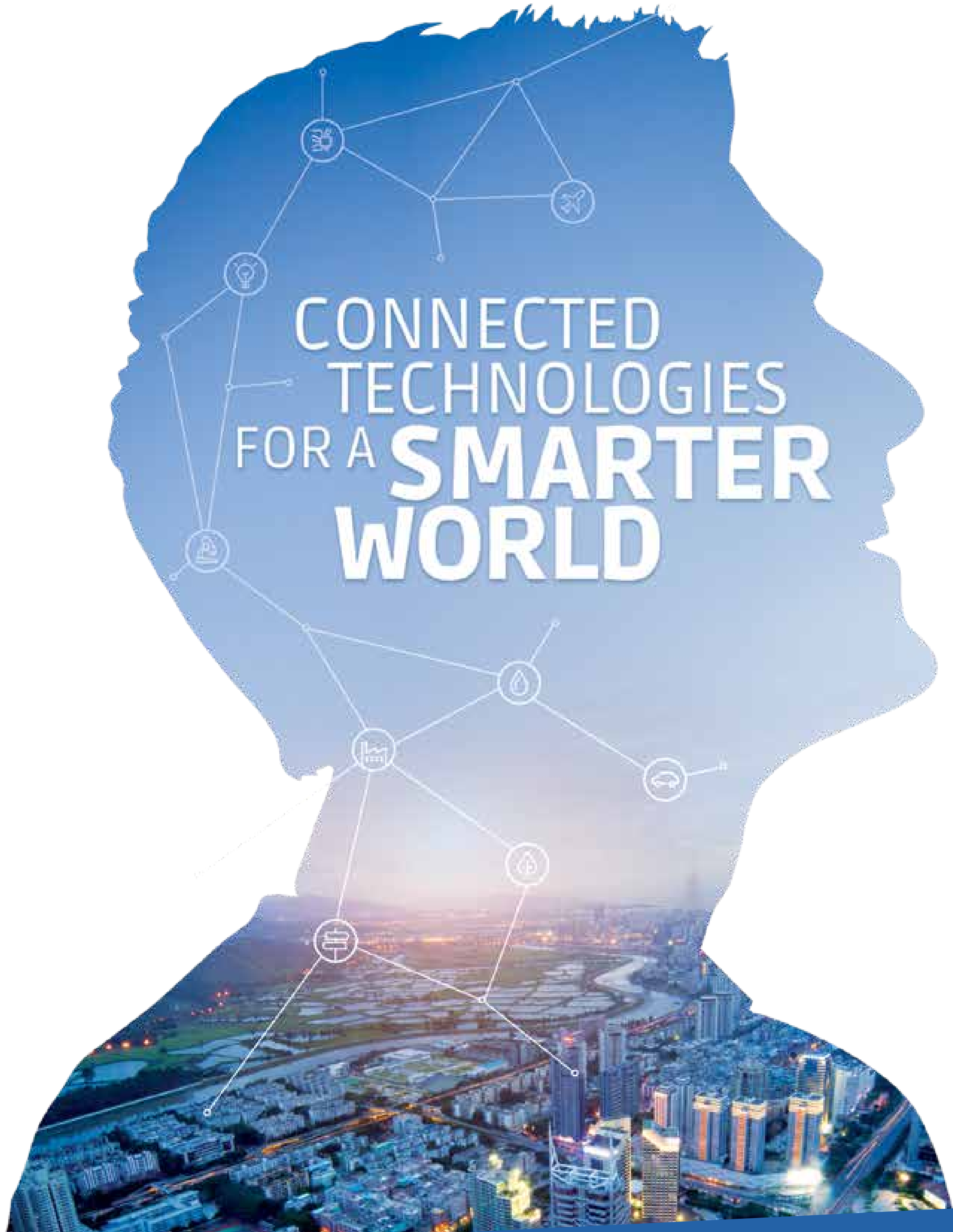
LACROIX



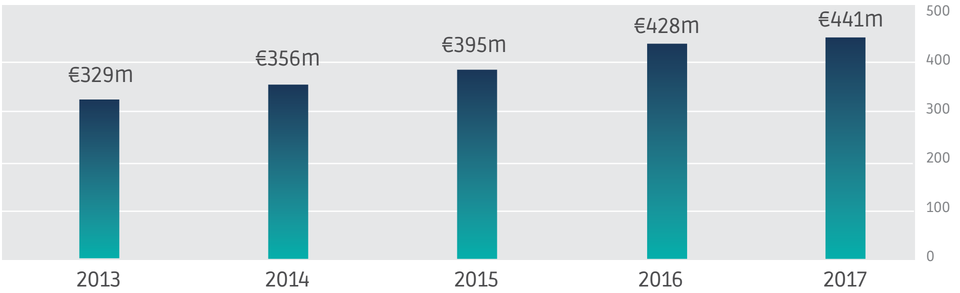
2017 ANNUAL REPORT

01

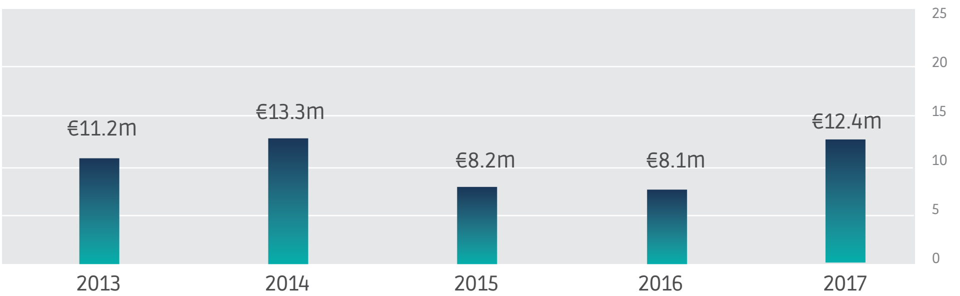
COMBINED ANNUAL GENERAL MEETING

KEY FIGURES

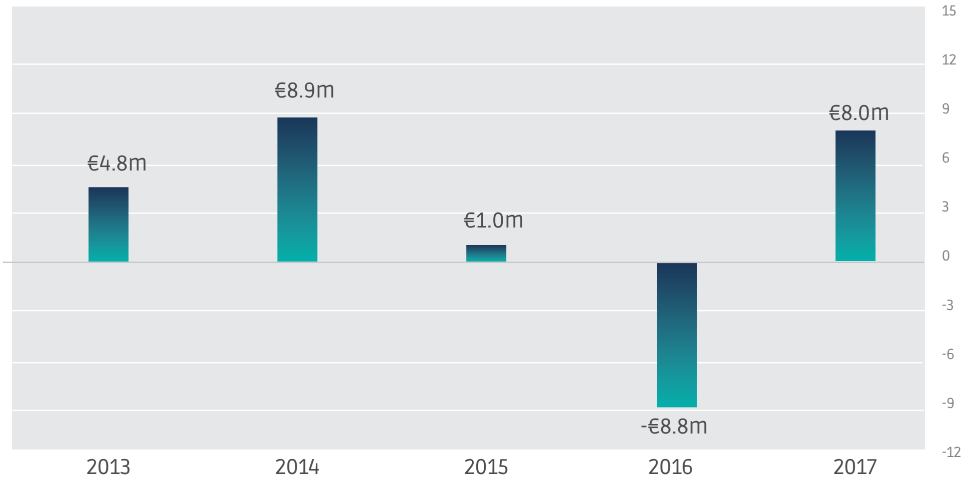
Revenue



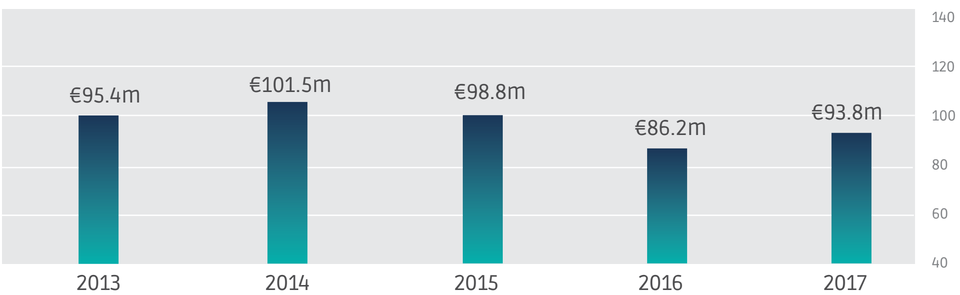
Profit from operating activities



Net income Group share



Shareholders' equity



CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE FINANCIAL REPORT

2016 – 2017 drawn up in compliance with Articles 222-3 and 222-4 of the General regulation of the Autorité des Marchés Financiers

Mr Vincent BEDOUIN,
Chairman of the Company's Executive Board

HEREBY CERTIFY

"TO my knowledge, the financial statements are drawn up in accordance with the accounting standards applicable and give a true and fair view of the assets and liabilities, financial position and income of the Company and of all companies included within the scope of consolidation.

The management report gives a true and fair view of the development of the business, the results and the financial position of the Company and of all companies included within the scope of consolidation as well as a description of the main risks and uncertainties which they face".

Vincent BEDOUIN

LACROIX SA

Société Anonyme (Public Limited Company) with an Executive Board and a Supervisory Board

with a share capital of €25,000,000

Registered office: 8 impasse du Bourrelier - 44800 Saint-Herblain

855 802 815 RCS Nantes

MANAGEMENT REPORT FROM THE EXECUTIVE BOARD
Period 2016-2017

LACROIX GROUP

We are going through a period of unprecedented digital transformation with revolutionary changes in technology and uses challenging the organisation methods of businesses and of society. The Group is at the core of these changes due to its activities and their complementary nature.

The acceleration of our positioning as a technological equipment supplier is perfectly aligned on this digital transformation of our markets, and the complementary nature of our activities allow us to become an innovative player at the heart of changes taking place in the Smart Industry, Smart Environment and Smart City.

Leveraging a solid financial structure and a medium to long-term vision which consolidates our efforts, the LACROIX Group is stepping up its transformation as a technological equipment supplier and this has been extremely well received by its clients.

Pro-forma consolidated income

After two years of transition and declining income, financial year 2017 marked the first step in the Group's recovery, in line with its 2020 target.

