATIONS (E)</b>	<b>-1,879</b>	<b>-945</b>	<b>-2,041</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			143
- Dividends paid out during the financial year			
- Dividends paid to parent company shareholders	-1,101	-1,372	-1,372
- Dividends paid to minority shareholders of consolidated companies	-186	-261	-261
+ Receipts linked to new borrowings	5,118	1,344	1,200
- Reimbursement of borrowings (including leasing contracts)	-2,300	-2,085	-4,854
- Net financing interest paid (including leasing contracts)	-162	-207	-568
+/- Other flows linked to financing operations			
<b>= NET CASHFLOW LINKED TO FINANCING OPERATIONS (F)</b>	<b>1,369</b>	<b>-2,581</b>	<b>-5,711</b>
+/- Impact of changes in currency change rates (G)	-60	11	149
<b>= NET VARIATION OF CASHFLOW (D + E + F + G)</b>	<b>-1,159</b>	<b>-5,600</b>	<b>-8,376</b>



### 3.2. NET FINANCIAL DEBT VARIATION STATEMENT

NET FINANCIAL DEBT (in €k)		OPENING	VARIATION	VARIATIONS OF SCOPE	FAIR VALUE VARIATIONS	EXCHANGE DIFFERENCES	RECLASSI FICATION	CLOSING
Gross cashflow	(a)	11,075	-1,575			4	-28	9,477
Debit balances and bank loans and overdrafts	(b)	6,551	-503			64		6,112
<b>Net cashflow</b>	<b>(c) = (a) - (b)</b>	<b>4,525</b>	<b>-1,072</b>			<b>-60</b>	<b>-28</b>	<b>3,364</b>
Gross financial debt	(d)	18,601	2,922		9	21		21,553
<b>Net financial debt</b>	<b>(d) - (c)</b>	<b>14,076</b>	<b>3,994</b>		<b>9</b>	<b>81</b>	<b>28</b>	<b>18,189</b>

The debt ratios are given in chapter 3 of the 2015 reference document. The financing sources for investments are detailed in chapters 8 and 10 of the 2015 reference document. During the half-year SOGECLAIR has had to refinance the commercial and tax debts of a subsidiary for a balance of €2,246k on 30 June 2016.

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 2016, amounting to €2.68 million, not posted in the cashflow.

### 4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in €k)	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 2013)</b>	2,900	2,630	-734	28,552	-124	33,223	4,666	37,889
Operations on capital							1,445	1,445
Share-based payments								
Operations on own shares			22	80		101		101
Dividends				-1,372		-1,372	-261	-1,633
Result for the period				2,216		2,216	-19	2,197
Gains and losses entered directly as equity capital					-555	-555	-232	-787
<b>Net gains and losses entered directly as equity capital</b>				2,216	-555	1,661	-251	1,410
Variation of scope					29	29	-37	-9
Other movements					-7	-7	482	475
<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				1,156		1,156	72	1,228
Gains and losses entered directly as equity capital					261	261	158	419
<b>Net gains and losses entered directly as equity capital</b>				1,156	261	1,416	230	1,647
Variation of scope								
Other movements				1,021	-14	1,007	-1,024	-17
<b>Equity capital, year-end N (30 June 2016)</b>	2,900	2,630	-712	30,551	-410	34,958	5,064	40,022

(1) Buy-back of minority holdings in the Aviocomp company

### **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 2015 instead of 30 June 2015. 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 annual 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 2016**

The new standards and amendments applicable as of 1<sup>st</sup> January 2016 did not have any significant impact on the accounts to 30 June 2016.

### **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 2016 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).

On 30/06/2016, SOGECLAIR had an equity method holding that is excluded from the scope of consolidation, given its non-significant nature.

The Checkaero BV company has been liquidated and no longer comes within the scope of consolidation.

### 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.).

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 Synthétique Environnement SAS entities are grouped together in a single CGU due to their technical synergy.

Sogclair's other legal entities are considered to be independent CGUs.

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 into account.

The going concern value adopted by Sogecclair 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 7.06% at the end of 2015, on the basis of:
  - of the 10-year risk-free rate of 1.01%,
  - and of a market premium of 6.5% to which an average over five years of the Beta coefficient specific to Sogecclair is assigned, confirmed by other sources (Bloomberg, Thomson, Infinaut), of 0.93.

