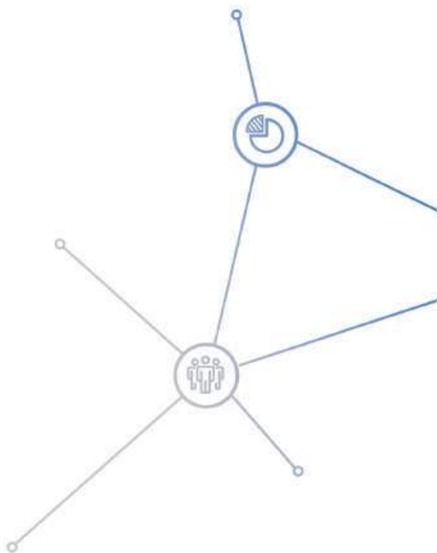
LACROIX

CONNECTED TECHNOLOGIES FOR A SMARTER WORLD


3990
EMPLOYEES
€395M
REVENUE



A NEW GOVERNANCE FOR A NEW BUSINESS MODEL

Jean BEDOUIN
Chairman of the Supervisory Board

For the LACROIX Group, this year has been marked by the change in Governance, a major milestone in the history of a family Group.

Vincent and Nicolas have taken over the reins, after proving during 10 years their ability to manage harmoniously and efficiently its development, while holding on to the values which have made its strength.

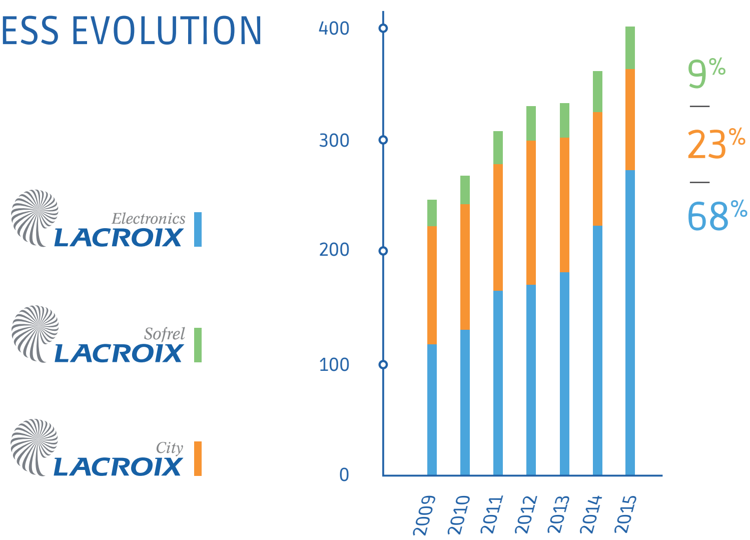
Obviously, I also count on the expertise of the managers and teams who will focus on accelerating and achieving our shift towards advanced technology.

Together, we will be able to make the most of our increasingly interwoven business areas, and deliver practical solutions for new products, new applications, new customers, so as to find and seize development opportunities.

One of our strengths is to be part of a financially sound structure, combining a mid-term and long-term strategy and efficient decision-making processes.

For this reason, I am confident in the future of the Group and its ability to open up to new areas and markets.

BUSINESS EVOLUTION



SERVING A CONNECTED AND SUSTAINABLE WORLD

ENABLING OUR CUSTOMERS TO MAKE THE WORLD SMARTER

THE LACROIX GROUP AIMS AT SERVING A CONNECTED, SUSTAINABLE WORLD THROUGH ITS TECHNOLOGY AND INDUSTRY EXCELLENCE.

We develop innovating solutions for our customers, thus enabling them to make the world smarter, to better manage electronics innovation as well as flows of data, people, water and energy.

We address traditional markets which we are familiar with, and support their transformation through adoption and mastering of technologies.

We analyze the needs of our customers, we design, we manufacture, we implement.

Our various ranges of products and sub-assemblies make technology simple, accessible and robust, for current and future uses.

This high level of requirement and this expertise have built our core identity for 80 years.

The Executive Board

Vincent BEDOUIN
Chairman of the Board

Nicolas BEDOUIN
Finance Director

Yves KROTOFF
Advisor to the Chairman of the Supervisory Board

REMAINING AGILE AND THINKING AHEAD TO BE SUSTAINABLE

In an increasingly urban world, where resources are growing scarce, we are going through an unprecedented digital transformation.

The revolutions in technology and use challenge organizational patterns within companies and society.

Changing, constantly adapting, but also setting our mission over time. So are the rules of conduct to be complied with. It is the best guarantee of our Group's independence and long-term sustainability.

INNOVATING FOR OUR CUSTOMERS

With more than 500 engineers and technicians, the LACROIX Group intends, in a constantly changing world and facing increasingly complex technological challenges, to cultivate the spirit of innovation in connection with its customers, suppliers and partners.

With a commitment to quality and continuous improvement, listening to customers and meeting their needs are a daily concern for our teams.

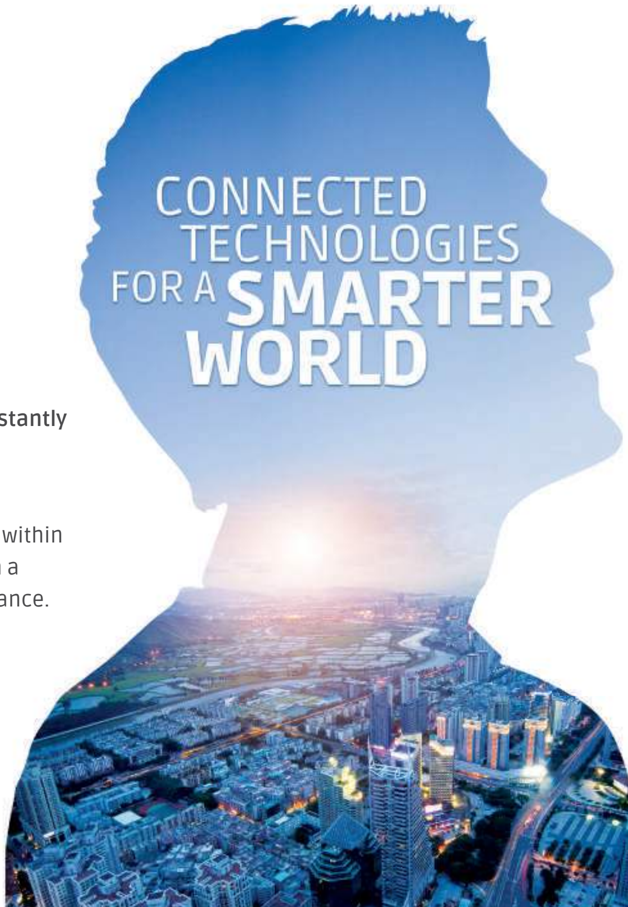
Day after day, we also develop services such as advice, marketing, co-design, project management, training, installation, and hotline support.

Connected to the markets and concrete requirements of our customers, our Group offers innovating and relevant solutions.

RESPECTING HUMAN VALUES TO SUCCEED

Relying on values shared by all, the LACROIX Group constantly takes on new challenges to maintain a genuine team spirit, essential in making its projects successful.

With an entrepreneurial spirit and the desire to progress within a community of competences, our teams always act with a concern for respect, humbleness and collective performance.



LACROIX Electronics

Stéphane KLAJZYNGIER
Managing Director

Industrializes the electronics functions of its customers' products:

- Design of electronics sub-assemblies and project management
- Components purchasing and supply
- Electronic PCB and finished products assembly, testing and integration
- Supply chain and after-sales service

LACROIX Sofrel

Catherine FAILLIET
Managing Director

Develops devices aimed at controlling and managing remote networks:

- Drinking water networks
- Water treatment networks
- Heating and energy networks

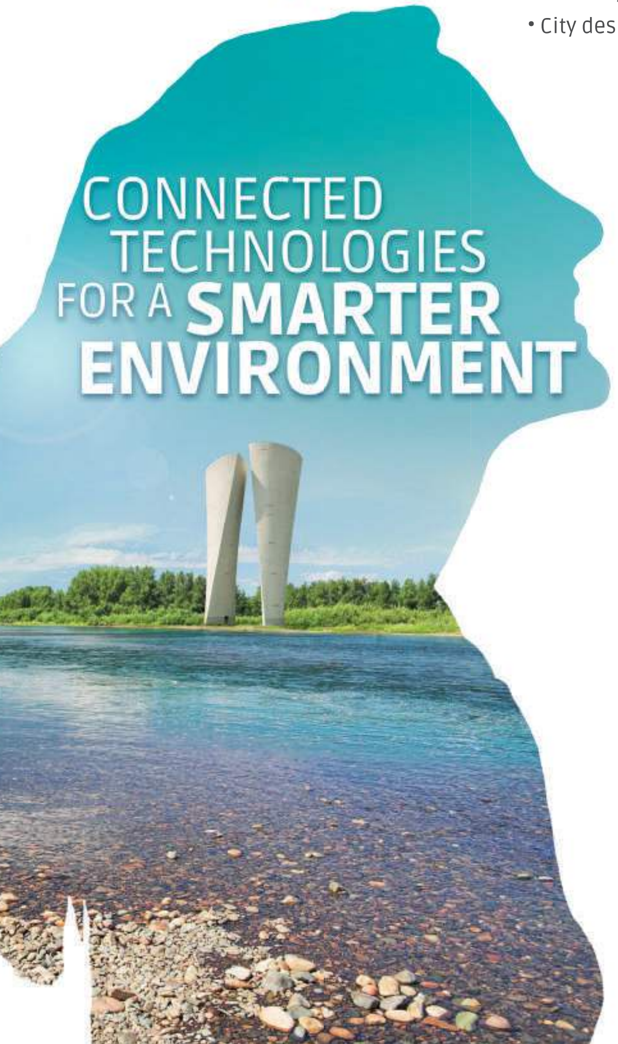
THE MANAGING DIRECTORS

City LACROIX

Thierry LAUNOIS
Managing Director

Designs and manufactures devices aimed at directing, enhancing and securing vehicles and people flows:

- Road signage
- Trafic management
- Street lighting
- City design planning



LACROIX Electronics

CONNECTED TECHNOLOGIES FOR SMARTER INDUSTRIES

For more than 40 years, LACROIX Electronics has been industrializing the electronic functions of its customers' products in the industry, automotive, home automation, medical, aerospace and defence sectors.

OPERATING IN FRANCE, GERMANY, TUNISIA AND POLAND, LACROIX ELECTRONICS IS A MAJOR ELECTRONICS MANUFACTURING SERVICES PROVIDER IN EUROPE AND NORTH-AFRICA.


Industry


Automotive


Home automation


Aerospace / Defence


Medical

MEETING THE REQUIREMENTS OF RAPIDLY GROWING MARKETS

LACROIX Electronics supports major industry players which need to outsource their electronics design and manufacturing operations to remain focused on their core business.

LACROIX Electronics also addresses companies not specialized in electronics who seek concrete solutions to integrate electronic functions to their products with a shorter time-to-market.

In connection with the various players in the value chain, from electronic components suppliers to end customers, LACROIX Electronics thus develops agile solutions in a smart production ecosystem.

PLANNED INNOVATION AND EXPERTISE

With around 100 engineers, LACROIX Electronics supports its customers from design to industrialization of complete electronics products.

At the heart of the industry of the future, LACROIX Electronics invests every year in its R&D and industrial assets, based on a long-term technological and IT roadmap, to meet customers' requirements and to better address their own market constraints.

DIVERSIFIED COMPETENCE CENTERS

LACROIX Electronics has complementary expertise centers which allow to have a competitive offering, thanks to facilities dedicated to small, medium or large runs depending on customers' business sectors.


Designing


Assembling


Production line


Testing


Coating

CONNECTED TECHNOLOGIES FOR A SMARTER ENVIRONMENT

For more than 40 years, LACROIX Sofrel has been developing devices for the control and management of remote networks (drinking water, wastewater treatment, energy ...).

AS THE FRENCH LEADER IN TELEMETRY, LACROIX SOFREL SUPPORTS PRIVATE AND PUBLIC OPERATORS OF WATER AND ENERGY NETWORKS, IN FRANCE AND ABROAD.

Drinking water networks

Wastewater treatment networks

Heating and energy networks

TAKING ON THE CHALLENGE OF OPTIMIZING RESOURCES

As a player in the environmental market, LACROIX Sofrel develops connected technologies enabling operators to control their facilities at a distance (pumping stations, water reservoirs, water pipes, drinking or wastewater treatment plants, heating plants or heating networks, solar installations ...) in order to optimize water and energy resources and service quality to end-users.

INNOVATION, SIMPLE USE AND RELIABILITY

With an in-depth understanding of its customers' business, LACROIX Sofrel offers a complete range of solutions for modular and evolutive data processing, transmitting and acquisition.

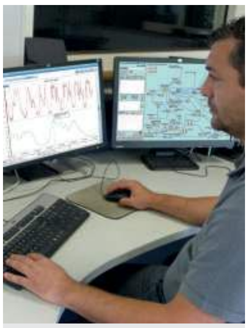
Operable through mobile and web-based network, innovative, easy to operate and to install, LACROIX Sofrel products perfectly address installation constraints in severe environments and easily adapt to every customer application.

CLOSE TO CUSTOMERS IN FRANCE AND ABROAD

Very well established in France through its sales network, LACROIX Sofrel is also close to its customers worldwide through its subsidiaries (Spain and Italy) and distributors.

Remote terminal units

Waste water flow monitoring



SCADA software

Assistance to installation

CONNECTED TECHNOLOGIES FOR **SMARTER MOBILITY**

For more than 60 years, LACROIX City has been designing and manufacturing devices aiming at directing, enhancing and securing vehicles and people flows.