Thus:

- Revenue witnessed a moderate growth of €441.4m (+3%), led by LACROIX City (+4.3%) and LACROIX Electronics (+3%)
- Profit from operating activities increased by + €4.2m (or +54%), in particular with strong contributions from LACROIX City (+€3.3m) and LACROIX Electronics (+€1.5m) while LACROIX Sofrel maintained a high performance level
- Net income increased by +€16.8m supported by an increase in financial income of +€1.4 m to -€0.4m, and a favourable base effect of non-recurring expenses, after 2016 which was impacted by significant restructuring expenses (€5.1m) and Goodwill impairment (€9.5m).

Significant events by business area

LACROIX ELECTRONICS

Accounting for over 70% of revenue and over 80% of the group's headcount, this business area has in the last 10 years witnessed a consistent and recurrent growth, with its sales increasing three-fold over this period.

LACROIX Electronics, which designs and industrialises electronic sub-assemblies in high-value added and complex small to medium series for the professional electronics market, operates in a market which is growing at the global and European level, also boosted by the nearshoring trend.

Over the forthcoming years, the transformation of the electronic outsourcing market, in keeping with Industry 4.0, should lead to a general increase in electronic functions giving rise to increasing demand for "studies + production", and further concentration of clients on their core business (focus on data and the servicialisation of their models) supporting the outsourcing trend in the production of electronic functions.

Against this backdrop, the key events of the year 2017 were as follows:

- A more moderate revenue growth (+3%), still led by Poland and the automotive industry,
- The continued improvement in operational performance contributing to the improvement in profit from operating activities from +€5.5m to +€7.0m.
- Reduction of losses in LES and Germany.
- The acquisition of an indirect minority interest in Firstronic, North-American EMS located in the US and Mexico, following which LACROIX Electronics can offer industrial solutions to its European clients in the North-American continent.
- The French site named "Showcase Industry of the Future".

For 2018, with a more buoyant growth, the outlook for the business is on a good track, conducive to an increase in profit and continued investment in the industry of the future and in digitisation, to further boost performance over the medium-term.

The key figures of LACROIX Electronics are as follows (contributively):

in € m	N	N-1
Revenue	310.4	301.4
Profit from operating activities	7.0	5.5
Net income	3.6	0.9
Cash flow	8.0	6.4
Net investment	9.4	3.3

LACROIX Sofrel

LACROIX Sofrel's mission is to design and market turnkey equipment for the acquisition, processing and transmission of information under stress environment. These equipment are designed for the remote monitoring and management of the grid across the Water networks (drinking water, sanitation) and the heating and Energy networks.

On a constant and sustained growth (its sales have doubled in less than 10 years), this business area accounts for 9% of the Group's revenue and contributes substantially to its income.
The design office (25 persons plus an equivalent number of outsourced persons) backed by a high level of expertise, in particular in the Telecom industry, and high proximity with its clients, are the main strengths of this business area, and are the factors that have established LACROIX Sofrel as a market leader in France in the fields of water and Energy.
Operating in a buoyant market at the global level, with the challenges and the maturity of the water market creating a conducive environment for smart and communicating equipment, LACROIX Sofrel continues to invest in human resources and in R&D to step up its development into the Export market, which currently accounts for about 25% of its sales.
Against this backdrop, the key events of the year were as follows:

- Revenue stable (+0.0%), with the good market conditions in France offset by a slight decline at the international level, which usually drives growth

- Increase in revenue not sufficient to amortise investment in human resources, mainly in sales and marketing (in spite of the decrease in R&D investments), leading to a slight decline (-2.2%) in profit from operating activities.
- Launch of S4W, new platform for the remote management of water infrastructures, a breakthrough in particular as regards cybersecurity
- Launch of ASEAN establishment (Singapore)

Thus, the business area's POA is on a slight decline of €8.8m (compared with €9.0m last year).

The outlook for the business area remains on a good track, with a moderate increase in revenue and excellent profit in spite of the full-year impact of investments in human resources to support and boost growth, in particular at the international level.

The key figures of LACROIX Sofrel are as follows (contributively):

in € m	N	N-1
Revenue	39.0	39.0
Profit from operating activities	8.8	9.0
Net income	5.8	5.9
Cash flow	6.6	6.2
Net investment	0.5	0.7

LACROIX CITY

LACROIX City, designs and manufactures equipment to guide, optimise and secure the flow of vehicles and people. It operates in the following complementary areas of activity: road signs, urban and interurban traffic management, street lighting.

A recognised player in traditional markets which have become difficult in France (budget constraints on municipalities restricting static signage, fewer sources of financing due to the abandonment of the Ecotax, slow renewal of existing street lighting in spite of its age), LACROIX City also operates in a rapidly changing market, where the needs of our public clients are now geared to the issues of tomorrow such as mobility and smart road systems, remote management of public lighting.

Levering the expertise and experience of other business areas of the group and its knowledge of its traditional markets, LACROIX City thus encourages their transformation through the adoption and command of technologies to meet its clients' new types of uses.

In this difficult market situation, the key events of the year 2017 were as follows:

- Return to growth for the business (+4.3%), led by the acceleration of sales of its street lighting management system and the stabilisation of the business of LACROIX Signalisation
- A net recovery of POA (+61%) which is however still loss making at -€2.1m
- The professionalisation of the commercial back-office following the closure of agencies in 2016 (centralisation of the back-office)
- Continued internal investment to further position LACROIX City as a technological equipment supplier of smart road systems
- Launch of Sensycity, 1st communicating sensor ecosystem that controls street lighting
- Winner of Ubimobility with LACROIX Néavia

In a traditional market which continues to be difficult in France, characterised in particular by pressure on prices, and pending the realisation of the potential of the LACROIX City offering, LACROIX City's business will in 2018 benefit from the signature of significant international contracts by LACROIX Traffic and the good momentum regarding its public lighting management system. The business will continue to improve its results but will remain loss-making.

The key figures of LACROIX City are as follows (contributively):

in € m	N	N-1
Revenue	91.9	87.9
Profit from operating activities	-2.1	-5.4
Net income	- 3.8	-19.9
Cash flow	- 0.9	-7.7
Net investment	1.6	1.3

Research and development activities

Mainly tied to LACROIX Sofrel and City business areas, Research & Development activities are accounted for as operating expenses.

They amounted to a total of €7.9m during the year and generated a *Crédit d'Impôt Recherche* (research tax relief) of €587k as expenses in respect of calendar year 2016.

Financial position

The cash flow from operations amounted to €14.5m, compared with €7.0m the previous year, broadly in line with the improvement in results.
The Group is also continuing its actions to control its Working Capital requirements, which resulted in an improvement of +€4.9m to 50.7 days of Revenue, inclusive of taxes, compared with 53.9 days in 2015.

Over the period, investments were on a net increase at €12.5m compared with €5.3m the previous year, due to the delay in investment the previous year and the start of investments as part of its Industry 4.0 programme.

Hence, and in spite of sustained investments, the Free Cash Flow was largely positive at +€6.9m

The Gearing ratio improved to 0.32, compared with 0.40 as at 30/09/2016.
Excluding external growth, the outlook for operations, combined with good control of circulating capital point to an improvement of this ratio next year, with investments still sustained.

Outlook

The year 2017 saw the start of promising projects such as further international opening, strengthening of the marketing and innovation teams, start of digitisation projects, and several experiments on future innovations.

Our Ambition 2020 remains effective but will not follow a linear path. In a context of stronger business growth in 2018, the increase in our investments will slow down the rate of recovery of the Current Operating Margin of the year.

LACROIX SA

The company's business

As the Group's parent company and for the purposes of management of assets, made up mainly of the shares of the parent companies of the three business areas, it controls and coordinates each of them: general management, finance, legal, human resources, strategic and disruptive innovation, IT and communication.

Since June 2017, LACROIX SA also hosts LACROIX LAB, the innovation catalyst of the LACROIX Group, responsible for experimenting and testing technologies and usages in line with and on behalf of the Group's business areas.

Revenue, excluding dividends, is generated through fees earned from subsidiaries in return for the services described above.

Its revenue as at 30 September 2017 stood at €3,184k, i.e. an increase of 26.6% compared with the previous year, due in particular to the re-invoicing of Management services for LACROIX City, and re-invoicing of new services relating in particular to IT and the LACROIX LAB.

The negative operating income of €(1,091) k reflects the strengthening of Group governance and the valuation of performance shares allotted, but is largely offset by the positive financial income of + €6,262k (€8,343k in 2016), due mainly to dividends earned from its subsidiaries.

Income from ordinary activities is largely positive at €5,171k.

After recognition of a tax asset of €3,645 k, due to its position as the parent company of a group consolidated for tax purposes, the net income stands at €8,791k, compared with €10,432k the previous year

Non tax-deductible expenses

Non tax-deductible expenses and costs at the year-end stood at a total of €30,952.
This amount relates to the non-deductible share of lease payments on private cars used by the Company for €24,148 and tax expenses on company cars for €6,804, which generated a liability of €10,317.

Information of payment terms

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby inform you that at the last two year-ends, the balance of trade accounts receivable and payable by due date, were as follows:

	Invoices received unpaid at the year-end and fallen due						Invoices issued unpaid at the year-end and fallen due					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	"Total (1 day and more)"	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	"Total (1 day and more)"
(A) Late payment by group												
Number of invoices concerned	70	4	4	3	2	13	36	3	0	0	0	3
Total amount inclusive of taxes of the concerned invoices	€291,812.77	€496.63	€717.68	-€4,950.92	€6,296.12	€2,559.51	€732,406.39	€1,540.06	- €	- €	- €	€1,540.06
Percentage of the year's total purchases, inclusive of taxes	12.67%	0.02%	0.03%	-0.21%	0.27%	0.11%						
Percentage of the year's revenue, inclusive of taxes							18.93%	0.04%	0.00%	0.00%	0.00%	0.04%
(B) Invoices excluded from (A) relating to payables and receivables that are disputed or not recognised												
Number of invoices	0	0	0	0	0	0	0	0	0	0	0	0
Total amount inclusive of taxes of excluded invoices	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
(C) Reference payment terms used (contractual or legal period)												
Payment terms used for calculating late payments	Contractual terms: Legal terms: the average payment term on late supplier payments is 33.61 days						Contractual terms: Legal terms: 30 days month-end on 15th					

FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

In compliance with Articles L 233-13 and L 225-100-3 of the French Commercial Code, we hereby inform you of the following:

The Company's share capital structure

As at 30 September 2017, the Company's share capital was €25,000,000 made up of 3,766,560 shares.