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 2016 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	7,399	5,348
Modular aeronautical training platform	Since 2014	4 years starting from commercialisation of the modules	59	59
Aircraft interior monuments	Since 2009	7 years starting from series deliveries	1,060	663
Aircraft modification authority label	Since 2014	3 years starting from assetisation	81	50
<b>Vehicle Division</b>				
Multi-mission terrestrial drone	Since 2013	5 years starting from assetisation	173	94
<b>Simulation Division</b>				
Terrain modellers (Agetim, Ray and Fast products) for simulators	Since 2003	3 years starting from assetisation	1,896	195
Simulation engines for the following sectors: - automobile (ScanNer product), - rail (OkSimRail product) -air traffic (ScanAds product)	Since 2005	3 years starting from assetisation	2,292	231

### **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 2016, 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. 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.

### **1.3.7. 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.

### 1.3.8. Dividends paid

The distribution of dividends paid out to the parent company's shareholders during the half ending 30 June 2016, in respect of the year ending 31 December 2015, is as follows:

- single voting right €266 k
- double voting right €835 k

### 1.3.9. Events after the balance sheet date

None.

### 1.3.10. 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 €584 k.

## 2 - SCOPE

### 1. List of consolidated companies

NAME	COUNTRY	ACTIVITY	% OF CONTROL IN 2016	% OF CONTROL IN 2015
<b>Companies consolidated by full consolidation *</b>				
Aviacomp SAS	France	Aeronautical and defence structural subassemblies	100.00%	59.09%
Checkaero BV	Netherlands	Expertise in the area of stress	0.00%	75.00%
Checkaero SARL	Luxembourg	Expertise in the area of stress	75.00%	75.00%
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	97.98%	97.98%
Oktal Synthetic Environment SAS	France	Virtual environments	54.94%	54.94%
Ressources Globales Aéro Inc**	Canada	Aerostructure, Systems installation, Configuration management, Equipment	80.00%	80.00%
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%
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\* 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

#### Presentation of the accounts

As from 31/12/2015 and in compliance with the IAS 1 standard, the capitalised production costs (€75 k on 30 June 2016), production in stock (-€631 k on 30 June 2016), and write-back of provisions (€1,211 k on 30 June 2016) have been posted as deductions from the corresponding charges previously presented as “other operating income”.  
This change of presentation lowers the “other operating income” by €655 k.

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

#### 4.1. Intangible assets

GROSS VALUES (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASES	ASSETS GENERATED IN- HOUSE	SALES AND DISPOSALS	WITH- DRAWALS	EXCHANGE RATE DIFFERENCES	REAS- SIGNMENT	AT YEAR- END
Goodwill	13,102					415		13,517
Development expenses	24,920		82			43		25,045
Software and brands	7,693	169			-83	-1		7,778
Current assets								
<b>Total</b>	<b>45,716</b>	<b>169</b>	<b>82</b>		<b>-83</b>	<b>456</b>		<b>46,340</b>

AMORTISATION & PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	AMORTISATION AND LOSSES OF VALUE	SALES AND DISPOSALS	WITH- DRAWALS	EXCHANGE RATE DIFFERENCES	REAS- SIGNMENT	AT YEAR- END
Goodwill	-1,039						-1,039
Development expenses	-17,743	-649			-15		-18,406
Software and brands	-5,988	-451		83	-11		-6,367
<b>Total</b>	<b>-24,769</b>	<b>-1,100</b>		<b>83</b>	<b>-25</b>		<b>-25,812</b>
<b>Valeur nette</b>	<b>20,946</b>						<b>20,528</b>

The detail of the immobilised expenses is given in paragraph 1.2.2 of this document.

#### 4.2. Tangible assets

GROSS VALUES (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASES	SALES AND DISPOSALS	WITHDRAWALS	EXCHANGE RATE DIFFERENCES	REAS- SIGNMENT	AT YEAR- END
Technical installations, plant & equipment	2,918	189		-25	44		3,126
Installations & fittings	2,448	109			34		2,590
IT & office hardware	8,184	209		-50	-13	1	8,331
Current assets	812	504				-1	1,315
Other	1,271	68		-9			1,330
<b>Total</b>	<b>15,632</b>	<b>1,078</b>		<b>-83</b>	<b>65</b>		<b>16,692</b>