AS THE FRENCH LEADER IN SMART MOBILITY FOR PUBLIC COMMUNITIES AND PRIVATE COMPANIES, LACROIX CITY HAS MORE THAN 11 000 ACTIVE PUBLIC CUSTOMERS AND MANY REFERENCES IN EUROPE, LATIN AMERICA, NORTH AFRICA AND SUB-SAHARAN AFRICA.

Road signage

Urban trafic

Interurban trafic

Street lighting

TAKING ON THE CHALLENGES OF AN INCREASINGLY URBAN WORLD

Compact and connected, cities stand at the crossroads of all flows: vehicles, pedestrians, bicycles, busses, trains ... LACROIX City offers solutions to share streets and roads taking into account the needs of end-users and operators.

With its extensive range, LACROIX City takes on the challenge of today's cities and brings concrete solutions: providing real-time information, streamlining itineraries, allowing fast travel time, providing light, protecting end-users, and achieving energy and maintenance savings.

INNOVATION CONNECTED TO THE FIELD

Combining constant listening of its customers, human competences and mastery of technologies, LACROIX City develops pioneering concepts and re-invents market standards by offering quality, simple and secure products.

With a wealth of experience and a few dozen international patents, it contributes to giving shape to the concepts around smart cities.

PROXIMITY AND FLEXIBILITY

Everyday, LACROIX City provides advice and a timely tailored response to its customers by providing a network of experts, both in France and abroad, through its subsidiaries and distributors in Europe, Africa, Latin America and Middle East.

Reinforced illuminated road signs

Variable Message Signs

Directional and police traffic signs

Traffic lights

Telemetry solutions for smart roads

Junction box and motion sensor for street lighting

A GROUP WITH A **GLOBAL** FOOTPRINT


GERMANY
Manufacturing facility
R&D Center
POLAND
Manufacturing facility
NEW CALEDONIA
Manufacturing facility
Sales subsidiary
MAYOTTE
Sales subsidiary
REUNION ISLAND
Sales subsidiary

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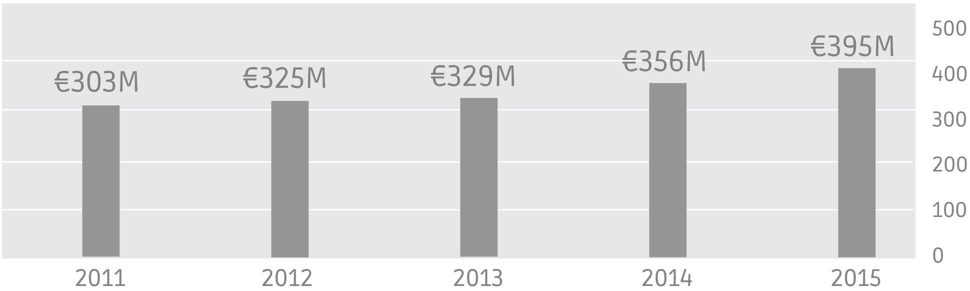
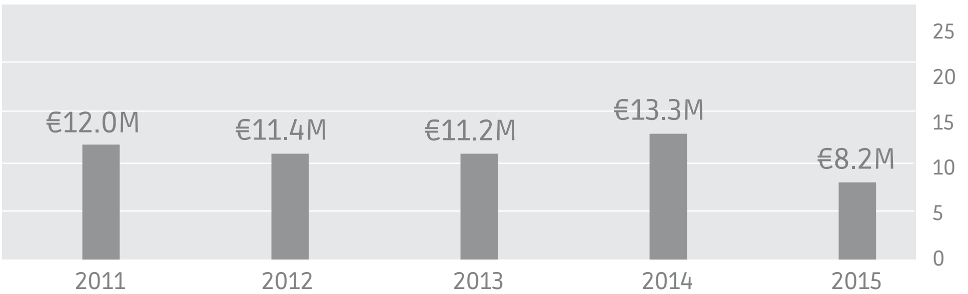
4th March 2016

1. Key figures

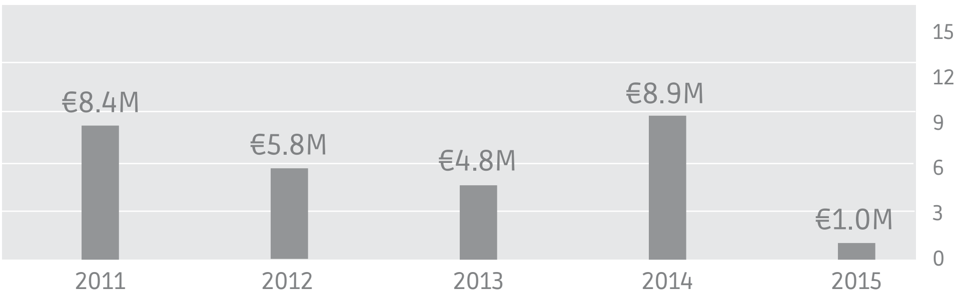
Revenue



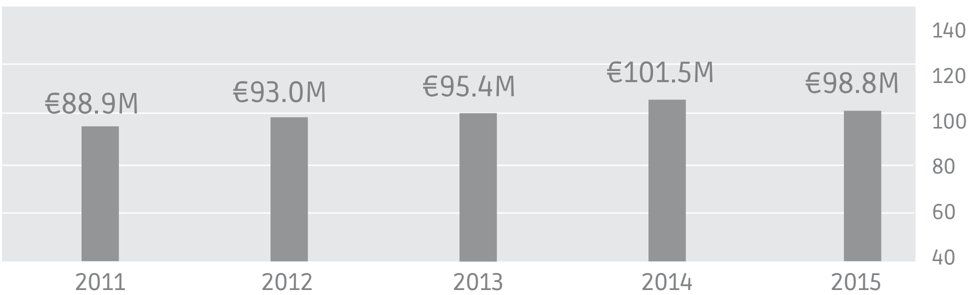
Profit from operating activities



Net income



Shareholder's equity



2. Statement of responsibility

by the Chairman of the Board, bearing full responsibility for the financial statement 2014-2015 established in accordance with articles 222-3 and 222-4 of AMF general rules

Mr Vincent BEDOUIN
Chairman of the Board

CERTIFIES

"To my knowledge, the financial statements are established in accordance with accounting standards applicable in France and give a true and fair view of the assets, liabilities, financial position and income of the Company and its consolidated entities.

The management report presents an accurate picture of business evolution, income and the financial position of the Company and its consolidated entities, as well as a description of the main risks and uncertainties to which it is confronted."

Vincent BEDOUIN

3. Board of Directors' management report FY 2014-2015

1 - The LACROIX Group

We live in a time of unprecedented digital change, where technological developments and practices are transforming organisational methods within companies and society in general. The Group is at the heart of these changes, through its different activities, and this natural convergence presents an exciting strategic opportunity.

In this context, 2015 is part of a long term vision of transformation based on the clarification of the Group's mission, the rationalisation of its activities and its internal and external investments in future growth areas.

To address these challenges, one of the key strengths of the LACROIX Group is its healthy financial structure, which combines medium- to long-term strategy with efficient decision-making processes. We're confident about the future and our ability to open up new spaces and markets.

Consolidated results

Revenue for the financial year ended 30th September 2015 totalled €395.1 million, up 11% compared to the previous financial year; the sharp rise in LACROIX Electronics (+22%), combined with the more moderate rise of LACROIX Sofrel (+4%) were significantly greater than the drop in activity of LACROIX City (-10%).

Nevertheless, this overall growth in activity has not resulted in an improvement of PFOA (Profit from Operating Activities) which amounts to €8.2 million. Indeed, the growth of LACROIX Electronics has not resulted in profit (PFOA down by €0.4 million), while the sharp decline in activity for LACROIX City led to a PFOA down by €4.1 million. LACROIX Sofrel, for their part, registered a slight downturn (-€500K) due to the announced increase in human investments and R&D spending.

Operating profit amounts to €4.5 million, in comparison to €12.6 million for the previous financial year. It takes into account the strategic repositioning currently underway for LACROIX City (divestment of Services operations, loss: -€2.4 million, centralisation of production workshop in Bordeaux, cost: +€2.2 million) as well as exceptional expenses related to the social movements in October 2014 at the LACROIX Electronics site in Tunisia (€2 million).

The negative financial result of €1.7 million is to be compared to -€1.8 million for the previous financial year.

Thus, after inclusion of €1.6 million in tax charges and €200T in minority interest, net income for the financial year amounts to €1 million against €8.9 million the previous year.

Furthermore, the Group is investing in future growth sectors and within this context two acquisitions were made this year through LACROIX City.

Business by Division

LACROIX Electronics

The division now represents 2/3 of revenue and 80% of group employees. Over the last 10 years, the business has enjoyed recurring and sustained growth, tripling sales over this period.

2014-15 continued this trend, with an increase of more than 22% on FY 2013-14, itself already in progression compared to the previous year.

LACROIX Electronics designs and manufactures electronic subassemblies for small- to medium-sized complex production runs, for the professional electronics market, an expanding market worldwide, but also in Europe where it benefits from a recent trend of nearshoring.

Over the coming years and in the wake of industry 4.0, the transformation of the electronic outsourcing market should lead to a general increase in electronic functions resulting in a growing need for "studies and manufacturing", and customers' increased attention to core business, with a focus on the data and service aspects of their business models, driving the continued outsourcing of electronic functions.

In this context, the major events of the fiscal year were as follows:

- A strong growth (+22%), higher than initial forecasts, particularly in Poland and in the automotive sector, but also at other sites, (France, Germany and Tunisia).
- Higher revenue, but unable to convert into PFOA due to logistical cost overrun and quality issues related to the extent of growth.

- Continued losses in the Design Offices and in Germany.
- Exceptional social movements at our Tunisian site in October 2014 led to significant surcharge and negative impact on the Operating Result.
- The optimisation of working capital requirements following the implementation of a contract of "reverse-factoring": positive impact of €15 million has enabled growth funding.

The outlook for the division remains promising, and after two years of very strong growth, LACROIX Electronics should continue to increase revenue, albeit more moderately, encouraging a gradual return to operational performance standards.

The breakdown of LACROIX Electronics figures is as follows (contributory):

In €M	N	N-1
Revenue	268.5	220.6
Profit from operating activities	2.8	3.2
Net income	-2.8	0.1
Cash Flow	1.2	3.6
Net Investments	5.4	8.2

LACROIX Sofrel

LACROIX Sofrel designs and markets products and systems which enable the monitoring, control and remote managing and in real-time of technical equipment, whether distributed or standalone such as water systems (drinking water, wastewater) or public building heating and energy systems.

With steady and sustained growth (its sales have doubled in less than 10 years), LACROIX Sofrel represents nearly 10% of revenue and contributes significantly to the Group's profits.

The 25-strong design and engineering department with its high degree of expertise, particularly in telecoms, plus the same number of outsourcers, and close proximity to its customers, are LACROIX Sofrel's major assets. All these factors have made it a key player in France in water and energy control systems. Evolving in a worldwide growth market, the challenges and maturity of the water market present a favourable context for smart, communicative equipment and LACROIX Sofrel is pursuing its investment in personnel and R&D in order to develop its Export business where it currently achieves more than 20% of its sales.

In this context, the highlights of the financial year were the following:

- A moderate increase in revenue (+4%) following a strong progression in 2014 (+18%).
- Growth driven by Export (+21%), the water and energy business remaining globally stable.
- Pursuit of personnel and R&D investments (+€1 million).

As such, LACROIX Sofrel's PFOA is slightly down at €9.2 million (compared with €9.7 million for the previous year).

The outlook for the activity remains favourable, with a moderate increase in revenue and the pursuit of personnel and R&D investments associated with the initiation of our growth strategy.

The breakdown of LACROIX Sofrel figures is as follows (contributory):

In €M	N	N-1
Revenue	37.2	35.8
Profit from operating activities	9.2	9.7
Net income	6.1	6.5
Cash Flow	6.4	6.8
Net Investments	0.7	0.3

LACROIX City

LACROIX City designs and manufactures equipment to regulate, optimise and control road and pedestrian traffic. It is positioned on the following markets: road signs, urban and interurban traffic control, street lighting.

A recognised player in this traditional sector faced with increasing difficulties, (local authority budget restrictions on static signs, decrease in funds due to the non-implementation of the Eco-tax, slow renewal of street lighting despite its age), LACROIX City also evolves in a market faced with new challenges where our customers are turning towards concepts such as mobility and smart streets, remote management of street lighting...

LACROIX City is able to draw upon the strengths and experience of the Group's other activities, as well as its own knowledge of this historical sector, to accomplish its transformation by adopting and mastering new technologies in response to the evolving requirements of its customers.

In this challenging market context, the major events of FY 2015 were the following:

- A 10% drop in revenue (-13% at constant scope), a direct result of budget restrictions on local authorities along with strain on prices.
- A €4.1 million drop in PFOA to €2.8 million requiring hard action starting in 2015, weighing on the operating profit (end of Service activities, closure of urban furniture workshop and discontinuation of SDS subsidiary).
- At the same time, a strategic repositioning was launched, symbolised by its new name, LACROIX City
  - o Internationalisation of our Traffic business (acquisition of DSTA).
  - o Development of our offer for the smart streets and street lighting sectors (acquisition of SOGEXI).
  - o Refocusing on our core activity by outsourcing our installation service offer (partnership with HELIOS).

In a context that remains complicated, both in terms of volume and prices, the revenue of LACROIX City will gain from these recent acquisitions over the year to come, which should compensate for the ongoing decrease in historical markets. In terms of profit, the reorganisation of its Signage activity should prove beneficial for LACROIX City in the second half of the year, while it continues to invest in new products and processes to meet with its customers changing needs.