The share capital structure is as follows:

	% capital	% voting rights*
BEDOUIN Family	70.25%	84.93%
Treasury shares**	5.27%	
Public	24.49%	15.07%

(*) exercisable voting rights

(**) of which shares held under the liquidity contract

Threshold crossing

In compliance with Article 8 of the Articles of Association, any shareholder owning 2% or more of the share capital is required to inform the Company within 15 days by registered letter with acknowledgement of receipt, and this requirement concerns each fraction of 2% of capital ownership.

During the year ended, Pictet was concerned by a request for adjustment for crossing its statutory threshold of 2%. On 14 March 2017, Fidelity International declared having crossed the capital ownership threshold of 10%.

Significant shareholding in registered form

Except for shares held by the BEDOUIN Family Group, there were no significant shareholding in registered form at the year-end.

Double voting rights

Article 10 of the Articles of Association assigns a double voting right to each share fully paid up subject to proof that the share is registered in the name of one and the same shareholder for at least three years.

Control mechanism

Except for the double voting right assigned, there are no shares entitled to special prerogatives.

Neither is there any mechanisms for control provide for in an employee shareholding system or agreements among shareholders which the Company is aware of and which may lead to restrictions on the transfer of shares.

Powers of the Executive Board regarding share buy-back

Every year, the General Meeting delegates to the Executive Board, the power, in compliance with Articles L.225-209 et seq. of the French Commercial Code, with European Regulation No. 2273/2003 of 22 December 2003 and with Articles 241-1 to 241-7 of the General regulation of the Autorité des Marchés Financiers, to purchase shares of the Company within the limit of 10% of the share capital.

No other delegation of authority is granted to the Executive Board by the General Meeting, in particular for the purpose of capital increases.

Treasury shares

In 2005, the Company entrusted the implementation of a liquidity contract compliant with FAIF's code of ethics recognised by the Autorité des marchés financiers on 22 March 2005, to the brokerage firm PORTZAMPARC.

As at 30 September 2017, the Company held 191,775 treasury shares and 6,642 shares under the liquidity contract, i.e. a total of 198,417 treasury shares representing 5.27% of the capital.

Equity investments

In compliance with Article L.233-6 of the French Commercial Code, we hereby inform you of the direct or indirect equity investments made by the Company and its subsidiaries during the year ended in Companies having their registered office in France.

During the year ended, the following equity investments and acquisitions were made:

- In LACROIX SA:

  Creation of the subsidiary LACROIX North America, 100% owned by LACROIX SA.
- In LACROIX North America Inc

  Equity investment of 5% in Firstronic LLC

Employee share ownership

In accordance with Article L.225-102 of the French Commercial Code, we hereby declare that the percentage of capital represented by shares held by employees as at 30 September 2017 is zero, since the Company has not put in place any mutual fund for employees of the Group.

We hereby specify that the last Extraordinary General Meeting called to consider and approve a capital increase reserved for employees was held on 27 February 2015. It would be appropriate therefore to consider a proposed increase at the next General Meeting.

MAIN RISK FACTORS FACING THE COMPANY

In compliance with the provisions of Article L.225-100 (4) of the French Commercial Code, we present the relevant information below:

Strategic and operational risks

The nature of strategic risks to which the Company is exposed is not likely to seriously jeopardise the sustainability of the Group's activities.

However, by the nature of its business lines, the Group faces the following operational risks:

Industrial and environmental risks

The significant scale of the Company's industrial investment programmes ensures that it has recent and secure equipment to limit the risks of major failures that might to bring manufacturing operations to a halt. Therefore, the main industrial risks are those that could affect or stop production at the main sites (fire, technical breakdown, etc.) and compromise the quality of products. Quality processes have been put in place aimed at identifying, correcting, preventing or at least limiting malfunctions.

Supplier and raw materials risk

There are no major risks of dependency on suppliers. However, for the Electronics business area, adjustments in suppliers' production capacity may lead to the control of certain components, hence significantly extending lead times. The risk then becomes a risk of obsolescence of components in the event of product modification by the client but covered by logistics contracts.

Risk to the Information System

The Group's management pays particular attention to its information system and a number of measures have been implemented to ensure its security. Furthermore, to address a major problem, crisis management plans have been put in place in each of the three business areas and have been audited during the year.

Legal, tax and social risks

The Group monitors the legal, tax and social developments in order to ensure that its operations are compliant and to anticipate the impacts of new regulations. A review of the main risks is performed per business line in order to ensure that all risks are taken into account in the financial statements in an exhaustive manner.
Based on known information, the Group believes that it is unlikely that current mutual agreement procedures or disputes will have a significant impact on the consolidated financial statements.

Financial risks

We provide below the degree of exposure of the Group to financial risks.

Currency risk

Other than LACROIX Electronics, the Group is not exposed to currency risks.
As regards LACROIX Electronics, currency risk concerns mainly purchases made in USD,
PLN and JPY.

- As regards purchases in USD and JPY, the company has signed contracts with its main clients providing for an adjustment of the selling price based on fluctuations in the EUR/USD parity. As a result, currency risk is extinguished on that part. For the balance, the company has recourse to partial hedges of its needs, to cover a target rate set for each period.
- Expenses in PLN concern mainly the salaries of Polish employees and some local purchases. The Group's policy consists in undertaking forward hedges based on its forecast needs.
- Generally, recourse is made to financial instruments strictly for the needs of the activity, excluding any speculative purposes.

Interest rate risk

Most of the Group's debt are at floating rates.
The Group uses financial instruments to mitigate this risk.
As at end of September 2017, the percentage of financing at floating rates hedged by swaps was 69% of the nominal value.

Liquidity risk

The Group's gross debt level stands at €49,315k.
There is no covenant tied to any of the financing.
The free cash flow stands at €19,429k.
The Group therefore considers that its exposure to this risk is low.

Credit risk

Each of the three business areas of the Group has its own credit insurance policy, covering its potentially risky clients.

The types of clients by industry is as follows:

Business Areas	**Types of main clients**
LACROIX City	Major government bodies and companies engaged in public works
LACROIX Sofrel	Public bodies and major water management players
LACROIX Electronics	French and foreign companies of international range

Capital risk

The Group closely monitors its capital by controlling changes in its gearing.

	Period 2016	Period 2017
Borrowings and financial debts	31,931	29,229
Cash credit	17,385	22,930
Other net financial debts	-187	(157)
Cash and cash equivalents	-19,429	(17,705)
Net debts	29,700	34,295
Total shareholders' equity	93,756	86,168
Gearing	31.7%	39.8%

Classification of financial assets and liabilities at fair value

The Group does not provide a detailed table on the fair value hierarchy of its financial assets and liabilities.

According to the 3 levels defined in the amended IFRS 7, valuation at fair value is based on observable data, most of which are external to the Group.

EVENTS AFTER THE REPORTING PERIOD

An additional equity investment in Firstonic was made after the reporting period increasing the shareholding to 12.5%.

STOCK MARKET INFORMATION

Fluctuations in share prices during financial year 2017

The LACROIX SA share is listed on Euronext Paris (compartment C).

During period 2017, 280,788 shares were traded, for a capital amount of €5,733,565.1 and an average share price of €20.42.

The share price at the year-end of 30 September 2017 was €21.52.

Purchase of treasury shares by the Company

Share buy-back programme

We propose that you renew the authorisation given by the Ordinary General Meeting of 24 February 2017 to the Executive Board to buy the Company's shares on the stock market, in accordance with the conditions and within the limits set out in Articles L.225-209 et seq. of the French Commercial Code and in accordance with those of the European Regulation of 22 December 2003.
The objectives of the share buy-back programme are the same as in the previous year:

- to ensure market-making under a liquidity contract compliant with FAIF's code of ethics recognised by the Autorité des marchés financiers,
- to purchase of shares for retention and subsequent allotment by way of exchange or payment as part of an external growth operation,
- to cover securities conferring entitlement to shares,
- to cover share option plans for the Group's employees and officers.

The authorisation is granted for a maximum period of 18 months subject to the following conditions:

- the maximum number of shares that can be redeemed shall not exceed 176,461 shares i.e. 4.68% of the share capital.
- the maximum share price is €40.
- the total amount allocated to this programme is €7,058,440.

The shares will be bought back through trading on the market or through acquisition of blocks of shares as allowed by governing laws and regulations. The programme may be achieved entirely by acquiring blocks of shares. Acquisitions and disposals can be made during a public tender offer within the limits permitted by stock market regulations.

The number of shares held for the implementation of the programme cannot exceed 10% of the share capital, or 376,656 shares.

Assessment of previous share buy-back programmes

In respect of the programmes authorised by the General Meetings of 4 March 2016 and 24 February 2017, relating to the year ended 30 September 2017, the Company did not undertake any purchase or sale of treasury shares.

Furthermore, under the liquidity contract 100% owned by LACROIX SA:

- 17,149 shares were purchased at the average price of €19.73;
- 17,921 shares were sold at the average price of €19.1.

At the year-end, shares held under the share buy-back programme were used for the following purposes:

- coverage of share option plans to employees and officers of the LACROIX Group: 111,441 shares
- subsequent allotment by way of exchange or payment as part of an external growth operation: 80,334 shares
- market making by a service provider: 6,642 shares

i.e. a total 198,417 of treasury shares representing 5.27% of the capital, with a book value of €3,776,692 and a market value of €4,269,934, based on the share price as at 30 September 2017.

RELATED-PARTY AGREEMENTS

No new related-party agreement was entered into during the year ended 30 September 2017.
Related-party agreements entered into in previous periods continued during the period.
In compliance with the law, standard agreements entered into on arm's-length terms and conditions were not looked into.
The agreements have been forwarded to Statutory Auditors, for presentation in their special report to the General Meeting.

INFORMATION ON CORPORATE OFFICERS

Status of terms of office of members of the Supervisory Board

None of the terms of office of members of the Supervisory Board is due to end this year.

Status of terms of office of members of the Executive Board

None of the terms of office of members of the Executive Board is due to end this year.