AMORTISATION & PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	AMORTISATION AND LOSSES OF VALUE	SALES AND DISPOSALS	WITHDRAWALS	EXCHANGE RATE DIFFERENCES	REAS- SIGNMENT	AT YEAR- END
Technical installations, plant & equipment	-1,453	-163		3	-21		-1,635
Installations & fittings	-1,457	-99			-12		-1,568
IT & office hardware	-6,674	-175		50	13		-6,786
Other	-1,108	-344		7	1		-1,445
<b>Total</b>	<b>-10,692</b>	<b>-781</b>		<b>60</b>	<b>-19</b>		<b>-11,433</b>
<b>Valeur nette</b>	<b>4,940</b>						<b>5,259</b>

The exchange rate differences concern the British, Canadian and Tunisian subsidiaries: Sogclair Aerospace Ltd, MSB Design Inc, MSB Global Resources Inc, Ressources Globales Aero Inc, Sogclair Aerospace Inc and 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	1,884	-1,267	617
Tangible assets	5,687	-4,595	1,091
<b>Total</b>	<b>7,570</b>	<b>-5,863</b>	<b>1,708</b>

Term for outstanding leasing contracts:

in thousands of Euros	< 1 YEAR	1 TO 2 YEARS	3 TO 5 YEARS
<b>Total</b>	<b>807</b>	<b>416</b>	<b>485</b>

#### 4.3. Investments in associates

GROSS VALUES (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASES	SALES AND DISPOSALS	WITHDR AWALS	VARIATION IN FAIR VALUE	EXCHANGE RATE DIFFERENCES	REASSIGN- MENT	AT YEAR END
Shareholdings	103				-56			47
Fixed investments								
Loans, guarantees and other receivables	1,158	13		-3	13	1	-1	1 181
<b>Total</b>	<b>1,261</b>	<b>13</b>		<b>-3</b>	<b>-43</b>	<b>1</b>	<b>-1</b>	<b>1,228</b>



AMORTISATION & PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	AMORTISATION	SALES AND DISPOSALS	WITHDRAWALS	VARIATION IN FAIR VALUE	EXCHANGE RATE DIFFERENCES	REASSIGN- MENT	AT YEAR END
Shareholdings	-30							-30
Fixed investments								
Loans								
<b>Total</b>	<b>-30</b>							<b>-30</b>
<b>Net value</b>	<b>1,231</b>							<b>1,198</b>

#### 4.4. Inventory

GROSS VALUES (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASES	SALES AND DISPOSALS	WITHDRAWALS	EXCHANGE RATE DIFFERENCES	REASSIGN- MENT	AT YEAR END
Stock of raw materials, supplies and other procurements	2,966	307			93		3,365
Stock of work in process	2,339	377			10		2,726
Stock of finished and intermediate products	3,025	-1,023			18		2,020
<b>Total</b>	<b>8,330</b>	<b>-340</b>			<b>121</b>		<b>8,111</b>

  

PROVISIONS AND DEPRECIATION (in thousands of Euros)	AT BEGINNING OF YEAR	PROVISIONS FOR DEPRECIATIONS AND LOSSES OF VALUE	SALES AND DISPOSALS	WRITE-BACKS OF DEPRECIATIONS AND LOSSES OF VALUE	EXCHANGE RATE DIFFERENCES	REASSIGN- MENT	AT YEAR END
Depreciation of raw materials, supplies and other procurements							
Depreciation of work in process	-486	-515		486			-515
Depreciation of finished and intermediate products	-551	-248		510			-289
<b>Total</b>	<b>-1,037</b>	<b>-764</b>		<b>996</b>			<b>-805</b>
<b>Net value of stock</b>	<b>7,293</b>						<b>7,306</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.

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 (in thousands of Euros)	H1 2016	H1 2015	2015
Temporary differences	1,334	1,373	1,252
Tax deficits	3,257	2,753	2,659
Restatements	263	318	252
<b>Total</b>	<b>4,855</b>	<b>4,444</b>	<b>4,162</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.

SOGELAIR 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.

For the period, the deficit of the German subsidiary was limited to the double of its turnover for the first half 2016 as precautionary measure.

The amount of the accumulated non-assetised deficits on 30 June 2016 totalled €2.8 million, representing a non-posted deferred tax of €922 k.