The breakdown of LACROIX City figures is as follows (contributory):

In €M	N	N-1
Revenue	89.4	99.5
Profit from operating activities	-2.8	1.3
Net income	-4.9	-0.3
Cash Flow	-2.6	2.6
Net Investments (*)	1.6	2.0

* excluding variations in scope and asset disposal

Research and Development

Predominantly concerned with LACROIX City and LACROIX Sofrel, R&D activities are recorded under operating expenses.

Their global amount for the FY was €6.5 million and generated a Research Tax Credit of €411T.

Financial Situation

Cash flow generated by operations amounted to €7.7 million, compared to €15 million the previous year. This was directly related to the drop in profits.

Indeed, last year's initiatives to limit requirements in working capital continued and were reinforced over the financial year. In particular, the signing of a reverse-factoring contract enabled LACROIX Electronics to free up €15 million and the Group to reduce its requirements to 55.6 days of revenue including VAT, against 67.2 days in 2014.

Finally, after a year of strong investments, €10.2 million in 2014, the investments in 2015 (outside variations in scope and disposal of assets) amounted to €7.7 million, a more normal level. The global amount for net investments, including variations in scope and asset disposal, is €21.1 million.

Thus, despite a significant drop in working capital in a context of increased revenue, the ratio of Net Debt to Equity (Gearing) improved at constant scope. Net of acquisitions and asset disposal, it came to 0.33 against 0.22 for 30/09/2014, whilst paying a dividend of €2.6 million in April 2015.

Business prospects, coupled with cash flow control, mean that we can expect further improvement of this ratio over the financial year, while maintaining a high level of investment.

Prospects

Although the environment remains uncertain, the Group's prospects are still favourable to a moderate increase in revenue compared to 2015, and to a more significant improvement in Profit from Operating Activities.

The Group has clearly demonstrated its desire to pursue its transformation and investments in 2016, and thus to continue to reinforce its future activities, in France and abroad.

In this context, while maintaining a high level of investment, the financial structure means we can consider acquisitions with a view to accelerating the implementation of our strategic priorities.

2 - LACROIX SA

Nature of Business

As the Group's parent company, and as part of its asset management activities, (primarily made up of shares in the three subsidiary companies), LACROIX SA controls and coordinates each of the business units: general management, finance, legal, accounting and taxation, strategic innovation, IT and internal control.

Revenues, excluding dividends, are generated by royalties received from each subsidiary in exchange for the services described above.

Revenue at 30th September 2015 amounted to €1,806T, an increase of 14% compared to the previous year and it's directly linked to that of the three activities.

The negative operating result of €892T reflects the strengthening of corporate governance and is largely offset by the positive financial result of €12,939T, mainly owing to the receipt of dividends from its subsidiaries.

The Net Operating Profit before taxes is largely positive amounting to €12,047T.

After inclusion of tax which amounted to €3,137T, and related to its position as head of a tax consolidated group, net profit comes to €15,183T, presenting a sharp increase in comparison to that of the previous FY: €7,312T.

Non tax-deductible charges

Non tax-deductible expenses and charges totalled €25,577 at the end of the financial year.

This corresponds to the non-deductible portion of rents on passenger vehicles used by the Company for €16,622, and charges and expenses on luxury goods for €8,955, which generated tax to the amount of €8,525.

Information on terms of payment

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Code of Commerce, we inform you that at the end of the last two tax years, amounts outstanding with respect to suppliers can be broken down, by date of deadline, as follows:

Terms	Balance of trade payable (in Euros)	
	2015	2014
Due	33,061	-10,330
Less than 30 days	66,594	115,704
Between 30 and 60 days	49,786	52,480
Over 60 days		
Total	**149,441**	**157,854**

3 – Significant factors in the event of a takeover bid

In accordance with Articles L 233-13 and L 225-100-3 of the French Code of Commerce, we draw your attention to the following:

Structure of the company's capital

On 30th September 2015, the company's share capital stood at €25,000,000, representing 3,766,560 shares.

The share capital is structured as follows:

	% of share capital	% of voting rights*
BEDOUIN family	70,25%	82,16%
Treasury shares (**)	5,28%	
Public	24,47%	17,84%

(*) exercisable voting rights.
(**) those that are held under the liquidity contract.

Capital thresholds

In compliance with Article 8 of the statutes, any shareholder holding at least 2% of capital is required to notify the company within a fortnight by recorded delivery with return receipt. This disclosure obligation concerns every fraction of the 2% of capital held.

During the financial year, the Company has not been informed of any threshold crossings.

Significant equity interests

With the exception of equity interests held by the family-owned BEDOUIN Group, there were no significant equity interests at FY close of business.

Double voting rights

Article 10 of the statutes attributes double voting rights to all shares that are fully paid and that have been registered for at least three years.

Control mechanism

With the exception of the double voting shares, there are no other shares with any particular rights attached.

Nor are there any control mechanisms in place regarding an employee shareholding system or any agreements between shareholders, that the company is aware of, liable to restrict transfers of shares.

Board of Directors' share redemption powers

Every year, the General Meeting vests the Board of Directors with the authority to buy back company shares up to a limit of 10% of the company's share capital, in compliance with Articles L.225-209 et seq. of the French Code of Commerce, European regulation 2273/2003 dated 22nd December 2003 and Articles 241-1 to 241-7 of the general regulations of the French Financial Markets Authority.

The Board of Directors has not been vested with any other powers by the General Meeting, particularly in terms of capital increases.

Treasury shares

In 2005, the Company entrusted the implementation of a liquidity agreement to stock-broking firm PORTZAMPARC in compliance with the AFEI Ethical Charter as approved by the French Financial Markets Authority memo dated 22nd March 2005.

At 30th September 2015, the company held 191,775 LACROIX SA shares and 7,029 shares under the liquidity agreement, making a total of 198,804 shares representing 5.28% of the capital.

Equity investments

In compliance with Article L.233-6 of the French Code of Commerce, please be advised of the direct or indirect interests, in companies having their registered head office in France, that were acquired by the Company and its subsidiaries over the financial year.

During the past financial year, the following equity investments were made:

- Via LACROIX City:
  - Creation of LACROIX Traffic SAU, a Spanish subsidiary, its acquisition of the company DSTA, and the creation of LACROIX Traffic France.
  - Acquisition of 100% of shares of SOGEXI PARTICIPATIONS, which itself holds 100% of shares of SOGEXI and became LACROIX Sogexi.

Additionally, the group has acquired the following minority shareholdings:

- Via LACROIX SA :
  - Acquisition of minority shareholdings in QIVIVO.

Employee shareholdings

In accordance with the provisions of Article L.225-102 of the French Code of Commerce, please note that the proportion of share capital represented by shares held by employees as of 30th September 2015 was zero, as the Company has not set up a mutual investment fund for the benefit of the Group's employees.

Please be advised that the last Extraordinary General Meeting convened to adjudicate on an increase in capital reserve for employees was held on 27th February 2015.

4 – Principal risk factors faced by the company

In compliance with Article L.225-100 Par. 4 of the French Code of Commerce, please be advised of the following:

Strategic and operational risks

The nature of the strategic risks to which the Company is exposed is not liable to seriously affect the future of the Group's activities.

Owing to the nature of its business activities, the Group is nonetheless exposed to the following operational risks:

Industrial and environmental risks

The scale of the Company's industrial investment programmes has enabled it to benefit from recent and secure tools limiting the risk of major failures likely to stifle manufacturing activities. For this reason, the main industrial risks are those that may affect or interrupt production on the main sites (fire, technical breakdown, etc.) and affect product quality. Quality processes are in place with the aim of identifying, correcting, preventing or at least limiting any disruption.

Supplier and raw materials risks

There are no major risks of dependency on suppliers. Nonetheless, in the Electronics business, adjustments to suppliers' production capacity may lead to allocations of specific components, thereby leading to significantly longer procurement lead times.

The risk then becomes one of component obsolescence in the event of a product change by the customer, yet such risk is covered by logistics contracts.

Risks associated with the IS system

The Group's management is particularly attentive to its information system; hence a series of measures has been taken to ensure security. Additionally, and in order to prevent any major setbacks, crisis management plans have been set up for each of the three activities and have been audited in the course of the year.

Legal, tax and social risks

The Group monitors all legal, fiscal and social matters in order to ensure compliance in the conduct of its operations as well as to anticipate the impact of new regulations. A review of the major risks is carried out per business area in order to ensure that all risks are fully covered in the financial statements.

Based on its current knowledge, the Group considers it unlikely that on-going amicable settlements and litigation shall have a significant impact on the consolidated financial statements.

Financial risks

Below are outlined the various degrees of Group exposure to financial risks.

Foreign exchange risk

With the exception of LACROIX Electronics, the Group is not exposed to foreign exchange risks.

As far as this Division is concerned, the exchange risk mainly involves purchases made in USD and in PLN.

- For its purchases in USD, the Company has agreements with its main customers that enable the selling price to be adjusted depending on changes in the EUR/USD parity. Consequently, this portion is not exposed to foreign exchange risk. As for the balance, the Company resorts to partial hedging of its requirements to cover a target rate set for each budget year.
- Expenditures in PLN concern mainly the salaries of Polish employees together with local purchases. It is Group policy to take out advance cover on the basis of estimated requirements.

Generally speaking, the use of financial instruments is strictly confined to business requirements, to the exclusion of any speculative perspective.

Interest-rate risk

The majority of the group's financial debt is on a variable rate basis.
The Group uses financial instruments to diminish such risk. At the end of September 2015, the portion of variable-rate borrowing covered by swaps represented approximately 30% of the nominal amount.

Liquidity risk

The Group's gross debt amounts to €53,924T.
None of the loans in place are covered by covenants.
Cash assets total €21,584T.
Therefore the company considers the risk to be minimal.

Credit risk

Each of the Group's business units has its own credit insurance contract, which covers it against potentially high-risk customers.

The customer profiles per activity are as follows:

Activities	Type of main customers
LACROIX City	Main administrations and construction companies
LACROIX Sofrel	Public companies or major companies in water environment
LACROIX Electronics	French and foreign companies of international range

Capital risk

The Group closely manages its capital by monitoring changes in its net debt to equity ratio.

	FY 2015	FY 2014
Borrowings and Financial debts	33,251	21,728
Cash credit	20,673	23,759
Other Net financial debts	-80	-129
Cash and equivalents (note 8.10)	-21,584	-23,013
Net debts	**32,259**	**22,344**
Total shareholder's equity	98,841	101,517
Gearing	**32,6%**	**22,0%**

Ranking of financial assets and liabilities measured at fair value

The Group does not present a detailed table with the ranking of its financial assets and liabilities measured at fair value.

According to the three levels defined in IFRS 7 (revised), measurement of fair value is based on a valuation which uses empirically verifiable data, most of which is outside the Group.

5 – Post balance sheet events

In November 2015, LACROIX Signalisation (LACROIX City) put forward a proposal for reorganisation with the objective of centralising sales support activities at head office and consequently the closure of regional sales offices.

6 – Share prices

Evolution in share prices over FY 2015

LACROIX SA shares are listed on Euronext Paris, compartment C.

Over FY 2015, 131,294 shares changed hands, making an average of 515 shares per trading session, representing €3.020 million of capital at an average price of €23.

The closing share price at 30th September 2015 was €22.80, which represents a market capitalisation of €85.878 million.

Company share repurchasing

Share redemption programme

We would ask you to renew the powers conferred on the Board of Directors by the General Meeting of 27th February 2015 to continue purchasing Company shares on the stock market, subject to the conditions and limits imposed by Articles L.225-209 and seq. of the French Code of Commerce and in accordance with the European regulation dated 22nd December 2003.

The aims of the redemption programme are the same as for the previous financial period:

- coordinate share trading through a liquidity agreement in accordance with the AFEI charter, recognised by the French Financial Markets Authority,
- purchase stock with a view to retaining it and subsequently exchanging or trading it as part of external growth operations,
- cover securities with share rights attached,
- cover stock option plans for Group employees, officers and representatives.

These powers are granted for a maximum term of 18 months subject to the following conditions:

- no more than 177,852 shares may be purchased,
- the maximum purchase price per share is set at €40,
- the total amount allocated to this programme is set at €7,114 million.

Shares will be repurchased on the market or as blocks of securities under the applicable statutory and regulatory conditions. Acquisitions of blocks of securities may constitute the whole of the programme. Acquisitions and sales may be made during public bidding periods within the limits of stock market regulations.

The number of shares held under the programme may not exceed 10% of the company's share capital, specifically 376,656 shares.

Assessment of previous share redemption programmes

Under the programmes authorised by the General Meetings of 28th February 2014 and 27th February 2015, for the period ending 30th September 2015, the company did not purchase or sell any of its own stock.

Furthermore, under the liquidity agreement held solely by LACROIX SA:

- 22,503 shares were acquired at an average price of €22.98,
- 23,957 shares were sold at an average price of €22.46.

At FY closure, shares held under the share redemption programme were assigned to the following objectives:

- coverage of stock option plans for LACROIX Group staff and executive officers: 111,441 shares,
- subsequent exchange or payment for external growth operations: 80,334 shares,
- share price management by a service provider: 7,029 shares.

This amounts to a total of 198,804 treasury shares representing 5.28% of the share capital, having a gross book value of €3.802 million and a market value of €4.533 million at the share price on 30th September 2015.

7 – Regulated agreements

No new regulated agreements were contracted during the financial year ended 30th September 2015.

Regulated agreements contracted in previous years continued over the FY.

In accordance with legal provisions, current agreements entered into under normal conditions were not subject to such control.

Your statutory auditors have been duly notified of these agreements, which they will present in their special report at the General Meeting.

8 – Executive officers

Terms of Office of members of the Supervisory Board

The terms of office for the following members of the Supervisory Board will expire at the close of the next General Meeting:

- Mr Jean-Paul BEDOUIN
- Mr Hubert DE BOISREDON
- Mr Hugues MEILI
- Mr Pierre TIERS.