Compensation and benefits earned by corporate officers

In compliance with Article L.225-102-1 of the French Commercial Code, we provide below information on the total compensation and all benefits paid, during the year ended 30 September 2017, to corporate officers, by the Company and companies in which it has a controlling interest within the meaning of Article L 233-16 of the French Commercial Code:

Executive Board

In accordance with AFEP / MEDEF's recommendations, compensations paid to members of the Executive Board during the year were as follows:

	Period 2017		Period 2016		Period 2015	
Vincent BEDOUIN Chairman of the Executive Board	**Payable**	**Paid**	**Payable**	**Paid**	**Payable**	**Paid**
Fixed compensation	210,000	200,000	200,000	200,000	200,000	200,000
Variable compensation	67,500	30,000	30,000	30,000	30,000	60,000
Special compensation						
Attendance fees						
Benefits in kind	7,516	7,516	7,436	7,436	8,116	8,116
TOTAL	**285,016**	**237,516**	**237,436**	**237,436**	**238,116**	**268,116**
Yves KROTOFF Member of the Executive Board (up to 31 January 2017)	**Payable**	**Paid**	**Payable**	**Paid**	**Payable**	**Paid**
Fixed compensation	56,561	56,561	180,000	180,000	180,000	180,000
Variable compensation	30,000	30,000	30,000	30,000	30,000	50,000
Special compensation						
Attendance fees						
Benefits in kind	1,536	1,536	5,666	5,666	10,370	10,370
TOTAL	**88,097**	**88,097**	**215,666**	**215,666**	**220,370**	**240,370**
Nicolas BEDOUIN Member of the Executive Board	**Payable**	**Paid**	**Payable**	**Paid**	**Payable**	**Paid**
Fixed compensation	120,250	110,000	110,000	110,000	107,692	107,692
Variable compensation	45,000	24,000	24,000	24,000	24,000	40,000
Special compensation						
Attendance fees						
Benefits in kind	4,735	4,735	2,966	2,966	2,612	2,612
TOTAL	**169,985**	**138,735**	**136,966**	**136,966**	**134,304**	**150,304**

Figures in euros

Summary of compensations and options and shares allotted to each Executive Director:

	Period 2017	Period 2016
Vincent BEDOUIN Chairman of the Executive Board		
Compensations payable for the year Value of options granted during the year Value of performance shares allotted during the year	285,016	237,436
Yves KROTOFF Member of the Executive Board (up to 31 January 2017)		
Compensations payable for the year Value of options granted during the year Value of performance shares allotted during the year	88,097	215,666
Nicolas BEDOUIN Member of the Executive Board		
Compensations payable for the year Value of options granted during the year Value of performance shares allotted during the year	169,985	136,966

Figures in euros

The variable compensations are approved by the Supervisory Board

The components of the variable compensation are determined on the basis of achievement of targets which are reviewed annually and presented in the report on internal control.

Summary of each Executive Director's compensations

Information on the amounts payable refers to amounts provisioned in respect of the year unlike amounts paid which refer to the variable component granted in respect of the previous year.

Attendance fees

Members of the Executive Board did not earn attendance fees during the year.

Share subscription or share purchase options granted during the year

No share subscription or share purchase option was granted to members of the Executive Board during the year.

Share subscription or share purchase options exercised during the year

No share subscription or share purchase options was exercised during the year by Executive Directors.

Performance shares granted and vested

The main characteristics of the bonus share plan are as follows:

- Plan start date: 24 February 2017
- The plan is granted subject to performance conditions, which need to be met for the benefits of these plans to be vested.
- Number of performance shares: 52,500
- The definitive share allotment will be made in two phases:
- up to 31 December 2018, i.e. in about 2 years the first Acquisition period.
- up to 31 December 2020, i.e. in about 4 years the second Acquisition period.

At the expiry of these periods, the shares will be vested to the beneficiaries subject to conditions having been met and in the following manner:

- 30% of shares may be acquired at the end of about 2 years, i.e. on 31 December 2018. This acquisition is an interim payment into the plan.
- 100% of shares may be acquired at the end of about 4 years, i.e. on 31 December 2020. Shares acquired at the end of the first period and paid as an interim payment will be deducted from the final total amount allotted.

The retention period will be equal to the remaining period as from the date of Allotment in order to comply with the statutory lock-in period which is two years minimum as set out in Article 225 197-1 of the French Commercial Code.
The expense for the period in respect of the bonus share plan is €162k within the meaning of IFRS2, to which is added the employer's contribution provisioned at €48k.

Supervisory board

Name	Term of office	Job title	Fixed compensa-tion	Variable compen-sation	Benefits in kind	Supplemen-tary pension and other benefits	Attend-ance fees	Total
JEAN-PAUL BEDOUIN	Chairman of the Supervisory Board	Chairman	104,000		10,932			114,932
Marie-Reine BEDOUIN	Member of the Supervisory Board	Member					12,000	12,000
Pierre TIERS	Member of the Supervisory Board	Ad hoc member						
Hugues MEILI	Member of the Supervisory Board	Ad hoc member						
Hubert de BOISREDON	Member of the Supervisory Board	Ad hoc member						

Figures in euros

No member of the Supervisory Board has been granted stock-options.

List of offices and positions held

In accordance with Article L.225-102-1 of the French Commercial Code, we hereby list below all the offices and positions held during the year in all relevant companies by each corporate officer.

Executive Board

Name	Term of office	Company
Vincent BEDOUIN	Chairman of the Executive Board Chairman Chairman Member of the Supervisory Board Manager Manager Manager Manager	LACROIX SA SAS LACROIX ELECTRONICS SAS LACROIX SOFREL SAS VINILA INVESTISSEMENTS SARL LACROIX V SARL LACROIX VI SARL LACROIX VII SARL LACROIX III
Nicolas BEDOUIN	Member of the Executive Board Member of the Supervisory Board	LACROIX SA SAS VINILA INVESTISSEMENTS

Supervisory board

Name	Term of office	Company
JEAN-PAUL BEDOUIN	Chairman of the Supervisory Board Chairman Manager	LACROIX SA SAS VINILA INVESTISSEMENTS SCI LTI SUD EST
Pierre TIERS	Member of the Supervisory Board Member of the Executive Board Chief Executive Officer Member of the Supervisory Board RP of CM CIC Investissements SA Chairman Chief Executive Officer RP of CM CIC Investissement SCR Manager RP of CM CIC Investissement Administrator	LACROIX SA CM CIC Investissement SA SAS CM CIC Investissement SCR CM CIC CAPITAL PRIVE CM CIC Ingénierie CM CIC Capital SCI VILLA CAMUS Association NAPF
Hugues MEILI	Member of the Supervisory Board Chairman & CEO Chairman Director Member of the Supervisory Board Chairman of the Executive Board	LACROIX SA NIJI SA BORDILLA SAS Crédit Agricole d'Ille et Vilaine DELTA DORE Bretagne Développement Innovation
Marie-Reine BEDOUIN	Member of the Supervisory Board Chairwoman of the Supervisory Board	LACROIX SA SAS VINILA INVESTISSEMENTS
Hubert de BOISREDON	Member of the Supervisory Board Chairman Chairman Manager Manager Manager Manager	LACROIX SA ALSENS SAS REVIALIS ALRE ALSOL ALPER SCI BUROO

TERMS OF OFFICE OF STATUTORY AUDITORS

No Statutory Auditor's term of office is due to expire at the end of the General Meeting.

APPROPRIATION OF PROFIT

Distributable profit is made up of:

Profit for the year	€8,791,006.98
Plus retained earnings	€982,082.46
Other reserves	€60,500,000.00
To form the distributable profit of	€70,273,089.44

We propose that you approve the appropriation of the net profit for the year amounting to €8,791,006.98 as follows:

As dividends to shareholders I.e. €0.60 per share	€2,259,936.00
To "other reserves" which thus stads at €66.5 million.	€6,000,000.00
The balance to "retained earnings"	€531,070.98

Which would thus stand at €1,513,152.98, on the understanding that this latter amount will be increased by the fraction of dividends corresponding to shares held by the Company under its share buy-back programme.

This dividend qualifies, for individuals resident in France for tax purposes, to the 40% reduction set out in Article 158(3) (2) of the French General Tax Code.
Furthermore, we remind you that, following the 2013 Finance Law, dividends earned and which qualify for the reduction set out in Article 158(3) (2) of the French General Tax Code, are liable to the mandatory non-definitive flat-rate withholding tax set out in Article 117 C of the French General Tax Code, at the rate of 21%.

Dividends will be paid on 13 April 2018.

Following this appropriation, shareholders' equity stands at €99,032,738, before the portion of dividends on the treasury shares held by the Company.

In compliance with the law, the General meeting takes note that dividend distributed in respect of the last three periods were as follows:

Period	Dividend per share	Total dividend	Total number of shares	Number of shares entitled to dividends
2013 - 2014	0.7	2,500,641	3,766,560	3,572,344
2014 - 2015	0.4	1,427,297	3,766,560	3,568,242
2015 - 2016	0.4	1,506,624	3,766,560	3,569,577

ATTENDANCE FEES

We propose that you set the annual overall amount of attendance fees allocated to the Supervisory Board, for the current period, at €50,000.

INFORMATION ON SECURITIES TRADING

In compliance with Article L. 621-18-2 of the French Monetary and Financial Code and the General Regulation of the Autorité des marchés financiers, we hereby inform you that we have not been informed of any trading by corporate officers of LACROIX SA in the Company's shares.

Done in Saint Herblain
26 January 2017

The Executive Board

Five-year financial summary

Particulars	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017
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 preference shares (non-voting)					
- Maximum number of future shares to be created					
TRANSACTIONS AND EARNINGS FOR THE YEAR					
- Revenue net of taxes	1,373,595	1,585,432	1,806,402	2,513,387	3,184,417
- Profit before tax, employee profit sharing and depreciation and amortisation	4,322,320	3,513,882	12,137,769	7,583,139	5,251,254
- Income taxes	-2,603,778	-3,129,426	-3,136,756	-3,062,331	-3,645,286
- Employee profit sharing payable for the year	0	0	0	0	0
- Profit after tax, employee profit sharing and depreciation and amortisation	7,470,710	7,312,084	15,183,457	10,431,958	8,791,007
- Distributed profit (1)	1,883,280	2,636,592	1,506,624	1,506,624	2,259,936
EARNINGS PER SHARE					
- Profit after tax, employee profit sharing, before depreciation and amortisation	1.84	1.76	4.06	2.83	2.36
- Profit after tax, employee profit sharing and depreciation and amortisation	1.98	1.94	4.03	2.77	2.33
- Dividend per share	0.50	0.70	0.40	0.40	0.60 (1)
PERSONNEL					
- Average number of employees during the year	3	4	6	7	7
- Total payroll for the year	411,261	803,114	856,086	1,091,910	1,336,721
- Total amount paid as social benefits in the year (social security, company welfare service, etc.)	209,262	420,183	463,549	564,517	667,341

(1) Proposed appropriation of profit for period 2016/2017

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the General Meeting of Shareholders of LACROIX S.A.,

Opinion:

In compliance with the assignment entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of LACROIX S.A. for the year ended 30 September 2017.