#### 4.7. Cash and cash equivalents

(in thousands of Euros)	H1 2016	H1 2015	2015
Cash	2,541	3,308	4,204
Cash equivalents	6,935	10,186	6,870
<b>Total</b>	<b>9,477</b>	<b>13,494</b>	<b>11,074</b>

On 30 June 2016, 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 SOGELAIR held on 23 December 2002, the self-owned shares are deducted from the consolidated shareholders' equity.

On 30 June 2016, the balance of these shares on the company's books amounted to 144,340 shares (4.98% of the capital), unchanged since 31 December 2015. This restatement leads to an accumulated reduction of the consolidated equity capital of €712 k.

#### 4.9. Minority interests

(in thousands of Euros)	H1 2016	H1 2015	2015
<b>At beginning of year</b>	<b>6,044</b>	<b>4,666</b>	<b>4,666</b>
Variation of reserves	-1,052 <sup>(1)</sup>	1,278	1,397
Total income and expenditure entered during the period	72	-248	-19
<b>At end of period</b>	<b>5,064</b>	<b>5,697</b>	<b>6,044</b>

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

#### 4.10. Long-term provisions

LONG-TERM PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	CON- TRIBUT- IONS	SALES AND DISPOSALS	WRITE- BACKS	VARIATION IN FAIR VALUE	EXCHANGE RATE DIFFERENCES	REAS- SIGNMENT	AT YEAR END
Provisions for retirement benefit obligations	1,876	28			65			1,970
Provisions for restructurings								
Other provisions for charges	83	9		-48		2		46
Provisions for losses on contracts	119	191		-119				191
Other provisions for risks	516	330		-10		-1		836
<b>Total</b>	<b>2,594</b>	<b>559</b>		<b>-177</b>	<b>65</b>	<b>1</b>		<b>3,043</b>

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

There is no event later than 30 June 2016 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 €65 k.

The discount rate used corresponds to TEC 10 which stood at 0.25% on 30 June 2016.

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

NON-CURRENT FINANCIAL DEBTS (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASE	REDUCTION	VARIATION IN FAIR VALUE	EXCHANGE RATE DIFFERENCES	REAS- SIGNMENT	AT YEAR END
Qualified prepayments (+ 1 year)	3,055	150		9		-256	2,958
Borrowings and debts with credit institutions (+ 1 year)	9,278	5,035			15	-1,781	12,547
Sundry non-current loans and financial liabilities	1,468	1,233	-82				2,620
<b>Total</b>	<b>13,801</b>	<b>6,418</b>	<b>-82</b>	<b>9</b>	<b>15</b>	<b>-2,037</b>	<b>18,125</b>

CURRENT FINANCIAL DEBTS (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASE	REDUCTION	VARIATION IN FAIR VALUE	EXCHANGE RATE DIFFERENCES	REASSIGN- MENT	AT YEAR END
Current qualified prepayments (-1 year)	216		-74			256	399
Current borrowings and debts with credit institutions (-1 year)	3,350		-2,196		7	1,781	2,941
Bank loans and overdrafts	6,551	-503			64		6,112
Sundry current loans and financial liabilities	1,233		-1,145				88
<b>Total</b>	<b>11,351</b>	<b>-503</b>	<b>-3,415</b>		<b>71</b>	<b>2,037</b>	<b>9,540</b>

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

MEDIUM/LONG TERM BANK LOANS (excluding leases) (in thousands of Euros)	2016
Taken out during the half-year	5,017
Reimbursed during the half-year	1,669

The loans on the Canadian subsidiary's books at the time of acquisition have been renegotiated to obtain more favourable terms.

The gross financial debts schedule is given below:

GROSS LONG-TERM DEBT SCHEDULE (in thousands of Euros)	TOTAL	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Longer
Qualified prepayments (+ 1 year)	2,958		602	1,025	371	960
Borrowings and debts with credit institutions (+ 1 year)	12,547		3,338	3,023	2,827	3,360
Sundry non-current loans and financial liabilities	2,620		1,433	308	320	559
<b>Non-current financial liabilities</b>	<b>18,125</b>		<b>5,373</b>	<b>4,356</b>	<b>3,518</b>	<b>4,878</b>

Characteristics of the loans taken out	Fixed-date financial debts (1)	Terms	Due dates	Coverage	Financial covenants
Fixed-rate amortisable	13,704	1.7 to 3.4%	2009-2020	N/A	None
Fixed-rate amortisable in Canadian dollars	10	Interest-free	2012-2017	N/A	None