We propose that they be renewed for a term ending at the close of the General Meeting in 2019 adjudicating on the accounts of the fiscal year.

Terms of Office of members of the Board of Directors

The terms of office for the following members of the Board of Directors will expire at the close of the next General Meeting:

- Mr Nicolas BEDOUIN
- Mr Vincent BEDOUIN
- Mr Yves KROTOFF.

The Supervisory Board must pronounce their decision with regards to the renewal of these terms.

Compensation and benefits received by Executive Officers

In compliance with Article L. 225-102-1 of the French Code of Commerce, we give you the total value of compensation and benefits of all kinds paid to executive officers over the financial year ended 30th September 2015, by the company and entities controlled therein according to Article L 233-16 of the French Code of Commerce.

Board of Directors

According to the AFEP / MEDEF recommendations, compensation paid to executive directors over the financial year was as follows:

Summary of compensation paid and options and shares allocated to each executive director:

Vincent BEDOUIN Chairman of the Board	FY 2015	FY 2014
Compensation due for FY Value of options awarded in FY Value of awarded performance-related stock in FY	238,116	275,313
Yves KROTOFF Board Member		
Compensation due for FY Value of options awarded in FY Value of awarded performance-related stock in FY	220,370	279,459
Nicolas BEDOUIN Board Member		
Compensation due for FY Value of options awarded in FY Value of awarded performance-related stock in FY	134,304	124,151

The variable compensation of the executive officers is validated by the Supervisory board.

The variable compensation components are determined based on the achievement of objectives reviewed annually, which are not disclosed for confidentiality reasons.

Summary of compensation for each executive director:

Vincent BEDOUIN Chairman of the Board	FY 2015		FY 2014		FY 2013	
	due	paid	due	paid	due	paid
Fixed pay package	200,000	200,000	190,796	190,796	140,400	140,400
Variable pay package	30,000	60,000	80,000	80,000	70,000	70,000
Exceptional compensation						
Director's fees						
Fringe benefits	8,116	8,116	4,517	4,517	4,517	4,517
Total	**238,116**	**268,116**	**275,313**	**275,313**	**214,917**	**214,917**
Yves KROTOFF Member of the Board	FY 2015		FY 2014		FY 2013	
	due	paid	due	paid	due	paid
Fixed pay package	180,000	180,000	168,417	168,417	130,000	130,000
Variable pay package	30,000	50,000	100,000	100,000	100,000	100,000
Exceptional compensation						
Director's fees						
Fringe benefits	10,370	10,370	11,042	11,042	11,052	11,052
Total	**220,370**	**240,370**	**279,459**	**279,459**	**241,052**	**241,052**

Nicolas BEDOUIN Member of the Board	FY 2015		FY 2014		FY 2013	
	due	paid	due	paid	due	paid
Fixed pay package	107,692	107,692	96,539	96,539	73,847	73,847
Variable pay package	24,000	40,000	25,000	25,000	20,000	20,000
Exceptional compensation						
Director's fees						
Fringe benefits	2,612	2,612	2,612	2,612	2,693	2,693
Total	**134,304**	**150,304**	**124,151**	**124,151**	**96,540**	**96,540**

The information relating to amounts owed refers to amounts accrued for the financial year unlike the amounts paid that indicate the variable part awarded for the previous year.

Attendance fees

Management Board members did not receive any attendance fees during the financial year.

Stock-option or purchase plans for shares allocated during the financial year

No stock-options or purchase plans were allocated to executive officers over the course of the financial year.

Stock-option or purchase plans exercised during the financial year

No stock-options or purchase plans were exercised over the course of the financial year.

Performance shares allocated and available

The Company did not grant any performance shares during the financial year or the previous years.

Information on compensation paid to members of the Board of Directors
(Article L. 225-102-1 of the French Code of Commerce).

Figures given in euros

Name	Office	Position	Fixed pay package	Variable pay package	Fringe benefits	Supplementary pension and other benefits	Total
Vincent BEDOUIN	Chairman of the Board	Chairman	200,000	60,000	8,116	36,936	305,052
Yves KROTOFF	Board member	Advisor to the Chairman	180,000	50,000	10,370	37,390	277,760
Nicolas BEDOUIN	Board member	Finance Director	107,692	40,000	2,612	19,274	169,578

On 30th September 2015, Yves Krotoff resigned from his office as Chairman of the Board, thereby waiving his claim on severance; Vincent BEDOUIN is appointed Chairman at this date.

Supervisory Board

Figures given in euros

Name	Office	Position	Fixed pay package	Variable pay package	Fringe benefits	Supplementary pension and other benefits	Directors' fees	Total
Jean-Paul BEDOUIN	Chairman of the Supervisory Board	Chairman	104,000		10,584		6,000	120,584
Pierre TIERS	Member of the Supervisory Board	Ad-Hoc Member					8,000	8,000
Hugues MEILI	Member of the Supervisory Board	Ad-Hoc Member					8,000	8,000
Marie-Reine BEDOUIN	Member of the Supervisory Board	Member					12,000	12,000
Hubert de BOISREDON	Member of the Supervisory Board	Ad-Hoc Member					6,000	6,000

We point out that no member of the Supervisory Board was awarded any stock options.

List of terms of office and positions

In accordance with Article L. 225-102-1 of the French Code of Commerce, we present below the list of all offices and positions held in all companies by each of the Group's executive officers.

Board of Directors

Name	Office	Company
Vincent BEDOUIN	Chairman of the Board President President President President President Member of the Supervisory Board Managing Director Managing Director Managing Director	LACROIX SA SAS LACROIX ELECTRONICS SAS LACROIX ELECTRONICS SOLUTIONS SAS LACROIX SOFREL SAS LACROIX CITY SAS LACROIX SIGNALISATION SAS VINILA INVESTISSEMENTS SARL LACROIX V SARL LACROIX VI SARL LACROIX III
Yves KROTOFF	Member of the Supervisory Board Managing Director PR Lacroix SA / Administrator	LACROIX SA SCI LTI SUD-EST LACROIX TRAFFIC BELGIUM
Nicolas BEDOUIN	Member of the Board Member of the Supervisory Board	LACROIX SA SAS VINILA INVESTISSEMENTS

Supervisory Board

Name	Office	Company
Jean-Paul BEDOUIN	Chairman of the Supervisory Board President	LACROIX SA SAS VINILA INVESTISSEMENTS
Pierre TIERS	Member of the Supervisory Board Member of the Board of Directors President Executive Director Member of the Supervisory Board PR of CM CIC Investissements SA / President CEO PR CM CIC Investissement SCR / Managing Director PR of EFSA Administrator PR of CM CIC Investissement Administrator	LACROIX SA CM CIC Investissement SA SAS CM CIC Innovation SAS CM CIC Investissement SCR CM CIC CAPITAL PRIVE CM CIC Ingénierie CM CIC Capital & Participations SCI VILLA CAMUS CM CIC SECURITIES Association NAPF
Hugues MEILI	Member of the Supervisory Board President and Executive Director President President President Administrator	LACROIX SA NIJI SA KURMI-SOFTWARE SAS BORDILLA SAS IKUMBI SOLUTIONS SAS Crédit Agricole d'Ille et Vilaine
Marie-Reine BEDOUIN	Member of the Supervisory Board Chairman of the Supervisory Board	LACROIX SA SAS VINILA INVESTISSEMENTS
Hubert de BOISREDON	Member of the Supervisory Board President	LACROIX SA ALSENS SAS

PR = Permanent Representative

9 – Statutory Auditors' terms of office

We point out that no statutory auditors' terms of office will expire at the end of the General Assembly.

10 – Profit allocation

The breakdown of distributable profit is as follows:

Profits for the financial year	€15,183,457
Retained earnings brought forward from previous FY	€221,795
Total distributable profit	€15,405,252

We request that you approve the allocation of net profit for the year amounting to €15,183,457 as follows:

Dividends to shareholders	€1,506,624
Or €0.40 per share	
Other reserves	€13,500,000
Balance of retained earnings	€176,833
Total	€15,183,457

The account "other reserves" thus amounting to €52 million and the account "retained earnings" to €398,628, with the understanding that the latter amount will be increased by the fraction of dividends corresponding to shares held by the company within the framework of their share repurchasing programme.

This dividend is eligible, for individual shareholders resident in France for tax purposes, for the allowance provided for under Article 158, 3-2° of the French General Tax Code.

We remind you however, that since 1st January 2013, dividends received under these conditions are subject to a compulsory flat-rate withholding tax of 21% in accordance with the provisions of Article 117 quater of the French General Tax Code.

The dividends will be paid out on 15th April 2016.

The result of this allocation in terms of equity amounts to €83,399T, before dividend fraction of own shares held by the Company.

In accordance with the law, the General Meeting notes that the dividends distributed for the last three financial years were as follows:

FY	Number of shares	Number of paid shares	Net dividend by share	Total net dividend paid
2011 - 2012	3,766,560	3,568,981	0.50	1,784,490
2012 - 2013	3,766,560	3,570,866	0.50	1,785,433
2013 - 2014	3,766,560	3,572,344	0.70	2,500,641

11 – Attendance fees

We recommend setting the annual amount of attendance fees allocated to the Supervisory Board for the current financial year to €30,000.

12 – Information relating to securities transactions

In accordance with Article L 621-18-2 of the French Monetary and Financial Code and the General Regulations of the AMF, we inform you that no transaction carried out by LACROIX SA executive officers involving the Company has been brought to our attention in the financial year.

The Board of Directors

4. Table of results for the last five financial years

Items	2010 / 2011	2011 / 2012	2012 / 2013	2013 / 2014	2014 / 2015
CAPITAL AT YEAR-END					
- Share capital	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
- Number of existing ordinary shares	3,766,560	3,766,560	3,766,560	3,766,560	3,766,560
- Number of dividend-yielding shares priority (without voting rights)					
- Maximum number of future shares to be created					
OPERATIONS AND RESULTS OF PERIOD					
- Turnover exclusive of tax	1,116,049	1,406,348	1,373,595	1,585,432	1,806,402
- Earnings before tax, employee profit sharing and depreciation expenses and allowancess	2,989,523	4,180,687	4,322,320	3,513,882	12,137,770
- Corporate income tax	-2,449,157	-3,252,221	-2,603,778	-3,129,426	-3,136,756
- Employee profit-sharing due for FY					
- Earnings after tax, employee profit sharing and depreciation expenses and allowances	5,969,685	6,227,735	7,470,710	7,312,084	15,183,457
- Distributed earnings	1,883,280	1,883,280	1,883,280	2,636,592	1,506,624*
EARNINGS PER SHARES					
- Earnings after tax, employee profit sharing but depreciation expenses and allowances	1.44	1.97	1.84	1.76	4.06
- Earnings after tax, employee profit sharing and depreciation expenses and allowances	1.58	1.65	1.98	1.94	4.03
- Dividend awarded to each share	0.50	0.50	0.50	0.70	0.40*
STAFF					
- Average staffing level period	3	3	3	4	5
- Total payroll for period	382,221	402,531	411,261	803,114	856,086
- Amounts paid out for the period's fringe benefits (social security, donations to charities, etc.)	193,088	210,050	209,262	420,183	463,549

* Proposed appropriation of earnings for period 2014 / 2015

5. Statutory Auditors' report on the consolidated financial statements

Financial Year ending 30th September 2015

To the shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the financial year ended 30th September 2015 on:

- the audit of the accompanying consolidated financial statements of LACROIX S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 . Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements for the financial year ending September 2015, give a true and fair view of the assets, liabilities and financial position of the Company and its consolidated entities, and of the results of its operations in accordance with the IFRS principles adopted by the European Union.

2 . Justification of our assessments

In accordance with Article L.823-9 of the French Code of Commerce requiring statutory auditors to justify their assessment, we draw your attention to the following elements:

Your Group systematically performs, at the end of every financial year, impairment testing to validate goodwill, following the process described in § 6.4.4 and § 8.1 of the 'consolidated annual financial statement' appendices. We have examined the conditions for the implementation of these tests, as well as cash flow provisions and the hypotheses used, and verified that the appendices provide appropriate information.

The provisions recorded in the balance sheet and the principles and methods used for recognising these provisions are detailed in § 6.5.11 and § 8.12 of the 'consolidated annual financial statement' appendices. As part of our assessment of these estimations for the final accounts, and based on the information available to date, we assessed the approaches used by the Group and ensured that the assumptions and processes used to determine these provisions were reasonable.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 . Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law, of the information available in the Group's management report.

We have no matters to report as to the fair presentation and consistency with the consolidated financial statements.