We certify that the consolidated financial statements, prepared in accordance with the IFRS as adopted in the European Union, give a true and fair view of the results of the operations for the year then ended, and of the assets and liabilities, the financial position at the year-end, of the entity made up of the consolidated entities and subsidiaries.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Audit standards

We have conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities by virtue of these standards are specified in the section "Responsibilities of Statutory Auditors relating to the audit of the consolidated financial statements" of this report.

Independence

We have conducted our audit assignment in compliance with the independence requirements applicable to us, over the period starting 1 October 2016 to the date of issue of our report, and, in particular, we have not provided services prohibited under Article 5 (1), of EU regulation No. 537/2014 or by the Code of Ethics for Statutory Auditors.

Justification of our assessments - Key points of the audit

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risk of material misstatements which, in our opinion, were more significant for the audit of the consolidated financial statements, as well as our responses in the face of these risks.

The assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the opinion we formed as expressed above. We are not expressing any opinion on items of these consolidated financial statements taken in isolation.

Valuation of the recoverable value of goodwill

Risk identified

As at 30 September 2017, goodwill stood at a net value of €15,904k.

As stated in points 6.4.4 and 8.1 of the notes to the financial statements, the recoverable value of the goodwill of each cash generating units (CGU) defined by your company is based on future cash flows calculated over five-year, seven-year and ten-year plans, a discount rate of 8.4% and a perpetual growth rate of 1.7%.

The assessment of the recoverable value of goodwill is a key point of the audit due to its significant importance in the Group's accounts and the use of assumptions and estimates when making these assessments.

We have reviewed the data and the key assumptions used to determine the recoverable value of goodwill. We have included a valuation expert in our audit team to help us perform these different analyses.

Our response

- We have assessed the operational assumptions made to prepare cash flow forecasts, in particular by comparing them with past figures and market prospects.
- We have checked the method for determining the discount rate and its consistency with the underlying market assumptions.

Finally, we have also checked the appropriateness of the information provided in the notes to the consolidated financial statements.

Valuation of provisions for litigations with municipalities

Risk identified

As stated in point 8.12 of the notes, as at 30 September 2017, the Group was involved in disputes with municipalities regarding losses allegedly suffered over the period and for which companies of the Group have been convicted for cartel activity in 2010.

The total amount of provisions recognised as at 30 September 2017 stand at €2,089k.

We have deemed this matter a key point of the audit considering the amounts concerned and the level of judgement required to determine these provisions.

Our response

As part of our audit of the consolidated financial statements, our work consisted in particular in:

- assessing the risk analysis carried out by the Group and the assumptions used to estimate the amount of provisions with regard to the corresponding documents and in particular the written consultations with external consultants;
- assessment of the assumptions used by the Group in the light of existing case law for disputes deemed equivalent;
- including a public law expert in our audit team to help us perform these different analyses.
- Finally, we have also checked the appropriateness of the information relating to these risks provided in the notes to the consolidated financial statements.

Verification of information on the Group provided in the management report

In accordance with professional standards applicable in France, we have also performed the specific checks required by the law on information relating to the Group, as disclosed in the management report.
We have no comment to make on their fair presentation and consistency with the consolidated financial statements.

Information resulting from other legal and regulatory obligations

Appointment of Statutory Auditors

We have been appointed as the Statutory Auditors of LACROIX S.A. by your General meeting of 28 March 1997 for ATLANTIQUE REVISION CONSEIL –A.R.C. and of 18 March 2009 for ERNST & YOUNG et Autres.
On 30 September 2017, ATLANTIQUE REVISION CONSEIL – A.R.C. was in its twentieth year of conduct of its assignment on a continuous basis and ERNST & YOUNG et Autres was in its ninth year.

Responsibilities of management and of persons forming the corporate governance relating to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements providing a true and fair view in compliance with the IFRS framework as adopted in the European Union and to put in place internal control as it deems fit for the preparation of consolidated financial statements which does not contain material misstatements, whether these are due to frauds or errors.
In connection with the preparation of consolidated financial statements, it is the responsibility of management to assess the company's capacity to continue its operations, to present in these financial statements, if applicable, the necessary information on operation as a going concern and to apply accounting principle of going concern, unless it is planned to wind up the company or to discontinue operations.
It is the responsibility of the Audit Committee to monitor the process of preparation of financial information and to monitor the efficiency of internal control and risk management systems, as well as the internal audit, if applicable, as regards the procedures relating to the preparation and treatment of accounting and financial information.
The consolidated financial statements have been approved by the Executive Board.

Responsibilities of Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

It is our responsibility to draw up a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain material misstatements. Reasonable assurance means a high level of assurance, without however guaranteeing that an audit performed in compliance with the applicable professional standards will systematically allow the identification of any material misstatement. Misstatements may be due to frauds or errors and are considered as material when it can reasonably be expected that they will, taken separately or together, influence the economic decisions that users of the financial statements take based on them.
As set out in Article L. 823-10-1 of the French Commercial Code, our assignment which concerns the certification of financial statements does not consist in guaranteeing the viability or the quality of your company's management.
As part of the audit performed in compliance with the professional standards applicable in France, the Statutory Auditor uses professional judgement throughout this audit. Furthermore:

- he identifies and assesses the risk that the consolidated financial statements contain material misstatements, whether due to frauds or errors, defines and implements procedures to mitigate these risks, and obtains information that he deems sufficient and appropriate to form his opinion. The risk of non-identification of a material misstatement due to a fraud is higher than that of a material misstatement due to an error, since a fraud may involve collusion, forgery, deliberate omissions, false statements or bypassing internal control;
- he takes note of internal control relevant to the audit to define audit procedures suitable to the situation, and not to express an opinion on the efficiency of the internal control;
- he assess the appropriateness of the accounting principles used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- he assesses the appropriateness of the application by management of the accounting principle of going concern and, based on the information obtained, whether or not there exists a significant uncertainty due to events or circumstances likely to compromise the company's ability to continue its operations. This assessment is based on information obtained up to the date of his report, it being specified however that subsequent circumstances or events may compromise the company's ability to operate as a going concern. If

he concludes that there is a significant uncertainty, he draws the attention of readers of his report to the information provided in the consolidated financial statements regarding this uncertainty or, if information is not provided or is not relevant, he expresses a qualified opinion or refuses to certify;

- he assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the transactions and underlying events such as to give a true and fair view;
- as regards financial information on the consolidated entities and subsidiaries, he obtains information that he deems sufficient and appropriate to express an opinion on the consolidated financial statements. He is responsible for managing, supervising and performing the audit of the consolidated financial statements and for expressing an opinion on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee presenting, in particular, the scope of the audit work and the programme of work implemented, and the findings following our work. We also draw its attention, if necessary, to significant internal control weaknesses identified by us as regards procedures relating to the preparation and treatment of accounting and financial information.
The information provided in the report to the Audit Committee includes information on the risks of material misstatements, which we believe were more significant for the audit of the consolidated financial statements of the period and which therefore constitute the key points of the audit, and which it is our responsibility to describe in this report.

We also provide to the Audit Committee the declaration set out in Article 6 of EU Regulation No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as they are set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where necessary, we discuss the risks to our independence with the Audit Committee and the safeguard measures applied.

La Roche-sur-Yon and Nantes, 26 January 2018

Statutory Auditors

ATLANTIQUE REVISION CONSEIL – A.R.C.

Jérôme BOUTOLLEAU

Partner

ERNST & YOUNG
et Autres

François MACE

Partner

02

FINANCIAL & ACCOUNTING INFORMATION

(consolidated financial statements)

1. Consolidated balance sheet

In €k Assets	Note No.	Period 2017 12 months	Period 2016 12 months
Non-current assets			
Goodwill	8.1	15,904	15,904
Intangible Assets	8.2	2,314	2,089
Tangible assets	8.3	50,747	47,587
Long-term financial assets	8.4	1,622	925
Investments in associates	8.5	19	23
Deferred tax assets	8.19	3,839	3,524
Total non-current assets		**74,445**	**70,051**
Current assets			
Inventories and work-in-progress	8.7	67,526	59,025
Trade receivables	8.8	97,643	89,871
Other receivables	8.9	16,722	13,944
Cash and cash equivalents	8.10	19,429	17,706
Total current assets		**201,320**	**180,545**
Assets held for sale			
TOTAL ASSETS		**275,765**	**250,596**

In €k Liabilities	Note No.	Period 2017 12 months	Period 2016 12 months
Shareholders' equity			
Share capital	8.11	25,000	25,000
Share premium		3,455	3,455
Consolidated reserves		56,977	66,221
Consolidated income for the year		8,026	(8,824)
Shareholders' equity (Group share):	4	**93,458**	**85,852**
Minority interests:	4	**298**	**316**
Total Shareholders' equity		**93,756**	**86,168**
Non-current liabilities			
Other investments			
Long-term provisions	8.12	21,613	23,080
Long term financial debts	8.13	17,754	14,971
Deferred tax liabilities	8.19	859	756
Total non-current Liabilities		**40,226**	**38,807**
Current liabilities			
Short term financial debts	8.13	31,562	37,187
Trade accounts payable	8.14	75,219	55,386
Other amount payable	8.14	35,002	33 048
Total current Liabilities		**141,783**	**125,621**
Liabilities held for sale			
TOTAL LIABILITIES		**275,765**	**250,596**