(1) Total amount to be reimbursed on 30 June 2016

#### 4.12. Short-term provisions

LONG-TERM PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	CONTRI- BUTIONS	SALES AND DISPOSALS	WRITE- BACKS	EXCHANGE RATE DIFFERENCES	REASSIGN- MENT	AT YEAR END
Provisions for restructurings							
Other provisions for charges							
Other provisions for risks		328					328
<b>Total</b>		<b>328</b>					<b>328</b>

#### 4.13. Deferred tax liabilities

DEFERRED TAX LIABILITIES (in thousands of Euros)	H1 2016	H1 2014	2015
Temporary differences			
Restatement	247	212	171
<b>Total</b>	<b>247</b>	<b>212</b>	<b>171</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

OTHER OPERATING INCOME (in thousands of Euros)	H1 2016	H1 2015	2015
Production in stock		1,280	
Production immobilised		162	
Operating and investment subsidies	422	466	806
Write-back on provisions, amortisations		1,305	
Other income	85	232	2,759
<b>Total</b>	<b>506</b>	<b>3,445</b>	<b>3,565</b>

The production in stock, production immobilised and write-backs on provisions have been reassigned in compliance with IAS 1 since 31/12/2015 as stated above in paragraph 3 of this appendix.

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

RESULT OF DISPOSAL OF CONSOLIDATED HOLDINGS (in thousands of Euros)	H1 2016	H1 2015	2015
<b>Total</b>			

#### 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.

OTHER OPERATING INCOME AND CHARGES (in thousands of Euros)	H1 2016	H1 2015	2015
Tax risks (provisions, write-backs, charges and income for the period)			
Social risks (provisions, write-backs, charges and income for the period)	-6		
Reimbursement on write-offs			
Gains or losses on sale of property, plant and equipment	9	-9	5
Gains or losses on goodwill			
Other income and charges	-12	-3	-18
<b>Total</b>	<b>-9</b>	<b>-13</b>	<b>-13</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 -€100 k on 30 June 2016.

#### 4.19. Other financial charges and income

The other financial income and charges amount to €26k 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 2016.

TAX CHARGE (in thousands of Euros)	H1 2016	H1 2015	2015
Deferred tax	688	532	243
Tax payable (1)	-648	-885	-1,836
Income or charge linked to tax integration	250	385	512
Carry-back	3		
Contributions on dividend distributions	-99	-125	-139
Sponsorship tax credit			
<b>Total</b>	<b>194</b>	<b>-93</b>	<b>-1,220</b>

(1) including CVAE (Corporate Value Added Contribution)

Tax proof is presented below:

<b>TAX PROOF</b> (in thousands of Euros)	<b>H1 2016</b>	<b>H1 2015</b>	<b>2015</b>
Pre-tax profit (loss)	1,034	-646	3,417
Parent company's tax rate	34.43%	34.43%	34.43%
<b>Theoretical income (charge) tax on profits</b>	<b>-356</b>	<b>222</b>	<b>-1 177</b>
Permanent differences and others	-116	-122	-197
Tax-exempted revenue and non-fiscally deductible charges	254	383	509
Impact of foreign tax rate differences and variations	2	-45	8
Income taxed at reduced rates (1)	-349	-361	-703
Impact of deferred tax deficits and amortisations	558	-387	-929
Tax credits	201	217	1,268
<b>Income tax benefit (charge) posted</b>	<b>194</b>	<b>-93</b>	<b>-1,220</b>

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

#### 4.21. Average workforce

<b>WORKFORCE</b> full-time equivalence	<b>H1 2016</b>	<b>H1 2015</b>	<b>2015</b>
Engineers, managers and senior technicians	1,035	1,076	1,102
Technicians and other non-managerial	399	285	255
<b>Total</b>	<b>1,344</b>	<b>1,361</b>	<b>1,357</b>

## 4.22. Financial commitments

OFF-BALANCE SHEET COMMITMENTS (in thousands of Euros)	H1 2016	H1 2015	2015
<b><u>Commitments made:</u></b>			
<b>Relative to financing the company</b>			
None			
<b>Relative to the issuer's operating activities</b>			
Counter-guarantee on securities	13	13	13
Counter-guarantee securities on markets	15	50	50
<b>Sub-total</b>	<b>28</b>	<b>63</b>	<b>63</b>
<b><u>Commitments received:</u></b>			
<b>Relative to the issuer's operating activities</b>			
From customers on long-term programmes (1)	120,327	109,000	123,600
<b>Relative to financing the company</b>			
Payment guarantees received from customers			
<b>Sub-total</b>	<b>120,327</b>	<b>109,000</b>	<b>123,600</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 0.81% on 30 June 2016, is €116,000 k.