La Roche-sur-Yon and Nantes, 29th January 2016

The Statutory Auditors

ATLANTIQUE REVISION CONSEIL – A.R.C.
Jérôme BOUTOLLEAU

ERNST & YOUNG and Others
François MACE

Consolidated Financial Statements

Period from October 2014 to September 2015

1. Consolidated statement of financial position

In T€ Assets	Note n°	FY 2015 12 months	FY 2014 12 months
Non-current assets			
Goodwill	8.1	23 528	9 179
Intangible assets	8.2	2 080	1 469
Tangible assets	8.3	50 021	48 599
Long-term financial assets	8.4	859	684
Participations in associated companies	8.5	26	31
Deferred tax	8.19	2 061	2 626
Total non-current assets		**78 576**	**62 587**
Current assets			
Inventory and work in progress	8.7	68 569	51 157
Trade receivables	8.8	83 957	100 975
Other receivables	8.9	13 124	11 463
Cash & Cash equivalents	8.10	21 584	23 013
Total current assets		**187 235**	**186 609**
Non-current Assets Held for Sale	7.3	**3 026**	
TOTAL ASSETS		**268 837**	**249 196**

In T€ Liabilities	Note n°	FY 2015 12 months	FY 2014 12 months
Shareholders' equity			
Capital	8.11	25 000	25 000
Share premium		3 455	3 455
Consolidated reserves		69 004	63 717
Consolidated income for the year		989	8 885
Shareholders' equity (group share):	*4*	***98 449***	***101 057***
Minority interest:	*4*	***391***	***459***
Total Shareholders' equity		**98 841**	**101 517**
Non-current liabilities			
Other investments			
Long-term provisions	8.12	18 606	15 824
Long-term debts	8.13	19 817	10 251
Deferred tax liabilities	8.19	2 382	2 625
Total Non-current liabilities		**40 805**	**28 700**
Current Liabilities			
Short term Debt	8.13	34 108	35 237
Trade accounts payable	8.14	61 487	52 936
Other liabilities	8.14	30 538	30 807
Total current liabilities		**126 133**	**118 980**
Non-current Liabilities Held for Sale	7.3	**3 057**	
TOTAL LIABILITIES		**268 837**	**249 196**

2. Consolidated statement of comprehensive income

2.1 - Comprehensive income statement

In T€ P&L	Note n°	FY 2015 12 months	FY 2014 12 months
Revenue	**9.2**	**395 055**	**355 858**
Other income		779	746
Goods and raw material consumed		(229 502)	(190 149)
Personnel expenses	8.15	(102 178)	(93 555)
Subcontracting and External expenses		(49 966)	(46 306)
Tax		(5 993)	(5 577)
Depreciation and estimated expenses	8.16	(7 755)	(7 372)
Change in inventory and work in progress		7 901	(397)
Other operating income and expenses		(129)	65
Profit from operating activities	**9.2**	**8 213**	**13 314**
Other income and expenses	8.17	(3 732)	(717)
Operating profit		**4 481**	**12 597**
Financial expenses and income	8.18	(1 736)	(1 798)
Income tax expense	8.19	(1 552)	(1 693)
Equity method	8.5	(4)	(0)
Net income		**1 188**	**9 105**
Net income - non-controlling interests	4	199	220
Net income - non-controlling interests		**989**	**8 885**
Net income per share			
Basic earnings per share (in euros)		0,28	2,49
Diluted earnings per share (in euros)		0,27	2,44

2.2 - Result of the FY & net income recognised directly in equity

In T€	Note n°	FY 2015 12 months	FY 2014 12 months
Net income for the FY		**1 188**	**9 105**
Changes in currency translation adjustment		(257)	184
Changes in the fair value of financial instruments		(386)	320
Impact of the Actuarial differential		(161)	(1 182)
Other comprehensive income after tax (1)		**(804)**	**(678)**
Total comprehensive income	4	**384**	**8 427**
Group share		186	8 207
Attributable to non-controlling interests		199	220

(1) Net of income taxes

3. Consolidated statement of cash flow

In T€	Note n°	FY 2015 12 months	FY 2014 12 months
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**1 188**	**9 105**
Elimination of expenses and income not affecting cash flow or unrelated to activities:			
- Amortization and provisions		8 257	7 000
- Changes in deferred tax		17	(269)
- Capital gains net of tax		(2 249)	(32)
- Proportionate results of equity method companies		4	
- Other		12	12
Cash flows from operations of consolidated companies		**7 231**	**15 816**
Translation adjustment on cash flows from operations			
Dividends received from equity method companies			
Changes in working capital relating to operations		**7 129**	**1 944**
Net cash flows from operating activities		**14 360**	**17 760**
CASH FLOWS FROM CAPITAL ACTIVITIES			
Capital expenditure		(7 334)	(10 767)
Disposals of capital assets, net of tax		3 179	149
Capital grants		(0)	(0)
Effect of changes in reporting entities		(16 519)	(188)
Net cash flows from capital activities		**(20 675)**	**(10 806)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders		(2 922)	(2 153)
Capital increases in cash			
Changes in other investments		(406)	(446)
Debt issuance		16 630	4 103
Debt redemption		(5 765)	(11 392)
Net cash flows from financing activities		**7 536**	**(9 889)**
Net variation in cash and cash equivalent		**1 221**	**(2 935)**
Opening cash position		(754)	2 247
Closing cash position	8.5	726	(754)
Effect of currency fluctuations		(259)	66

4. Consolidated statement of changes in equity

In T€ Position on closing	Capital	Pre-miums	Consoli-dated reserves (1)	Period's result	Other		Total Sha-reholders' equity - group share	Non-controlling interests	Total sha-reholders' equity
					Translation differential (2)	Shares of consoli-dating company			
FY ending 30/09/2013	**25 000**	**3 455**	**65 959**	**4 807**	**(644)**	**(3 742)**	**94 835**	**565**	**95 400**
Appropriation of results for 2013			4 807	(4 807)					
Group distributions			(1 904)				(1 904)	(249)	(2 153)
Changes in own shares			54			(75)	(20)		(20)
Changes in accounting methods									
Stock options (3)			12				12		12
Result of period 2014				8 885			8 885	220	9 105
Net income recognised directly in equity			(862)		184		(678)		(678)
Result of the period and Net income recognised directly in equity			**(862)**	**8 885**	**184**		**8 207**	**220**	**8 427**
Other transactions			(73)				(73)	(77)	(150)
FY ending 30/09/2014	**25 000**	**3 455**	**67 993**	**8 885**	**(460)**	**(3 817)**	**101 057**	**459**	**101 516**
Appropriation of results for 2014			8 885	(8 885)					
Group distributions			(2 656)				(2 656)	(266)	(2 922)
Changes in own shares			6			15	21		21
Changes in accounting methods									
Stock options (3)			12				12		12
Result of period 2015				989			989	199	1 188
Net income recognised directly in equity			(547)		(257)		(804)		(804)
Result of the period and Net income recognised directly in equity			**(547)**	**989**	**(257)**		**186**	**199**	**384**
Other transactions			(170)				(170)		(170)
FY ending 30/09/2015	**25 000**	**3 455**	**73 523**	**989**	**(717)**	**(3 802)**	**98 449**	**392**	**98 841**

(1) Including T€ 41,239 of statutory, regulated and other reserves and retained earnings.
(2) The translation adjustment relates to Poland.
(3) Allocated expenses on SO plan.

LACROIX

5. List of consolidated companies

The companies included in the scope of consolidation are presented below:

Company and legal form	SIREN no.	Head Office	Tax Scope	FY 2015			
				Consolidat. method	% of control	% of interest	
CONSOLIDATING COMPANY							
LACROIX S.A.	855 802 815	St Herblain	1	HOLDING	100,00%	100,00%	
CONSOLIDATED COMPANIES							
Activity LACROIX Electronics							
AUSY-LACROIX ELECTRONICS	801 984 030	Vern sur Seiche		EM	50,00%	50,00%	
LACROIX ELECTRONICS	409 064 151	Vern sur Seiche	1	FC	100,00%	100,00%	
LACROIX ELECTRONICS	RHB11614	POLAND		FC	100,00%	100,00%	
LACROIX ELECTRONICS	B2451652004	TUNISIA		FC	100,00%	100,00%	
LACROIX ELECTRONICS SERVICE TUNISIE		TUNISIA		FC	100,00%	100,00%	
LACROIX ELECTRONICS Gmbh		GERMANY		FC	100,00%	100,00%	
LACROIX ELECTRONICS SOLUTIONS	378 445 647	Vern sur Seiche	1	FC	100,00%	100,00%	
Activity LACROIX Sofrel							
LACROIX SOFREL	409 065 810	Vern sur Seiche	1	FC	100,00%	100,00%	
LACROIX SOFREL srl	405 249	ITALY		FC	100,00%	100,00%	
SOFREL ESPANA	ESA81573113	SPAIN		FC	100,00%	100,00%	
Activity LACROIX City							
LACROIX CITY	514 345 602	Saint Herblain	1	FC	100,00%	100,00%	
LACROIX SIGNALISATION	409 065 984	Saint Herblain	1	FC	100,00%	99,86%	
SOCIETE DES SIGNALISATIONS	301 331 435	Artigues	1	FC	100,00%	99,86%	
KANGOUROU EST	344 679 022	Strasbourg	1	FC	100,00%	99,86%	
KANGOUROU IDF	340 835 479	Herblay	1	FC	100,00%	99,86%	
KANGOUROU NORD-NORMANDIE	492 337 555	Rouen		FC	100,00%	99,86%	
KANGOUROU OUEST	478 588 700	Saint Herblain	1	FC	100,00%	99,86%	
KANGOUROU PACA	439 903 576	Marseille		FC	100,00%	99,86%	
KANGOUROU RHONE ALPES	492 139 472	Genas	1	FC	100,00%	99,86%	
KANGOUROU AQUITAINE	498 992 163	Artigues	1	FC	100,00%	99,86%	
LACROIX TRAFFIC	443 342 746	Saint Herblain		FC	100,00%	100,00%	
LACROIX TRAFFIC SAU	M-604131	SPAIN		FC	100,00%	100,00%	
NORTE INDUSTRIAL	A48 042 303	SPAIN		FC	100,00%	99,86%	
LACROIX SENALIZACION	A12 329 827	SPAIN		FC	100,00%	99,86%	
ISVIAL	B95 616 934	SPAIN		EM	33,33%	33,29%	
LACROIX PACIFIC	1 011 600	Nouméa		FC	100,00%	99,86%	
LACROIX OCEAN INDIEN	343 852 836	Le Port	1	FC	100,00%	99,86%	
LACROIX MAYOTTE	497 884 031	Mamoudzou		FC	100,00%	99,86%	
LACROIX TRAFIC BELGIUM	0841.072.548	BELGIUM		FC	100,00%	99,86%	
LACROIX TRAFIC CAMEROUN	DLA2012B3234	CAMEROON		FC	100,00%	99,86%	
LACROIX SOGEXI	321 262 446	Les Chères		FC	100,00%	100,00%	
SOGEXI PARTICIPATIONS	533 641 601	Les Chères		FC	100,00%	100,00%	
LACROIX 3	512 996 851	Saint Herblain	1	FC	100,00%	99,86%	
LACROIX 7	512 538 265	Saint Herblain	1	FC	100,00%	99,86%	
LTI SUD EST	383 076 684	Carros		FC	100,00%	0,00%	(1) (2)

Consolidation methods
FC: Full consolidation - EM: Equity method

(1) Fiscal year: December 31
(2) Ad hoc entities

6. Basis of accounting, consolidation methods, evaluation methods and rules

6.1 - General company information

Listed on Eurolist, Compartment C, LACROIX SA is a 'public limited company' governed by French law.

The group's business activities and organisation are presented in the management report.

6.2 - Basis of accounting

6.2.1 General principles

The annual financial statements are disclosed for the period ending 30th September 2015 in accordance with all standards published by IASB (International Accounting Standards Board) and adopted by the European Union. These financial statements follow the same accounting policies and methods of application as the most recent annual financial statements.

The group has not chosen to anticipate adoption of the new standards and interpretations that are not mandatory for FY 2014/0215.

Adopted for use in the European Union (applicable for annual periods beginning on or after 1st January 2014): standards IFRS 10 – Consolidated financial statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interests in Other Entities; and the following amendments: IAS 27 – Separate Financial Statements, IAS 28 – Investments in Associates and Joint Ventures, IAS 32 – Presentation of Financial Instruments.

Application of standards IFRS 10, 11 and 12, as well as that of IFRIC 21 has had no impact on the consolidated financial statements of the LACROIX Group.

Texts not yet adopted by the European Union and due for application for periods after 1st January 2015: IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments (both mandatory for periods beginning on or after 1st January 2018), annual improvements of IFRS standards published in December 2013 (cycle 2010-2012) and in September 2014 (cycle 2012-2014), amendments to IAS 19 concerning employee benefits. The possible impact of these applications on the consolidated financial statements is currently being evaluated.

6.2.2 Presentation of financial statements

'Current assets' include assets earmarked for disposal or use in the normal course of operations, or within twelve months of closing, as well as cash and cash equivalents.

'Current liabilities' include debts overdue in the normal operating cycle or within the twelve months following FY closing.

Other assets or liabilities are considered 'long-term'.

6.3 - Use of estimates

When preparing consolidated financial statements, the group's management must exercise judgment, make estimates and assumptions that affect the application of accounting methods and the amounts established in the financial statements.

These estimates and underlying assumptions are made and constantly reviewed according to past experience and other factors deemed reasonable in any given circumstance. Actual values may differ from estimated values.

The estimates and underlying assumptions are continually being re-examined. The impact of changes in accounting estimates is established for the period of change, if it only affects the said period, or for the period of change and subsequent periods if the latter are also affected.

6.4 - Basis of consolidation

6.4.1 Consolidation methods

Group subsidiaries:

- A subsidiary is an entity controlled by the group, namely when the group has the power to direct the entity's financial and operational policies with a view to deriving gains from its activities. Subsidiaries' financial statements are incorporated into the consolidated financial statements from the date on which effective control is obtained until such control ceases.

- Interests that do not procure control are measured in proportion to the net identifiable assets of the entity at the date of acquisition. The percentage changes of the Group's holding in a subsidiary, not resulting in loss of control, are accounted for as transactions in equity.

Associated companies and joint ventures:

- Associated companies are entities whose financial and operational policies are significantly influenced by the company without the latter having control or joint control. The joint venture is a partnership giving the Group joint control, according to which it has rights over the net assets of the partnership, but not to its assets, or obligations to fulfil with regards to its liabilities. Associated companies and joint ventures are accounted for using the equity method. The consolidated financial statements include the group share in the total profits and losses accounted for by equity-method companies and joint ventures, until the date at which significant influence or joint control cease.