2. Statement of Comprehensive Income

2.1 Consolidated statement of comprehensive income

In €k	Note No.	Period 2017 12 months	Period 2016 12 months
Revenue	9.2	**441,417**	**428,398**
Other income		301	114
Goods and raw materials consumed		(259,088)	(252,146)
Personnel expenses	8.15	(103,076)	(101,030)
Subcontracting and external expenses		(51,231)	(52,103)
Tax		(5,332)	(5,526)
Depreciation and estimated expenses	8.16	(9,340)	(8,731)
Change in inventory and work in progress		(1,239)	(884)
Other operating income and expenses		(5)	(23)
Profit from operating activities	**9.2**	**12,407**	**8,067**
Other operating income and expenses	8.17	(641)	(5,060)
Goodwill impairment	8.1		(9,500)
Operating Profit		**11,766**	**(6,493)**
Financial income and expenses	8.18	(431)	(1,824)
Tax expense	8.19	(3,056)	(303)
Equity method	8.5	(3)	(3)
Net income		**8,276**	**(8,624)**
Net income - non-controlling interests	4	250	200
Net income - Group share		**8,026**	**(8,824)**
Earnings per share			
Basic earnings per share (in €)		2.50	(2.47)
Diluted earnings per share (in €)		2.45	(2.43)

2.2 Statement of net income and gains and losses recognised directly in equity

In €k	Note No.	Period 2017 12 months	Period 2016 12 months
Net income for the period		**8,276**	**(8,624)**
Translation differences		126	(446)
Revaluation of hedging derivative instruments		(173)	268
Actuarial gains or losses on defined benefits schemes		1,106	(2,016)
Total gains and losses recognised directly in equity (1)		1,059	**(2,193)**
Net income and Gains and losses recognised directly in equity	**4**	**9,335**	**(10,817)**
Group share		9,085	(11,017)
Attributable to non-controlling interests		250	200

(1) Amount net of tax

3. Cash flow statement

In €k	**Note No.**	**Period 2017 12 months**	**Period 2016 12 months**
CASH FLOW FROM OPERATIONS			
Income of the consolidated group		8,276	**(8,624)**
Elimination of expenses and income not affecting cash flow or unrelated to activities:			
- Depreciation and amortisation		7,250	18,506
- Changes in deferred taxes		(2,118)	(2,554)
- Capital gains, net of tax		805	(377)
- Proportionate results of equity method companies		3	3
- Calculated income and expenses linked to stock options		249	
Cash flow from operations of consolidated companies		**14,464**	**6,954**
Dividends received from equity-method companies			
Changes in working capital relating to operations		**4,972**	**(251)**
Net cash flow from operations		**19,436**	**6,703**
CASH FLOW FROM/(USED IN) CAPITAL ACTIVITIES			
Capital expenditure		(12,728)	(5,292)
Disposals of fixed assets, net of tax		331	1,029
Capital grants			
Effect of changes in reporting entities		(103)	(1,133)
Net cash flow from/(used in) capital activities		**(12,500)**	**(5,397)**
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES			
Dividends paid to shareholders		(1,828)	(1,846)
Capital increase in cash		0	
Changes in other investments		4	549
Debt issuance		10,446	1,704
Debt redemption		(6,637)	(8,142)
Net cash-flow from/(used in) financing activities		**1,985**	**(7,735)**
Cash flow		**8,922**	**(6,429)**
Opening cash position		(5,588)	726
Reclassification (1)		(2,424)	
Closing cash position	8.5	878	(5,588)
Impact of currency fluctuations		31	(114)

(1) Reclassification of a financial debt account into short-term cash flow

4. Changes in equity

In €k Position on closing	Share capital	Premiums	Consolidated reserves (1)	Period's results	Other		Total Share-holders' equity - Group share	Non-controlling interests	Total Shareholders' equity
					Translation difference(2)	Shares of consolidating company			
Period 30/09/2015	**25,000**	**3,455**	**73,523**	**989**	**(717)**	**(3,802)**	**98,449**	**392**	**98,841**
Appropriation of results for 2015			989	(989)					
Dividend distribution			(1,570)				(1,570)	(276)	(1,846)
Change in treasury shares			(28)			29	1		1
Change in accounting methods									
Stock options (2)									
Result of period 2016				(8,824)			(8,824)	200	(8,624)
Gains and losses recognised directly in equity			(1,747)		(446)		(2,193)		(2,193)
Net income and Gains and losses recognised directly in equity			**(1,747)**	**(8,824)**	**(446)**		**(11,017)**	**200**	**(10,817)**
Other changes			(10)				(10)		(10)
Period 30/09/2016	**25,000**	**3,455**	**71,157**	**(8,824)**	**(1,163)**	**(3,773)**	**85,853**	**316**	**86,168**
Appropriation of results for 2016			(8,824)	8,824					
Dividend distribution			(1,560)				(1,560)	(268)	(1,828)
Change in treasury shares			8			(4)	4		4
Change in accounting methods									
Stock options (2)			162				162		162
Result of period 2017				8,026			8,026	250	8,276
Gains and losses recognised directly in equity			933		126		1,059		1,059
Net income and Gains and losses recognised directly in equity			**933**	**8,026**	**126**		**9,085**	**250**	**9,335**
Other changes			(85)				(85)		(85)
Period 30/09/2017	**25,000**	**3,455**	**61,791**	**8,026**	**(1,037)**	**(3,777)**	**93,459**	**298**	**93,756**

(1) The translation difference is due to Poland.
(2) Relates to the spreading of the cost of the bonus share plan.

5. List of consolidated companies

The companies included in the consolidation scope are presented below:

Company and legal form	Siren No.	Head office	Tax scope	Period 2017		
				Consolida-tion Method	% control	% interest
CONSOLIDATING COMPANY						
LACROIX S.A.	855 802 815	St Herblain	1	PARENT	100.00%	100.00%
CONSOLIDATED COMPANIES						
LACROIX NORTH AMERICA		Delaware, USA		FC	100.00%	100.00%
LACROIX Electronics						
AUSY-LACROIX ELECTRONICS	801 984 030	Vern sur Seiche		EM	50.00%	50.00%
LACROIX ELECTRONICS	409 064 151	Saint-Pierre-Montlimart	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	Cesson-Sévigné	1	FC	100.00%	100.00%
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%
Activité 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%
LACROIX TRAFFIC	443 342 746	Saint Herblain	1	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	1	FC	100.00%	99.86%
LACROIX TRAFIC CAMEROUN	DLA2012B3234	CAMEROON		FC	100.00%	99.86%
LACROIX SOGEXI	321 262 446	Les Chères	1	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%
NEAVIA TECHNOLOGIES	449 708 585	Créteil	1	FC	100.00%	100.00% (1) (2)
LTI SUD EST	383 076 684	Carros		FC	100.00%	0.00%

Consolidation methods

FC: Full consolidation - EM: Equity method

(1) Company with year-end on 31 December

(2) Ad hoc entities

6. Financial reporting framework, consolidation procedure, valuation methods and rules

6.1 General information on the company

Listed on Euronext Paris, Compartment C, LACROIX SA is incorporated as a limited company under French law.

The Group's business areas and organisation are presented in the management report.

6.2 Financial reporting framework

6.2.1 General principles

The financial statements are presented for the period ended 30 September 2017, applying all the IFRS standards published by the IASB (International Accounting Standards Board) and adopted by the European Union. All the standards adopted by the European Union are available on the European Commission's website at the following address:
http://ec.europa.eu/finance/accounting/ias/index_fr.htm.
These methods are identical to those adopted in the consolidated financial statements as at 30 September 2016.

The Group has not opted for an early application of standards and interpretations which were not mandatory on 1 October 2016.

Texts adopted by the European Union (mandatory application to periods starting as from 1 January 2016): Annual improvements to IFRS standards published in December 2013 (2010-2012 cycle), amendments to IAS 19 regarding employee contributions, amendments to IFRS 11 that clarify the accounting for acquisitions of an interest in a joint operation, amendments to IAS 16 and IAS 38 that clarify the acceptable methods of depreciation and amortisation, annual improvements to IFRS standards (2012-2014 cycle). These texts have no impact on the Group's financial statements.

Texts not yet adopted by the European Union or the application of which is mandatory for periods starting after 1 January 2016: IFRS 15 – Revenue from contracts with customers (applicable as from 1 January 2018), IFRS 9 – Financial Instruments (applicable as from 1 January 2018), IFRS 16 – Leases (applicable as from 1 January 2019), Amendments to IFRS 12 – Recognition of deferred tax assets for unrealised losses (applicable as from 1 January 2017). The Group is currently analysing the impacts, if any, of the application of IFRS 9, IFRS 15 and IFRS 16 on its consolidated financial statements. The Group plans to apply these standards on their effective date (and not earlier).

6.2.2 Presentation of the financial statements

Are considered as "current assets", assets held for sale or used in the normal course of operation or within twelve months following the year-end, as well as cash and cash equivalents.

"Current liabilities" are those falling due during the normal course of operation or within twelve months following the year-end.

Other assets or liabilities are considered as "non-current".

6.3 Use of estimates

The preparation of the financial statements requires the Group's management to exercise judgement, make estimates and assumptions which have an impact on the application of accounting policies and on the amounts recognised in the financial statements.
These estimates and underlying assumptions are made and constantly reviewed in the light of past experience and other factors deemed reasonable considering the circumstances. Actual values may be different from estimates.

The estimates and underlying assumptions are reviewed on a continuous basis. The impact of changes in accounting estimates is recognised in the period when the change is made if it only affects that period, or in the period the change is made and subsequent periods if these are also affected by the change.

6.4 Consolidation procedures

6.4.1 Consolidation methods

Subsidiaries of the Group:

- A subsidiary is an entity controlled by the Group. The Group controls a subsidiary when it has exposure or rights to variable returns from its involvement with the subsidiary, and has the ability to use its power to affect these returns. The financial statements of subsidiaries are included in the consolidated financial statements as from the date on which control is obtained until the control ceases.
- Non-controlling interests are valued on a pro-rata basis of the acquired company's identifiable net assets at the acquisition date. Changes to the Group's percentage shareholding in a subsidiary which do not result in the loss of control are recognised as equity transactions.

Associates and joint ventures:

- An associate is an entity over which the company exercises a significant influence in relation to financial and operational policies, without exercising control or joint control over these policies. A joint venture is a joint arrangement in which the Group has a joint control, giving it rights to the net assets of the joint arrangement, and not rights to its assets and obligations for its liabilities. Associates and joint ventures are accounted for using the equity method. The consolidated financial statements include the Group's share of the total amount of profits and losses recognised by the joint ventures and equity-accounted companies, until the significant influence or joint control ceases.

Methods applied to the Group:

- At 30 September 2017, companies of the Group were exclusively controlled by LACROIX SA and fully consolidated, except for ISVIAL and Ausy LACROIX Electronics consolidated using the equity method.
- Based on the provisions of IFRS 11 (structure of the joint arrangement, legal form of the distinct vehicles, contractual provisions and other facts and circumstances), the Group does not have any joint ventures. Its interests in the joint arrangements are therefore consolidated using the equity method.