Additional information on the programmes subject to risk-sharing is provided in paragraph 1.6 of chapter 26 of the 2015 reference document.



## 5 - 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.

NAME	COUNTRY	ACTIVITY
<b>Aerospace Division *</b>		
Aviacomp SAS	France	Aeronautical and defence structural subassemblies
Checkaero BV	Netherlands	Expertise in the area of stress
Checkaero SARL	Luxembourg	Expertise in the area of stress
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
Sogclair Aerospace GmbH	Germany	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Aerospace Ltd	United Kingdom	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Aerospace SA	Spain	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Aerospace Sarl	Tunisia	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Aerospace SAS	France	Aerostructure, Systems installation, Configuration management, Equipment
S2E Consulting SAS	France	Systems engineering and electricity
<b>Simulation Division</b>		
Oktal SAS	France	Simulators
Oktal Synthetic Environment SAS	France	Virtual environments
<b>Vehicle Division</b>		
Séra Ingénierie SAS	France	Vehicles
<b>Holding</b>		
Sogclair SA	France	Holding
Rain Luxembourg (North American holding)	Luxembourg	Sub-holding
Sogclair Aerospace Inc	Canada	Sub-holding

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

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

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

Besides the countries where it has facilities, the countries addressed by SOGCLAIR in 2016 are: Australia, Austria, Belgium, Brazil, China, Denmark, Ireland, Israel, Italy, Japan, Portugal, Singapore, Slovenia, South Korea, Sweden, Switzerland and Turkey.

## 5.1 Consolidated financial situation per division

	AEROSPACE		VEHICLE		SIMULATION		HOLDING		GROUP	
Goodwill	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015
Intangible assets	10,781	10,437			1,694	1,694	3	3	12,478	12,134
Property, plant and equipment	7,371	8,474	97	135	489	427	93	86	8,050	9,122
Equity method affiliates	4,222	3,737	524	458	288	289	225	296	5,259	4,780
Other long-term assets	-39	38							-39	38
Share eliminations	794	707	6	6	222	200	215	209	1,237	1,121
Non-current assets	-21,409	-19,903	-200	-200	-2,823	-2 823	24,432	22,926		
Inventory and work in-process	1,721	3,489	427	399	-130	-213	24,967	23,520	26,985	27,195
Trade and other receivables	7,250	6,114			57	50			7,306	6,164
Other circulating assets	41,359	35,609	1,276	2 134	5,634	4,108	3	5	48,272	41,857
Deferred income tax	4,343	3,944	112	130	2,309	3 473	6,661	4,531	13,425	12,077
Cash and cash equivalents	3,981	3,360	65	30	574	831	235	223	4,855	4,444
Current assets	2,228	2,319	2	3	155	725	7,092	10,447	9,477	13,494
<b>TOTAL ASSETS</b>	<b>59,161</b>	<b>51,346</b>	<b>1,455</b>	<b>2,297</b>	<b>8,727</b>	<b>9,187</b>	<b>13,991</b>	<b>15,206</b>	<b>83,335</b>	<b>78,036</b>
Goodwill	<b>60,882</b>	<b>54,835</b>	<b>1,882</b>	<b>2,696</b>	<b>8,597</b>	<b>8,974</b>	<b>38,958</b>	<b>38,727</b>	<b>110,320</b>	<b>105 231</b>

  