Methods applied to the group:

- At 30th September 2015, group companies were exclusively controlled by LACROIX SA and entirely integrated in consolidated financial statements, with the exception of ISVIAL and Ausy Lacroix Electronics which continue to be accounted for using the equity method.
- After examination of the standard IFRS 11 – Joint Arrangements, the Group has no associated companies. Its interests in joint ventures are therefore accounted for using the equity method.

The scope for consolidation and the list of subsidiaries are laid out in § 5.

6.4.2 Conversion methods for foreign companies' financial statements

The financial statements of foreign companies are converted as follows:

- Balance sheet: exchange rate at FY close;
- Income statement: average rate at FY close;
- Translation adjustments are posted directly as shareholders' equity under the heading 'Translation adjustments'.

Evolution of parities as follows:

1 ML = x EUR	Opening	Average (Current Year)	Closing	Average (Last year)
Zloty (PLN)	0.23937	0.23977	0.23558	0.23936
Franc CFP (XPF)	0.00838	0.00838	0.00838	0.00838
Franc CFA (XAF)	0.00152	0.00152	0.00152	0.00152

Transactions in foreign currencies are registered at the exchange rate on the date of the transaction. Profits or losses arising from the payment of such transactions and the conversion of receivables and payables in foreign currency are recorded in the income statement.

6.4.3 Elimination of intercompany transactions

In accordance with regulations, balance sheet balances and unrealised profits and losses resulting from intercompany transactions are eliminated when preparing the consolidated financial statements. Unrealised profits and losses from transactions with associated companies are eliminated against equity-method investments.

6.4.4 Business combinations

An impairment test is done to validate goodwill at least once a year, or more often when events or circumstances reveal signs of impairment.

Impairment tests are run on Cash Generating Units (CGUs), the book value of the CGU is compared with its recoverable amount.

- The recoverable amount is defined as the highest value between the asset's net selling price and its value in use

The Group has set up a test methodology based on the DCF (Discounted Cash Flows) method using Business Plans drawn on each line of business (the latter corresponds to the notion of CGUs).

The parameters applied are presented in § 8.1.

6.5 - Evaluation methods and rules

The principles and methods applied by Group are as follows:

6.5.1 Intangible assets

Intangible assets are booked at their acquisition cost less accumulated depreciation and any impairment value.

6.5.1.1 Research and Development expenses

Research spending is booked as expenses.

With regards to development spending, the Group has devised a procedure that records all the necessary information for identifying, valuing and monitoring such spending.

When development costs meet with the activation criteria, they are capitalised, otherwise they are booked as expenses.

6.5.1.2 Amortisation and depreciation

Intangible capital assets have a finite life. Amortisation is recognised as an expense in a linear manner, according to the intangible asset's estimated useful life.

	Term
Concessions, patents, licences	3 to 10 years
Software	3 to 10 years

They are impairment tested when an impairment index exists.

- Intangible assets with an indefinite life are tested for impairment every year. The impairment tests are done on the basis of discounted future cash flow.

6.5.2 Tangible assets

6.5.2.1 Long- term tangible assets

Tangible assets are valued at their acquisition cost less accumulated depreciation and any impairment value, or at their cost of production for the portion produced by the Group.

When a tangible asset has significant components with varying useful lives, the components are individually valued.

6.5.2.2 Amortisation and depreciation

Amortisation is recognised as a linear expense according to estimated useful life of the tangible asset.

The applicable amortisation lives are as follows:

	Term
Land improvements	5 years
Buildings for operations	20-40 years
Building installations and fixtures	10-12 years
Machinery and equipment	8-15 years
Plant installations and improvements	8-15 years
Transportation equipment	3-8 years
Office equipment and furniture	3-15 years

The book values of tangible assets are tested for impairment when events or circumstances indicate their book value could no longer be recoverable. Therefore, when the book value of an asset is higher than its estimated recoverable value, asset impairment is recognised.

6.5.3 Direct financing leases

Financing leases are classified as direct financing leases if they transfer to the lessee virtually all the economic risks and benefits attached to ownership of the leased assets.

They are recorded in the balance sheet from the outset at the fair market value of the leased item, or if this is lower, at the discounted value of minimum lease payments.

Financially leased assets are written down over their useful life, which mostly matches the term of the lease agreement.

Other agreements are standard rentals. Rents are recorded as expenses on a linear basis until the agreement expires.

6.5.4 Financial assets

The Group classifies its financial assets into the following groups: transaction assets, loans and receivables, assets available for sale.

- Changes in value, increase or decrease, are recorded as shareholders' equity under 'revaluation reserves'. If the impairment is deemed definitive, a provision is recorded under operating results.
- Financial investments (securities) are recorded at their fair market value and changes in fair value are recorded under financial results.
- Loans and receivables are considered assets issued by the company and are recognised at cost. They may benefit from a provision if there is an objective indication of impairment. Impairment, namely the difference between the net book value and the recoverable value, is recorded in the income statement.

6.5.5 Financial risk management

Foreign currency and rate hedging:

- Hedging transactions are analysed by an independent expert to ensure they are treated in compliance with IAS 32 and IAS 39 whenever they are significant.

6.5.6 Inventory and work in progress

Inventory and work in progress are valued at cost price or net realisable value, whichever is the lower. The cost price is determined according to the FIFO (first in, first out) method, and among other things includes the cost of materials and direct labour costs as well as indirect costs strictly chargeable to production.

Provisions are calculated as the difference between the gross value based on the above principles and the probable net realisation value.

6.5.7 Accounts receivable

Trade and other accounts receivable are valued at their fair market value. Since receivables mature in less than one year, they are not discounted. They may be the subject of a provision depending upon the probability of recovery at close of financial year.

In 2015, following the initiative of one of its main customers, the Group implemented a reverse-factoring contract. Analysis of this agreement, prescribed by the IAS 39 standard, confirmed that the three principle criteria for de-recognition that apply in particular to assignment of receivables, were respected. These entail:

- The term or transfer of contractual rights over cash flow related to the asset,
- The transfer of almost all risks and benefits inherent to ownership of the asset: credit risks linked to debtor's insolvency, risk of portage inherent in shift / delay of payment compared to fixed deadlines and risk of dilution mainly resulting from litigation and settlement differences (credit notes, compensations, etc.),
- Loss of asset control.

6.5.8 Cash and cash assets

'Cash assets' include cash in the bank and immediately realisable investments.

Bank overdrafts are included in borrowings under short-term liabilities in the balance sheet.

6.5.9 Capital and reserves

When the Group buys back or sells its own shares:

- The price paid, which includes acquisition-related charges net of tax, is deducted from shareholders' equity under the heading 'own shares' until they are sold.
- When they are sold, the capital profit or loss is recorded under shareholders' equity.

6.5.10 Government grants

Grants are included in the financial statements when one has reasonable insurance that:

- The Group will comply with the conditions attached to the financing.
- The grants will be received.
- For asset-related government grants, the Group has decided to recognise the financing as a reduction in value of the asset in question.

6.5.11 Estimated and contingent liability

When the Group has a current obligation (legal or implicit) arising from a past event and if a disbursement of financing sources representing economic benefits will probably be needed to fulfil the obligation, and if the amount of the obligation can be reliably estimated, then the Group recognises a provision.

6.5.12 Employee benefits

Severance benefits:

- The Group funds severance benefits on the basis of contractual provisions under a defined contribution plan. The provision is valued by an independent actuary according to the projected unit credit method. The parameters applied are presented in § 8.12.1
- These valuations, among other things, factor in future pay levels, employees' probable working life, staff life expectancy and turnover.
- The present value of commitments thus valued is recognised in the balance sheet, after deducting the fair value of assets paid by Group companies to financial organisations.
- Actuarial profits and losses, which arise primarily from changes in actuarial assumptions and the difference between results estimated according to actuarial assumptions and actual results, are recognised in their entirety as offsetting shareholders' equity.
- The financial costs and the costs of services rendered are recognised as period expenses.

Payments based on shares:

- Stock options granted to employees must be valued at their fair market value, which is recognised in the income statements and offsets reserves over the period of acquisition (4 years) of employee's rights.
- The fair market value of the options has been evaluated using the Black & Scholes model. The expense is spread over the acquisition period and offset against a rise in reserves.

6.5.13 Borrowing

Loans are initially recognised at their fair market value net of related commissions.

The portion of financial debts maturing in less than one year is classified as short-term borrowing.

6.5.14 Current and deferred tax

Deferred tax is calculated for all temporary differences between the book value reflected in the consolidated balance sheet and the fiscal value of assets and liabilities. The rate of tax is that which the Group expects to pay or obtain from the tax authorities, as adopted, or virtually adopted, on the reporting date.

Tax assets and liabilities are not discounted and are reported in the balance sheet as long-term assets and liabilities.

The amounts of deferred tax on assets and liabilities are offset for a single fiscal entity. In this respect, a single scope of fiscal integration is effective in the Group.

• Group LACROIX SA

The fiscal scope is detailed in § 5.

Tax rate per country:

	FY 2015
Germany	30 to 33%
Belgium	33.99%
Cameroon	38.50%
Spain	30.00%
France	34.43%
Italy	31.30%
Poland	19.00%
Tunisia (1)	

(1) Temporary exemption until 2015.

6.5.15 Assets and groups of assets held for sale and discontinued operations

A discontinued operation is either a part of an entity from which it has become detached, or an operation being held for sale and:

- that represents a main and specific business activity or geographical region; or
- that is a part of a single and coordinated plan to detach itself from a business activity or specific geographical region; or
- that is an entity acquired with the sole aim of being sold.

The classification as a discontinued operation occurs upon disposal or at an earlier date when the activity meets the criteria to be classified as held for sale. When an operation is classified as discontinued, the income statement and statement of cash flow comparatives are restated as if the activity had met the criteria for a discontinued operation as of the beginning of the comparative period.

In addition, the assets and liabilities related to discontinued operations or operations held for sale are recorded in a separate line of assets and liabilities, just as they would appear following disposal after elimination of positions within the Group.

6.5.16 Revenue

Revenue is recognised when the risks and benefits attached to ownership of goods revert to the buyer and their amount can be reliably valued.

6.5.17 Net income per share

Basic earnings per share are calculated by dividing net distributable income by the weighted average number of shares in circulation during the financial year, with the exclusion of shares bought by the company and held as treasury stock.

Diluted earnings per share are calculated by dividing net distributable income by the weighted average number of shares in circulation during the financial year adjusted by the conversion of dilutive instruments into ordinary shares.

• The Group has a single type of dilutive instrument: stock options.

6.5.18 Segment disclosures

The Group's segment disclosure is presented according to the business sector. The choice of this level and its breakdown reflects the Group's basis of segmentation and the differences in risks and returns.

• The business sector is the only segment disclosure level. It comprises the following three business sectors:
  - LACROIX Electronics (previously Electronics);
  - LACROIX Sofrel (previously Telemetry);
  - LACROIX City (previously Traffic Signs).

7. Comparability of accounts

7.1 - Accounting changes

No accounting changed over the period.

7.2 - Changes in reporting entities

In June 2015, the Group acquired the production unit of DSTA in Spain via its subsidiary LACROIX Traffic SAU.

In June 2015, The Group announced the buyout of SOGEXI, a leading French company specialising in junction boxes and components thereof, energy saving management devises and installation and maintenance of public lighting. At 30th September 2015 SOGEXI contributed €2,801T to Group revenue and €325T to net income (for 3 months activity). For information, at 31st December 2014 over 12 months, the company's revenue amounted to €11,701T, the net income to €1,711T and counted 54 employees.

The companies Kangourou Nord Pas de Calais and Kangourou Sud Ouest were subject to a universal transfer of assets to the companies Kangourou Nord Normandie and Kangourou Aquitaine, respectively.

In April 2014, the Group set up a joint venture with Ausy and created the company Ausy-Lacroix Electronics. This company is accounted for using the equity method since the consolidated financial statements of 30th September 2014.

7.3 - Post-closing acquisitions and /or disposals of equity interests

In October 2015, LACROIX City signed an agreement with the Group HELIOS, through which LACROIX City will entrust all its installation services to HELIOS and the latter will order all its static and dynamic signage requirements from LACROIX City.

This agreement includes the disposal of the KANGOUROU subsidiaries and the acquisition of SIVERTIS, a subsidiary of HELIOS. The assets and liabilities of KANGOUROU were consolidated in the financial statements of 30th September 2015 as assets and liabilities held for sale, in compliance with the IFRS 5 standard. This reclassification generated a prior asset impairment of €2,433T in order to fix the fair value of assets held for sale (see § 8.17).

8. Explanation of balance sheet and income statement accounts and changes therein

The tables below are an integral part of the consolidated financial statements
Barring exceptions, all amounts are stated in thousands of euros (€T).

8.1 - Goodwill

Activities	Gross value				Depreciation				Net value	
	Opening	Change	Changes in reporting entities	Closing	Ouverture	Variation	Changes in reporting entities	Closing	Opening	Closing
LACROIX Electronics	10,876			10,876	-5,991			-5,991	4,885	4,885
LACROIX Sofrel	1,487			1,487					1,487	1,487
LACROIX City	2,807	-246	14,595	17,156					2,807	17,156
Total	**15,170**	**-246**	**14,595**	**29,519**	**-5,991**			**-5,991**	**9,179**	**23,528**

The variation of scope mainly corresponds to goodwill on acquisition of Sogexi securities for €15,093T.
The Group performed impairment testing at closure, following business plan updates. On the basis of the valuations obtained from CGUs, no depreciation was practised.