The consolidation scope and the list of subsidiaries are provided in Note 5.

6.4.2 Translation of foreign companies' financial statements

The financial statements of foreign subsidiaries are translated:

- For the balance sheet, at the currency's exchange rate on the reporting date
- For the income statement, at the year-to-date average rate.
- Translation differences are directly recognised in shareholders' equity under "Translation differences".

The table below shows the currency parities applied:

1 ML = x EUR	Opening	Average	Closing	Average N-1
Zloty (PLN)	0.23558	0.23071	0.23152	0.23977
Dollar (USD)		0.90447	0,84703	
CFP Franc (XPF)	0.00838	0.00838	0.00838	0.00838
CFA Franc (XAF)	0.00152	0.00152	0.00152	0.00152

Transactions in foreign currencies are recognised at the exchange rate on the day of the transaction. Gains and losses resulting from payment of these transactions and the translation of receivables and payables in foreign currencies are recognised in the income statement.

6.4.3 Elimination of intra-group transactions

In accordance with the applicable rules, balance sheet amounts, unrealised expenses and income resulting from intra-group transactions are eliminated when preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates are eliminated to the extent of the Group's interest in these associates.

6.4.4 Business combinations

Goodwill is subject to impairment testing performed at least once a year and more often where events or circumstances show indicators of impairment.
Impairment testing is performed at the level of cash-generating units (CGU). The test consist in comparing the CGU's carrying amount with its recoverable value.

- The recoverable amount is defined as the higher of the asset's net selling price and its value in use.

The Group has adopted a testing methodology based on the DCF (Discounted Cash Flows) method using Business Plans prepared for each business area (with the business area corresponding to the notion of CGU)
Note 8.1 presents the assumptions made

6.5 Valuation methods and rules

The principles and methods used by the Group are as follows:

6.5.1 Intangible assets

Intangible assets are measured at acquisition cost less accumulated amortisation and accumulated impairment losses, if any.

6.5.1.1 Research and development costs

Research expenditure is recognised as expenses.
As regards development costs, the Group has designed a monitoring procedure to collect all useful information for identifying, valuing and monitoring expenditure.
Where expenses classified as development expenses meet the criteria for capitalisation, they are capitalised. Otherwise, they are recognised as expenses.

6.5.1.2 Depreciation and amortisation

Intangible assets have a finite useful life. Amortisation is recognised as an expense, on a straight-line basis, based on the estimated useful life of the intangible asset.

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

They are subject to impairment testing where there is an indicator of impairment.

- Indefinite-life intangible assets are subject to annual impairment testing. Impairment tests are based on discounted future cash flows.

6.5.2 Tangible assets

6.5.2.1 Tangible non-current assets

Tangible assets are carried at the acquisition cost less accumulated depreciation and any recognised impairment in value or at their production costs for the part produced by the Group.
Where a tangible asset has significant components with different useful lives, these components are recognised separately.

6.5.2.2 Depreciation and amortisation

Depreciation is recognised as an expense, on a straight-line basis, based on the estimated useful life of the tangible asset.

The depreciation periods used are as follows:

	Term
Land improvements	5 years
Buildings for operations	20 to 40 years
Buildings' installations and fixtures	10 to 12 years
Equipment and machinery	8 to 15 years
Plant installation and improvements	8 to 15 years
Transportation equipment	3 to 8 years
Office equipment & furniture:	3 to 15 years

The carrying value of tangible assets are subject to impairment testing where events or changes in circumstances indicate that the carrying amount may not be recoverable. Thus, if the carrying amount of a tangible asset is higher than its estimated recoverable amount, an impairment loss is recognised.

6.5.3 Finance leases

Leases are classified as finance leases whenever they transfer substantially all the risks and rewards incidental to ownership of the assets.
They are carried, as from the inception of the lease, in the balance sheet at the fair value of the leased asset, or if this is lower, at the present value of the minimum lease payments.
Assets held under finance leases are depreciated over their useful lives which is usually the lease term.
Other leases are classified as operating leases. Leases are recognised as expenses on a straight-line basis over the term of the lease.

6.5.4 Financial assets

The Group classifies its financial assets as follows: assets held for trading, loans and advances, assets available for sale.

- Non-consolidated financial investments are classified as assets available for sale and carried at their fair value. Positive or negative changes in value are recognised in shareholders' equity under "Revaluation reserves". If an impairment loss is deemed definitive, a provision for depreciation for that amount is recognised under net financial income.
- Financial investments (securities) are carried at their fair value and changes in fair value are recognised in net financial income.
- Loans and advances are considered as assets issued by the company and carried at cost. An impairment provision is established where there is an objective indication of impairment loss. The impairment loss which is equal to the difference between the net carrying amount and the recoverable value is recognised in the income statement.

6.5.5 Management of financial risks

Currency and interest rate hedging:

- Hedges are analysed by an independent expert to ensure the treatment is in accordance with IAS 32 are IAS 39 if they are material.

6.5.6 Inventories and work-in-progress

Inventories and work-in-progress are valued at the lower of their cost and their net realisable value. Cost is determined using the First-in, First-out method. This cost includes the costs of materials and direct labour as well as indirect expenses strictly attributable to production. Internal margins included in inventories are eliminated on consolidation.
Provisions for depreciation are represented by the difference between the gross value determined as described above and the probable net realisable value.

6.5.7 Trade receivables

Trade receivables and related accounts are valued at their fair value. Since receivables are due within one year, they are not discounted. A provision for impairment is recognised, if necessary, depending on the likelihood of recovery at the reporting date.
The Group, at the initiative of one of its main partner customers, has entered into a reverse factoring contract. The substantial analysis of this reverse factoring contract set out in IAS 39 confirmed that the 3 main derecognition criteria applicable in particular to assignments of receivables were met, namely:

- The expiry or transfer of the contractual rights over cash-flows relating to the asset,
- The transfer of substantially all the risks and rewards incident to ownership of the asset (credit risk due to the debtor's insolvency, carry trade risk inherent to payment lag/delay compared to the normal due date and risk of dilution resulting mainly from litigations and settlement differences (credit note, netting off, etc.).
- Loss of control of the asset.

6.5.8 Cash and cash equivalents

The item "Cash assets" includes bank balances and highly liquid investments.
Bank overdrafts are included in borrowings among short-term debts in the balance sheet liabilities.

6.5.9 Capital and reserves

When the Group buys back or sells treasury shares:

- The price paid including expenses incurred for their acquisition net of tax is deducted from shareholders' equity in the item "treasury shares" until their disposal.
- When they are sold, the capital gain or loss is recognised in shareholders' equity.

6.5.10 Public grants

Grants are included in the financial statements, where there is reasonable assurance that:

- The Group will comply with the conditions attached to the financing.
- The grants will be received.
- For public grants attached to assets, the Group has elected to present the financing as a deduction from the value of the related asset.

6.5.11 Provisions for contingencies and charges

Where the Group has a present obligation (legal or constructive) arising from a past event and if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and if the obligation can be reliably estimated, the Group then recognises a provision.

6.5.12 Employee benefits

Retirement benefits:

- The Group recognises a provision for retirement benefits, based on collective agreements. It is a defined benefit plan. The value of the provision is determined by an independent actuary using the projected unit credit method Note 8.12.1 presents the assumptions made.
- These valuations take into account in particular the future compensation level, the probable active life of employees, life expectancy and staff turnover.
- The present value of commitments as thus valued is recognised in the balance sheet, after deduction of the fair value of assets paid by companies of the Group to financial institutions.
- Actuarial gains and losses, arising mainly from changes in actuarial assumptions and the difference between results estimated based on the actuarial assumptions and the actual results, are recognised to the full extent in shareholders' equity
- The financial cost and the cost of services rendered are recognised as an expense of the period.

Share-based payments:

- Share subscription or purchase option plans granted to employees must be valued at their fair value, which fair value must be charged to the income statement with a corresponding entry to reserves over the vesting period (2 to 4 years).
- The fair value of options was calculated using the Black & Scholes model.
  The cost is thus charged over the vesting period with a corresponding increase in reserves.
- The fair value of bonus shares was calculated using the binomial model to take into account performance conditions.

6.5.13 Borrowings

Borrowings are initially carried at their fair value, net of the related commissions.
The portion of financial debts falling due within one year is classified as current financial debts.

6.5.14 Current and deferred tax

A deferred tax amount is calculated for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The tax rate used is that which the Group expects to pay or recover from the tax authorities and which has been enacted or substantively enacted by the balance sheet date.
Tax assets and liabilities are not discounted and are classified in the balance sheet as non-current assets and liabilities.
Deferred tax assets are recognised to the extent that it is probable that these taxes will be recovered over future financial periods.

Deferred tax assets and liabilities are offset against each other for one and the same entity. In this respect, a tax consolidation scope is applicable in the Group.

- LACROIX SA Group

The tax consolidation scope is detailed in Note 5.

Tax rate by country:

	Period 2017
Germany	30.00%
Belgium	33.99%
Cameroon	38.50%
Spain	25.00%
France	28.00%
Italy	31.30%
Poland	19.00%
Tunisia (1)	

(1) Progressive taxation of earnings since 2016

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

A discontinued operation is either a component of an entity from which it has separated or an operation classified as held for sale and:

- Which represents a separate major line of business or geographical area of operation;
- Is part of a single coordinated plan to dispose of a separate major line of business or major geographical area of operation; or
- Is a subsidiary acquired exclusively with a view for resale.

An operation is classified as discontinued only when the entity has disposed of the operation or at an earlier date when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative income statement and the cash flow statement are restated as if the operation had met the criteria of a discontinued operation as from the date of opening of the comparative period.

Furthermore, all assets and liabilities linked to discontinued operations or held for sale are presented on a separate line of the assets and liabilities, as they would appear for a disposal after elimination of intragroup positions.

6.5.16 Revenue

The Group's revenue is mainly made up of the sale of finished goods. Income from ordinary activities is recognised where the risks and rewards incident to ownership of the assets are transferred to the buyer, and their amount can be reliably valued.

6.5.17 Earnings per share

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of shares outstanding during the period, excluding shares bought by the company and held as treasury shares.