	AEROSPACE		VEHICLE		SIMULATION		HOLDING		GROUP	
LIABILITIES (in thousands of Euros)	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015
Capital							2,900	2,900	2,900	2,900
Capital contribution							2,630	2,630	2,630	2,630
Own shares							-712	-734	-712	-734
Reserves and accumulated results	10,340	8,429	1,508	1,422	4,856	4,170	13,435	12,412	30,139	26,433
Equity capital, group share	10,340	8,429	1,508	1,422	4,856	4,170	18,252	17,208	34,957	31,229
Minority interests	3,506	4,302	427	406	1,131	989			5,064	5,696
Consolidated equity capital	13,846	12,731	1,935	1,828	5,987	5,158	18,252	17,208	40,021	36,925
Long-term provisions	1,665	1,201	95	86	995	915	288	241	3,043	2,443
Long-term qualified pre-payments	2,829	2,766			129	404			2,958	3,171
Long-term borrowings and financial debts	3,305	4,380	22	32	32	49	11,809	8,181	15,167	12,642
Other long-term liabilities	1	63							1	63
Non current liabilities	7,801	8,410	116	118	1,156	1,368	12,096	8 422	21,169	18,318
Short-term qualified pre-payments	124	459			275	130			399	588
Current part of provisions for other liabilities and charges	1,318	2,994	21	8	34	48	1,656	1 664	3,030	4,714
Short-term borrowings and financial debts	3,986	6,194			27	1	2,099		6,112	6,195
Short-term provisions	328								328	
Trade and other payables	10,772	11,096	58	257	658	640	654	636	12,143	12,629
Tax and social liabilities	15,913	16,621	459	612	2,582	2,265	1,199	1,012	20,152	20,510
Deferred tax liabilities	246	210	1	1	1	1			247	212
Other liabilities	3,563	2,938	44	13	3,113	2,188			6,720	5,139
Intra-group eliminations	2,985	-6,817	-752	-141	-5,234	-2,826	3,002	9,784		
Current liabilities	39,234	33,694	-169	750	1,455	2,447	8,610	13,097	49,130	49,987
<b>TOTAL LIABILITIES</b>	<b>60,882</b>	<b>54,835</b>	<b>1,882</b>	<b>2,696</b>	<b>8,597</b>	<b>8,974</b>	<b>38,958</b>	<b>38,727</b>	<b>110,320</b>	<b>105,231</b>

## 5.2 Consolidated income statement per division

	AEROSPACE		VEHICLE		SIMULATION		HOLDING		GROUP	
INCOME STATEMENT (in thousands of Euros)	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015
Sales	60,882	57,700	731	1 152	6,120	5,612		8	67,734	64,471
Other income from the activity	100	2,603	2	94	400	706	4	43	506	3,445
Cost of goods sold	-22,325	-21,324	-153	-252	-2,040	-1,611	-934	-1 159	-25,451	-24,345
Personnel charges	-33,117	-34,273	-527	-474	-3,446	-3,549	-1,077	-953	-38,168	-39,250
Taxes and duties	-381	-357	-21	-21	-77	-83	-77	-89	-556	-550
Amortisation and provisions	-2,080	-2,967	-52	-47	-284	-434	-10	-46	-2,425	-3,495
Other charges	-175	-125	3	-1	-9	-2	-39	-36	-220	-164
Intra-Group operations	-2,279	-2,315	-79	-225	-202	-179	2,561	2,719		
Current operating income	625	-1,058	-95	226	463	460	427	486	1,420	113
Result of sale of consolidated holdings										
Other operating income and charges	-4	-13	2				-6		-9	-13
Operating profit before contribution of equity method affiliate income	621	-1,071	-94	226	463	460	421	486	1,411	100
Share of equity method affiliates in profit	-56	-27							-56	-27
Operating profit										
INCOME STATEMENT (in thousands of Euros)	565	-1,098	-94	226	463	460	421	486	1,355	73

## 6 - RELATED COMPANIES

### 6.1 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 2015 reference document).

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

To 30 June 2016, 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 2016.

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

### 6.2 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 2015 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 2015 reference document).

### 6.3 Directors

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

## 7 – AUDITORS FEES

(Refer to chapter 27.3 of the 2015 reference document).

**MOREREAU AUDIT SAS**  
10, rue Reyer

31200 – TOULOUSE

**EXCO FIDUCIAIRE DU SUD-OUEST**  
2, rue des Feuillants

31076 – TOULOUSE CEDEX 3

**Auditors**

Members of the ‘Compagnie Régionale de Toulouse’

**S.A. SOGECLAIR**

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

**AUDITORS’ REPORT ON THE  
HALF YEARLY FINANCIAL INFORMATION**

**Period of 1<sup>st</sup> January 2016 to 30<sup>th</sup> June 2016**

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 2016, 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 2016**  
**The Auditors,**

**MOREREAU AUDIT SAS**

**EXCO FIDUCIAIRE DU SUD-OUEST**

**Robert MOREREAU**

**Jean-Marie FERRANDO**