8.1.1 Depreciation of goodwill

The following parameters were applied for the realisation of the tests of depreciation during the current financial year:
- Discount rate of 6.30%
- Cash flows calculated with business plans of 5 years (with the exception of LACROIX Electronics: 10 years)
- Infinity Growth rate of 2% (with the exception of LACROIX City: 1%)

The sensitivity of the depreciation of goodwill to variations of the hypotheses is presented below. These results are true for each of the three CGUs:

	Variation	Impact GW
Variation of Discount rate	0.25%	0
Variation of Infinity Growth rate	-0.25%	0

8.2 - Intangible assets

	Opening	Increase	Reduction	Changes in reporting entities	Translation adjustment	Other changes	Closing
Gross values							
Preliminary expenses	4			25			29
Research & Development expenses	89						89
Concessions, patents, licenses, software	5,011	480	-371	855		468	6,442
Leased concessions, patents, licenses, software	2,926						2,926
Lease renewal	4		-2				2
Other intangible assets	1,348	260	-159		-3	-240	1,206
Advances and down payments							
Total	**9,382**	**740**	**-533**	**880**	**-3**	**228**	**10,695**
Amortisation and provisions							
Preliminary expenses	-4	-1		-20			-24
Research & Development expenses	-89						-89
Concessions, patents, licenses, software	-3,896	-407	367	-584			-4,519
Leased concessions, patents, licenses, software	-2,637	-193					-2,830
Lease renewal	-4		2				-2
Other intangible assets	-1,283	-29	159		3		-1,150
Advances and down payments							
Total	**-7,913**	**-629**	**528**	**-604**	**3**		**-8,615**
Total net intangible assets	**1,469**	**111**	**-5**	**277**	**-0**	**228**	**2,080**

8.3 - Tangible assets

	Opening	Increase	Reduction	Changes in reporting entities	Translation adjustment	Other changes	Closing
Gross values							
Land	3,195		-52	14	-3		3,154
Leased land	483						483
Buildings	29,270	328	-894	1,699	-101	-1,839	28,464
Leased buildings	6,214				-8		6,206
Technical installations, machinery and equipment	45,201	4,558	-1,921	1,349	-179	4,313	53,321
Leased technical install., machinery and equipment	8,579		-971		-46		7,561
Other tangible assets	18,099	1,268	-639	250	-25	640	19,593
Other leased tangible assets							
Tangible assets in progress	4,070	659		5	-2	-3,788	945
Advances and down payments	0	43		-1			42
Total	**115,112**	**6,857**	**-4,477**	**3,316**	**-363**	**-674**	**119,771**
Amortisation							
Land	-224	-24	20	-4			-232
Leased land							
Buildings	-13,643	-1,039	791	-13	34	2,052	-11,819
Leased buildings	-4,794	-189			13		-4,970
Technical installations, machinery and equipment	-29,361	-3,267	1,699	-1,227	55	-1,517	-33,618
Leased technical install., machinery and equipment	-5,915	-374	1,007	-247	12	146	-5,371
Other tangible assets	-12,575	-1,261	572	44	8	-528	-13,739
Other leased tangible assets							
Tangible assets in progress							
Advances and down payments							
Total	**-66,513**	**-6,154**	**4,088**	**-1,446**	**123**	**153**	**-69,750**
Total net tangible assets	**48,599**	**703**	**-389**	**1,870**	**-240**	**-521**	**50,021**

8.4 - Long-term financial assets

	Opening	Increase	Reduction	Changes in reporting entities	Translation adjustment	Other changes	Closing
Gross values							
Investments (1)	103			244			347
Receivables attached to holdings							
Other long-term investments	2	50					52
Loans							
Collateral and surety	641	208	-96	-24			728
Total	**746**	**258**	**-96**	**220**			**1 127**
Allowance for loss in value							
Investments (1)	-25		37	-243			-231
Receivables attached to holdings							
Other long-term investments							
Loans							
Collateral and surety	-37						-37
Total	**-62**		**37**	**-243**			**-268**
Total net long-term financial assets	**684**	**258**	**-59**	**-23**			**859**

(1) Detail of equity securities presented in § 8.6.

8.5 - Interests in joint ventures

Securities details:

	% owned	30/09/2015
AUSY LACROIX ELECTRONICS	50.0%	20
ISVIAL	33.3%	6
Total		**26**

Contribution to equity and consolidated income:

Subsidiaries	Contribution to consolidated equity	Contribution to consolidated results
AUSY LACROIX ELECTRONICS	24	-4
ISVIAL	6	
Total	**30**	**-4**

8.6 - Non-consolidated equity securities

The detail of item 'equity securities' referred to in part 8.4 is as follows:

Non consolidated companies	Net position	
	Gross values	Accumulated provisions
Opening	103	-25
Change	244	-206
Closing (1)	**347**	**-231**

(1) At closing, the balance represents interests in the entity Gertrude (in LACROIX City activity), interests in 2 non-consolidated holding companies, inactive since FY 2013/2014, as well as interests held by LACROIX Sogexi and for which provisions exist.

8.7 - Inventory and work in progress

Stocks and work in progress breakdown:

	FY 2015	FY 2014
Gross values		
Raw materials	43,117	32,766
In-process inventory	10,111	7,528
Intermediate and finished goods	16,822	12,102
Goods	1,391	1,736
Total	**71,442**	**54,132**
Allowance for loss in value		
Raw materials	-2,375	-2,262
In-process inventory	-170	-82
Intermediate and finished goods	-280	-239
Goods	-48	-391
Total	**-2,873**	**-2,974**
Total net inventory and goods in progress	**68,569**	**51,157**

8.8 - Trade receivables

Accounts receivable breakdown:

	FY 2015	FY 2014
Accounts receivable	86,221	103,404
Depreciation	-2,263	-2,429
Total net accounts receivable	**83,957**	**100,975**

The variation in accounts receivable is mainly explained by the reverse-factoring agreement (see § 6.5.7).

The amount of receivables not matured at 30th September 2015 and paid in advance of this date came to €15 million.

8.9 - Other receivables and short-term financial assets

	FY 2015	FY 2014
Gross values		
Advances and payments on account	1,099	583
Social receivables	169	194
Tax receivables	7,286	5,945
Sundry receivables	1,384	1,818
Prepaid expenses	3,187	3,208
Total	**13,124**	**11,748**
Allowance for loss in value		
Depreciation		-284
Total net other receivables and current assets	**13,124**	**11,463**

8.10 - Cash and equivalents

	FY 2015	FY 2014
Current investments (1)	13,325	16,784
Cash assets	8,066	5,739
Allowance for loss in value		
Financial Instruments - Asset (2)	193	490
Total cash and equivalents	**21,584**	**23,013**
Cash credit (part 8.13.1)	-20,674	-23,759
Financial Instruments - Liability (2)	-185	-8
Total net cash	**726**	**-754**

(1) Comprised of mutual funds, certificates of deposit and other investment products.

(2) Impact of IAS 39 on foreign currency hedging and swap on rate.

Cash and cash equivalents include funds in bank current accounts, cash in hand and short-term deposits maturing in less than three months.

8.11 - Shareholders' equity

8.11.1 Consolidating entity's share capital

At 30th September 2015, share capital comprised 3,766,560 shares at a face value of €6.64.

8.11.2 Changes in own shares

The number of own shares changed as follows:

	FY 2015
Opening	**200,258**
Acquisitions	22,503
Disposals	-23,957
Closing (1)	**198,804**

(1) At the end of the financial year, the value of own shares are determined on the basis of the average prices of the stock exchange for the month of September, and registered in the accounts of LACROIX SA (consolidating company) for the amount of €4,679T.

8.11.3 Stock options

Stock options were awarded to managers and certain employees. The option take-up price was equal to the average price of the last 20 stock market prices preceding the award. The options are granted subject to having served 4 years in the company.

Detail of variations and numbers of options in circulation:

	FY 2015	FY 2014
Opening	**72,328**	**84,328**
Granted		
Exercised		
Not exercisable (following departure)	-3,000	-12,000
Closing	**69,328**	**72,328**

Detail of expiry dates and exercise prices on stock in circulation at year-end closing:

Date of plans		Conditions	
Granted	Start	Price of exercise	Number of shares
Nov.-2005	Nov.-2009	21.12	18,078
Sept.-2006	Sept.-2010	21.09	23,250
Dec.-2006	Dec.-2010	20.70	9,000
Feb.-2008	Feb.-2012	22.73	3,000
Oct.-2008	Oct.-2012	17.01	9,000
Oct.-2011	Oct.-2015	14.33	7,000
			69,328

Stock options are valued at their fair market value as reported in the income statement for the item 'staff expenses' for the period in which employees could take up stock options.

Fair market value is determined using the Black & Scholes valuation model on the basis of assumptions made by an actuary.

Since options can only be exercised after four years' service, the corresponding staff expense is spread over 4 years. On the basis of options granted in 2015, the amount for the financial year is €12T.

8.12 - Contingencies and charges provisions

8.12.1 Details of the provisions

The evolution breakdown as follows:

	Opening	Deprecia-tion	Reversals used	Reversals not used	Changes in reporting entities	Translation differen-tials	Other changes	Closing
Retirement compensation prov. (1)	10,518	900	-446		205	-2	204	11,380
Prov. for product warranty	466	118	-420		180		162	506
Prov. for litigation (2)	3,790	3,355	-741	-806	131	-2		5,728
Prov. for other risks (3)	1,050	34	-92					992
Total	**15,824**	**4,407**	**-1,698**	**-806**	**516**	**-3**	**366**	**18,606**

(1) Severance pay benefits were valued by an independent actuary using the projected unit credits method. Other variations are due to the impact of discounting.

For French companies the following hypotheses were taken into account for the calculations:

- Discount rate of 2.0% (identical to 2014).
- Average salary increase of 3% including inflation.
- INSEE F 2008-2010 mortality tables were used.
- In order to integrate changes in labour law - the age of retirement for employees is now 63 and for middle management 66 – the reason for leaving assumed: 100% voluntary retirement (on their own initiative).
- Turnover probability based on the following table:

Age brackets	LACROIX Electronics	LACROIX Sofrel	LACROIX City
under 29 years	10.00%	5.00%	10.00%
30 to 39 years	8.00%	5.00%	8.00%
40 to 44 years	4.00%	5.00%	6.00%
45 to 49 years	4.00%	2.00%	6.00%
50 to 54 years	3.00%	2.00%	4.00%
over 55 years	–	–	–

Concerning the subsidiary in Germany, the following hypotheses were taken into account:
- Discount rate of 2.27% (versus 2.55% in 2014)
- 2% inflation
- Salary increase of 3%
- Average turnover rate of 5%
- Retirement age for employees is 64 and 65 for middle management

(2) The closing provision corresponds for €2,737T to customer litigation (split by division as follows: €1,953T for LACROIX City, € 199T for LACROIX Sofrel and €585T for LACROIX Electronics). In addition, a provision of €1,339T has been recorded for LACROIX City corresponding to ongoing litigation with local authorities concerning alleged prejudice suffered during the period for which the company was convicted for agreement in 2010.

(3) Within the framework of exercise of stock options by the telemetry division, the Group had committed to acquiring these securities at the request of the beneficiaries. The amount of €992T corresponds to the valuation, at the end of September 2015, of the cost of the theoretical repurchase of these shares.

8.13 - Borrowing and financial debts

8.13.1 Schedule of borrowing and financial debts

Breakdown of financial debts by maturity date:

	FY 2015	FY 2014	Schedule 2015 (1)	
			< 1 year (short-term)	> 1 year (long-term)
Loans and debt with credit establishments	25,053	14,557	8,917	16,136
Leveraged leases	1,854	2,412	622	1,232
Sundry financial debt (2)	6,345	4,758	3,895	2,450
Cash credit	20,673	23,759	20,673	
Total borrowing and financial debts	**53,924**	**45,487**	**34,107**	**19,818**

(1) 'Long-term' portion of financial debts: including €1,809T over more than 5 years.

(2) Including current account of VINILA INVESTISSEMENTS (shareholder) for €2,718T against €1,748T in 2014.

8.13.2 Statement of changes in borrowing and financial debt

	Opening	Increase	Decrease	Changes in reporting entities	Translation adjustment	Other changes	Closing
Loans and debt with credit establishment (1)	14,557	15,991	-5,640	144			25,053
Leveraged leases	2,412		-527		-32		1,853
Sundry financial debt	4,758	1,912	-424	100			6,345
Cash credit	23,759		-3,087				20,673
Total borrowings and financial debts	**48,841**	**17,904**	**-9,678**	**244**	**-32**		**53,924**

The changes in translation differences relate to Poland.

8.13.3 Breakdown by type of rate

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

	FY 2015	FY 2014
Fixed-rate loans	1,369	537
Variable-rate loans	25,537	16,433
Total borrowing	**26,906**	**16,969**

8.13.4 Breakdown by main currency

The breakdown of debt in Euros and other currencies is as follows:

	FY 2015	FY 2014
Borrowing denominated in Euros	26,906	16,969
Borrowing denominated in foreign currencies		
Total borrowing	**26,906**	**16,969**

8.14 - Current liabilities

Other current liabilities comprise the following items:

	FY 2015	FY 2014
Trade accounts payable	61,487	52,936
Long-term accounts payable	9	22
Advances and payments on account received on orders	1,525	1,216
Tax and welfare liabilities	26,314	25,802
Sundry liabilities	936	1,435
Deferred revenue	1,754	2,333
Total other short-term liabilities	**92,025**	**83,743**

8.15 - Staff

8.15.1 Staff expenses

	FY 2015	FY 2014
Salaries & Wages	70,899	64,586
Social costs	23,391	21,886
Profit-sharing	2,089	1,799
Temporary wage earners	5,483	5,194
Pension expense	304	78
Payments in shares	12	12
Total fringe benefit expenses	**102,178**	**93,555**

8.15.2 Staff

Breakdown by level and division is as follows:

(*)	LACROIX Electronics		LACROIX Sofrel		LACROIX City		Group total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Managerial	459	438	88	86	177	150	724	674
Technical	415	361	44	38	123	110	582	509
Clerical	140	138	21	22	180	164	341	324
Manual	2,205	2,028			228	212	2,433	2,240
Total salaried workforce	**3,219**	**2,965**	**153**	**146**	**708**	**636**	**4,080**	**3,747**
Pending assignment (1)	87	31	2	2	91	106	180	139
Total operational workforce	**3,306**	**2,996**	**155**	**148**	**799**	**742**	**4,260**	**3,886**

(1) Full-time equivalents relating to temporary worker expenses.
(*) Workforce of fully consolidated entities.

8.16 - Net depreciation and estimated expenses

Depreciation and estimated expenses net of reversals and reported as results of operating activities can be detailed as follows:

	FY 2015	FY 2014
Net depreciation and reversals on long-term assets	-5,930	-5,394
Net depreciation and reversals on leasing	-753	-683
Net depreciation and reversals on inventories (1)	-899	-361
Net depreciation and reversals on other current assets	-29	-173
Net depreciation and reversals on contingencies and expenses	-184	-761
Net depreciation and reversals on others	39	
Total net depreciation and estimated expenses	**-7,755**	**-7,372**

(1) Excluding reversal relating to disposals, charged to expired costs.

8.17 - Other income and expenses

	FY 2015	FY 2014
Restructuration	-520	-717
Asset disposal (1)	-69	
Customer litigation (2)	-1,339	
Other long-term expenses (3)	-1,804	
Total	**-3,732**	**-717**

(1) Including €2,579T of capital gain on sale of a building owned by the company SDS and a provision of €2,433T related to the sale of Kangourou companies.

(2) See § 8.12.1.

(3) LACROIX Electronics operations for -€1,804T. In October 2014, the activity at the Tunisian site was disrupted by social movements. Even if work resumed on 20th October, this led to a number of non-recurring expenses (including exceptional transport, additional costs for outsourcing, etc.) that weighed on the result of the business for October. These items are presented in other operating income and expenses.

8.18 - Financial expenses and revenue

Breakdown of financial results:

	FY 2015	FY 2014
Financial expenses and revenue (1)	-1,170	-1,082
Foreign exchange result	-431	-461
Estimated expenses net of reversals (2)	-159	-271
Revenue from sales of investment securities	24	16
Total financial income by nature	**-1,736**	**-1,798**
Summary		
Total revenue	6,955	2,208
Total expenses	-8,692	-4,006
Total financial income	**-1,736**	**-1,798**

(1) Including €181T of expenses related to financial instruments on rate cover, against €233T at 30th September 2014.

(2) Including €121T of expenses related to provisions for severance, against €167T at 30th September 2014.

8.19 - Income tax

8.19.1 Analysis of company income tax

Breakdown of company income tax:

	FY 2015	FY 2014
Tax payable	-1,535	-1,962
Deferred tax	-17	269
Tax on results	**-1,552**	**-1,693**

8.19.2 Tax proof

Rationalisation of the tax	FY 2015
Net income of consolidated companies	1,188
Neutralisation of the share of results of equity-method companies	-2
Neutralisation of provisions for Goodwill	
Restated results of equity method companies	**1,186**
Income tax (1)	1,552
Net pre-tax profit/loss	*2,738*
Theoretical tax at current rate (2)	943
Difference in tax (1) - (2)	**609**

A comparison of the company income tax as stated in the income statement and the theoretical amount of tax that would be incurred on the basis of the current rate in France is analysed as follows:

Analysis of this difference in tax		Expenses	Revenue
Effects of permanent differences between consolidated and taxable results		1,172	
Use of deficits carried over used in period			53
Losses of subsidiaries showing a loss after tax		1,422	
Lower or higher tax rate for certain types of transactions		95	232
Taxation of foreign companies' results at different rates			785
Activation of deficits			331
Tax credit	(1)		679
Total		**2,689**	**2,080**
Net difference		**609**	

(1) The income tax saved by 'tax credit on expenses engaged for research' (French fiscal rule) has been reclassified in expenses for €411T. The income tax saved by 'Crédit d'Impôt Compétitivité Emploi – CICE' (French fiscal rule) has been reclassified in salaries expenses for €1,484T.

8.19.3 Analysis of deferred tax

Breakdown of deferred tax assets and liabilities:

	Opening	Impact on equity	Impact on result	Changes in scope	Other changes	Closing
Deferred tax assets						
C3S and Building Effort	93		-16			77
Employee profit-sharing	242		12	3		257
Retirement compensation	1,850	1	168	75		2,094
Margins on inventories	181		39		-1	220
Losses carried over (1)	1,364		-290			1,074
Other (2)	1,946		-526	63		1,483
Deferred tax assets & liabilities compensation (*)	-3,049				-93	-3,142
Total deferred tax assets	**2,627**	**1**	**-613**	**141**	**-94**	**2,061**
Deferred tax liabilities						
Amortisation expense	2,495		122	62	-5	2,674
Financing-lease	673		-85		13	601
Method for writing down long-term assets	38		-61		239	216
Other (3)	2,469	-97	-572	558	-325	2,034
Deferred tax assets & liabilities compensation (*)	-3,049				-93	-3,142
Total deferred tax liabilities	**2,625**	**-97**	**-596**	**620**	**-171**	**2,382**
Total net deferred tax	**1**	**98**	**-18**	**-479**	**77**	**-321**

(1) According to assumptions made by the Group and updated business plans.
(2) Including €198T on asset transfers.
(3) Including €1,099T of fair values on fixed assets.
(*) After overall analysis of net deferred tax assets and liabilities by type, this section takes into account the individual positions and balance sheet presentation due to the existence of fiscal scopes (§ 6.5.14).

9. Other information

9.1 - The Group's degree of exposure to financial risks

9.1.1 Foreign exchange risk

With the exception of LACROIX Electronics, the Group is not exposed to this kind of risk.

With regards to this division, the foreign exchange risk mainly concerns purchases made in USD and in PLN.

- With regards to purchases in USD, the company has contracts with its main customers which enable it to adjust the sale price of products according to the evolution of the parity EUR/USD. Consequently, the foreign exchange risk is null and void on this part. Concerning the balance, the company appeals to partial cover of its needs that cover an objective rate fixed for every budgetary year.
- With regards to expenses in PLN, these mainly concern salaries of Polish employees and some local purchases. The Group's policy consists of covering forward hedges based on forecast requirements.

Generally speaking, financial instruments are used strictly for the purposes of business operations, to the exclusion of any speculative purposes.

9.1.2 Interest rate risk

§ 8.13.3 'Borrowing and financial debts' shows that for a total debt of €26,906T, €1,369T are at a fixed-rate and €25,537T are at a variable-rate.

The Group uses financial instruments to limit this kind of risk. At the end of September 2015, the part of financial debt at variable-rate covered by swaps represented around 30% of nominal value.

9.1.3 Liquidity risk

Gross debt totals €53,924T.

None of the financing in place is under covenant.

Available cash totals €21,584T.

As such, the Group considers its exposure to liquidity risk to be minimal.

9.1.4 Credit risk

Each of the Group's three divisions has its own credit insurance contract, ensuring they are covered against potentially risky customers.

Customer type by business:

Activities	Type of main customers
LACROIX City	Significant construction companies and administrations
LACROIX Sofrel	Public companies or major companies in water environment
LACROIX Electronics	French and foreign companies of international range

9.1.5 Equity risk

The Group monitors this risk by checking the evolution of the debt ratio.

	FY 2015	FY 2014
Borrowing and Financial debts	33,251	21,728
Cash credit	20,673	23,759
Others Net financial debts	-80	-129
Cash and equivalents (§ 8.10)	-21,584	-23,013
Total Net debts	**32,259**	**22,344**
Total Shareholders' equity	98,841	101,517
Gearing	**32.6%**	**22.0%**

9.1.6 Classification of financial assets and liabilities estimated at their fair value according to levels of fair value

The Group does not present a detailed table of the hierarchical organisation of the fair value of its financial assets and liabilities, according to the three levels defined by the revised IFRS 7 standard:

• Evaluation of fair value uses the valuation based on observable data. Most of these are external to the Group.

9.2 - Segment disclosures

9.2.1 Consolidated statement of comprehensive income

Business segment results for period ending 30th September 2015 are detailed below:

	LACROIX Electronics		LACROIX Sofrel		LACROIX City		Holdings		Total Group	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Revenue										
Sales to external customers	275,319	226,468	37,401	36,247	89,593	99,700	40	14	402,353	362,429
Sales between sectors	-6,844	-5,861	-236	-489	-218	-220			-7,298	-6,570
Total revenue	**268,475**	**220,607**	**37,165**	**35,758**	**89,375**	**99,480**	**40**	**14**	**395,055**	**355,859**
Profit from operating activities	**2,776**	**3,193**	**9,176**	**9,669**	**-2,834**	**1,332**	**-905**	**-880**	**8,213**	**13,314**

Breakdown by segment of other items of the income statement:

	LACROIX Electronics		LACROIX Sofrel		LACROIX City		Holdings		Total Group	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Net depreciation and estimated expenses										
Net depreciation on fixed assets	-4,000	-3, 517	-313	-352	-2,301	-2,112	-100	-109	-6,714	-6,090
Net depreciation on current assets	-482	121	-166	-137	-393	-1,266			-1,041	-1,282
Total	**-4,482**	**-3,396**	**-479**	**-489**	**-2,694**	**-3,378**	**-100**	**-109**	**-7,755**	**-7,372**

9.2.2 Bilan consolidé

Le tableau ci-dessous détaille les actifs et les passifs sectoriels, ainsi que les acquisitions d'actifs non courants de la période :

	LACROIX Electronics		LACROIX Sofrel		LACROIX City		Holdings		Total Group	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Segment assets										
Long-term assets	35,103	34,156	5,277	4,868	34,610	19,634	1,131	1,146	76,121	59,804
Current assets	105,983	98,589	12,215	11,090	52,691	57,672	16,712	19,384	187,601	186,735
Other assets not affected	1,164	1,826	170	302	433	528	322		2,089	2,656
Non-current Assets Held for Sale and Discontinued Operations					3,026				3,026	
Total segment assets	**142,250**	**134,571**	**17,662**	**16,260**	**90,760**	**77,834**	**18,165**	**20,530**	**268,837**	**249,195**
Segment liabilities										
Long-term liabilities	1,232	1,348	2,176	2,062	2,357	2,060	14,053	4,781	19,818	10,251
Current liabilities	102,506	91,912	601	-366	39,740	19,610	-16,714	7,825	126,133	118,981
Other liabilities not affected	10,014	9,183	2,244	2,138	8,717	7,103	13	25	20,988	18,449
Non-current Liabilities Held for Sale and Discontinued Operations					3,057				3,057	
Total current and long-term liabilities	**113,752**	**102,443**	**5,021**	**3,834**	**53,871**	**28,773**	**-2 648**	**12,631**	**169,996**	**147,681**
Acquisit. of long-term assets (1)	**5,387**	**8,196**	**670**	**315**	**2,001**	**1,972**	**35**	**43**	**8,093**	**10,526**

(1) Including acquisitions of leased assets.

9.3 - Off-balance sheet commitments

Breakdown of Group commitments given or received:

Commitment category	FY 2015	FY 2014
Commitments given		
Borrowing and debts with credit establishments	369	537
Leveraged leases	1,854	2,412
Order of Purchases (1)	514	804

(1) Existence of a supply contract: mentioned commitment corresponds to the maximum risk, i.e. allowance to be paid in case of non realisation (to cover sellers' fixed costs). Schedule is as follows: €265T in less than a year and €249T in more than a year.

All these debts are guaranteed by collateral.
None of these debts has a covenant attached.

9.4 - Post-balance sheet events

In November 2015, LACROIX Signalisation (LACROIX City division) put forward a proposal for reorganisation with the objective of centralising sales support activities at head office and consequently the closure of regional sales offices.

9.5 - Related parties

9.5.1 Associated companies' transactions

These companies are associated entities in which the Group has particular influence and for whom transactions are not significant.
Additionally, § 8.13.1 refers to an existing debt (current account) with one of its shareholders, the company Vinila.
Moreover, the Group has sold industrial goods to this shareholder, generating capital gain of €2,579T, registered as a long-term operational result.

9.5.2 Compensation and fringe benefits paid to executive officers

Breakdown of compensation allocated for the financial year to management and members of the board of directors and the supervisory board in relation to their duties in the Group:

9.5.2.1 Members of the Directorate

	FY 2015	FY 2014
Short-term benefits	630	649
Post-employment benefits	84	66
Severance pay		
Payment in shares		
Total	**714**	**715**
Other long-term benefits (1)		345

(1) For further details please see § 8 'Executive officers' of the Directorate Management Report.

Directors receive variable compensation that is approved by the Supervisory Board. Variable compensation is determined in relation to annual objectives that are not disclosed here for confidentiality reasons.

9.5.2.2 Members of the Supervisory Board

	FY 2015	FY 2014
Short-term benefits	28	26
Post-employment benefits		
Other long-term benefits		
Severance pay		
Payment in shares		
Total	**28**	**26**

9.6 - Auditors fees

The table below details auditors' fees and members of their networks engaged for the Group according the rules set out in AMF 2006-10:

	Ernst & Young Network				Atlantique Révision Conseil			
	2015	%	2014	%	2015	%	2014	%
Audit								
Certification	**249**	**94%**	**259**	**95%**	**38**	**100%**	**38**	**100%**
Consolidating entity	48		36		38		38	
Fully consolidated subsidiaries	201		222					
Other legal diligences	**15**	**6%**	**15**	**5%**	**0**	**0%**	**0**	**0%**
Consolidating entity	15		15					
Fully consolidated subsidiaries								
Total Audit	**263**	**100%**	**274**	**100%**	**38**	**100%**	**38**	**100%**
Other services								
Legal, fiscal, social								
Other								
Total Other services	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Total	263	100%	274	100%	38	100%	38	100%

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