Diluted earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of shares outstanding during the period adjusted for the conversion of dilutive instruments into ordinary shares.

- The Group has a category of dilutive instrument: stock options and bonus shares.

6.5.18 Segment reporting

The Group's segment reporting is based on the concept of business segments. The choice of this level and its breakdown reflects the Group's organisational structure and the risk and profitability differences.

The business segment is the Group's only level of segment reporting. The following 3 main business segments have been chosen:

- LACROIX Electronics
- LACROIX Sofrel
- LACROIX City

7 Comparability of reporting

7.1 Accounting changes

No change in accounting policy over the period.

7.2 Changes in reporting entities

During the period 2017, LACROIX Traffic Belgium, a dormant company, was closed down.

On 4 April 2017, the LACROIX Group signed an industrial partnership agreement with FIRSTRONIC LLC, and acquired a minority interest in this company via its subsidiary LACROIX North America created for that purpose.

The alliance with FIRSTRONIC LLC will in particular provide support to clients of LACROIX Electronics, an electronics outsourcing subsidiary of the LACROIX Group, in North America. And in particular, car manufacturers and car equipment manufacturers who have plants in the United States and Mexico and wish to collaborate with local partners specialised in the manufacture of electronic assemblies. The 5% interest in Firstronic is not consolidated as at 30 September 2017, given the lack of control over the company, with an interest limited at 5% to date.
An additional equity investment was made after the reporting period increasing the shareholding to 12.5%.

8 Explanation of balance sheet and income statement items and changes

The tables below form an integral part of the consolidated financial statements.
Unless otherwise stated, the amounts are in €k.

8.1 Goodwill

	Gross value				Impairment				Net value	
	Opening	Change	Changes in reporting entities	Closing	Opening	Allowance	Changes in reporting entities	Closing	Opening	Closing
LACROIX Electronics	10,877			10,877	(5,991)			(5,991)	4,885	4,885
LACROIX Sofrel	1,487	(0)		1,487					1,487	1,487
LACROIX City	19,031	0		19,031	(9,500)			(9,500)	9,531	9,531
Total	**31,395**	**0**		**31,395**	**(15,491)**			**(15,491)**	**15,904**	**15,904**

8.1.1 Goodwill impairment

The following parameters were applied to perform impairment testing over the period:

- Discount rate of 8.40%.
- Cash-flows calculated over 5-year, 7-year or 10-year plans.
- Perpetual growth rate of +1.7%.

A change of 0.25 point in the discount rate has no impact on goodwill

8.2 Intangible assets

	Opening	Increase	Decrease	Changes in reporting entities	Translation differences	Other changes	Closing
Gross amounts							
Preliminary expenses	4						4
Research and development costs	98	21	(89)				30
Concessions, licences, patents, software	10,118	633	(62)			44	10,734
Leasehold right	2					(2)	
Other intangible assets	1,215	156	(3)		1	(42)	1,327
Intangible assets under construction		4					4
Advances and downpayments							
Total	**11,436**	**814**	**(153)**		**1**	**(0)**	**12,098**
Depreciation and amortisation							
Preliminary expenses	(4)						(4)
Research and development costs	(91)	(4)	89				(6)
Concessions, patents, licences software	(8,081)	(462)	62			(243)	(8,725)
Leasehold right							
Other intangible assets	(1,172)	(127)	3		(1)	248	(1,049)
Advances and downpayments							
Total	**(9,347)**	**(593)**	**153**		**(1)**	**4**	**(9,784)**
Total net intangible fixed assets	**2,089**	**220**	**0**		**0**	**4**	**2,314**

8.3 Tangible assets

	Opening	Increase	Decrease	Changes in reporting entities	Translation differences	Other changes	Closing
Gross amounts							
Land	3,464	(0)			1	18	3,483
Buildings	34,429	1,490	(181)		21	245	36,004
Techn. install., mach. & equip.	61,734	7,694	(2,323)		37	1,022	68,163
Other tangible assets	20,388	1,251	(391)		5	(1,121)	20,132
Tangible assets under construction	652	347	(750)		1		250
Advances and downpayments	23					(23)	(0)
Total	**120,690**	**10,783**	**(3,645)**		**65**	**141**	**128,032**
Depreciation and amortisation							
Land	(224)	(6)				(0)	(229)
Buildings	(17,792)	(1,290)	146		(10)	(243)	(19,190)
Techn. install., mach. & equip.	(40,720)	(3,983)	2,186		(14)	(861)	(43,392)
Other tangible assets	(14,367)	(1,445)	393		(2)	948	(14,473)
Tangible assets under construction							
Advances and downpayments							
Total	**(73,103)**	**(6,724)**	**2,724**		**(26)**	**(157)**	**(77,285)**
Total net tangible fixed assets	**47,587**	**4,059**	**(921)**		**38**	**(16)**	**50,747**
of which net fixed assets under finance lease	4,647						1,535

The other changes are due to accounting reclassifications of other items of tangible assets to technical installations, machinery and equipment. Furthermore, the amount of net fixed assets under finance lease as at 30 September 2017 concern only fixed assets for which a finance lease is still ongoing.

8.4 Long-term financial assets

	Opening	Increase	Decrease	Changes in reporting entities	Translation differences	Other changes	Closing
Gross amounts							
Investments (1)	347	905	(25)	0	(58)	0	1,169
Receivables attached to holdings							
Other long-term investments	53	18					71
Loans		3	(4)			1	0
Collateral and surety	793	59	(186)	(0)		(40)	626
Total	**1,193**	**985**	**(215)**	**(0)**	**(58)**	**(39)**	**1,866**
Provisions for depreciation							
Investments (1)	(228)		35				(193)
Receivables attached to holdings							
Other long-term investments	(0)	(50)					(51)
Loans							
Collateral and surety	(39)					39	
Total	**(268)**	**(50)**	**35**			**39**	**(244)**
Total net long-term financial assets	**925**	**935**	**(179)**	**(0)**	**(58)**	**0**	**1,622**

(1) Breakdown of investments provided in Note 8.6

8.5 Investments in associates

Balance sheet value and breakdown of investments:

Subsidiaries	% shareholding	30/09/2017
AUSY LACROIX ELECTRONICS	50.0%	13
ISVIAL	33.3%	6
Total		**19**

Contributions to shareholders' equity and consolidated income are as follows:

Subsidiaries	Contributions to consolidated shareholders' equity	Contributions to consolidated income
AUSY LACROIX ELECTRONICS	12	(3)
ISVIAL		
Total	**12**	**(3)**

8.6 Investments

The breakdown of the line "Investments" in Note 8.4 is as follows:

Non-consolidated subsidiaries	Breakdown of the net position	
	Gross amounts	Provisions for depreciation
Opening	**347**	**(231)**
Changes	822	38
Closing (1)	**1,169**	**(193)**

(1) At the end of the period, the balance includes the 5% interest in Firstronic LLC (change of USD1 million over the year) and the interest in Gertrude (LACROIX City activity), an interest in 2 holding companies, non consolidated and dormant since the period 2013/2014, as well as an interest held by LACROIX Sogexi and provisioned.

8.7 Inventories and work-in-progress

Inventories and work-in-progress are as follows:

	Period 2017	Period 2016
Gross amounts		
Raw materials	45,661	35,405
In-process inventory	9,841	8,462
Intermediate and finished products	14,706	17,280
Goods	1,173	1,255
Total	**71,380**	**62,401**
Provisions for depreciation		
Raw materials	(3,001)	(2,670)
In-process inventory	(525)	(367)
Intermediate and finished products	(255)	(292)
Goods	(74)	(47)
Total	**(3,854)**	**(3,377)**
Total net inventories and work-in-progress	**67,526**	**59,025**

8.8 Trade receivables

The breakdown of trade receivables is as follows:

	Period 2017	Period 2016
Trade receivables	100,004	92,594
Impairment	(2,361)	(2,723)
Total net trade receivables	**97,643**	**89,871**

Receivables covered by a reverse factoring contract (see 6.5.7), not fallen due on 30 September 2017 and settled before that date, amount to €25 million, compared with €21 million as at 30 September 2016.

8.9 Other receivables and current assets

	Period 2017	Period 2016
Gross amounts		
Advances and payments on account	430	535
Social receivables	195	254
Tax receivables (1)	12,101	9,660
Sundry receivables	1,729	1,054
Prepaid expenses	2,267	2,441
Total	**16,722**	**13,943**
Provisions for depreciation		
Impairment		
Total Other net receivables and current assets	**16,722**	**13,943**

(1) Tax receivables include €7.2 million of tax credits (CICE and CIR in particular) of which €0.9 million will be refunded on 15 January 2018.

8.10 Cash and cash equivalents

	Period 2017	Period 2016
Investments in securities (1)	9,960	11,256
Cash assets	8,374	5,629
Allowance for loss in value		
Financial Instruments - Asset (2)	1,095	821
Total Cash and cash equivalents	**19,429**	**17,706**
Cash credit	(17,385)	(22,930)
Financial Instruments - Liability (2)	(1,166)	(365)
Total net cash	**878**	**(5,588)**

(1) Made up of SICAV (unit trust), deposit certificates and other investment products.

(2) Impact IAS 39 on Currency hedges and Interest rate swaps.

Cash and cash equivalents include cash at bank, cash and short-term deposits with an initial term of less than three months.

8.11 Shareholders' equity

8.11.1 Shareholders' equity of the consolidating entity

As at 30 September 2017, the share capital is made up of 3,766,560 shares of a par value of €6.64 each

8.11.2 Changes in treasury shares

The number of treasury shares has changed as follows:

	30/09/2017
Opening	**199,189**
Acquisitions	17,149
Disposals	(17,921)
Closing (1)	**198,417**

(1) The value of treasury shares as at 30 September 2017 recognised in Lacroix SA's financial statements stood at €3,777k. On the basis of the average share price in September 2017, it stands at €4,218k.

8.11.3 Stock options

Stock options were granted to executives and some employees. The exercise price of the options is equal to average of the closing prices on the stock exchange during the 20 trading days preceding the date of grant of the options The options are subject to the completion of 4 years of service.

Changes in the number of options outstanding is as follows:

	Period 2017	Period 2016
Opening	**45,250**	**69,328**
Granted		
Exercised		
Not exercisable (following departure)		(6,000)
End of plan	(29,250)	(18,078)
Closing	**16,000**	**45,250**

The expiry dates and the exercise prices of outstanding options at the end of September 2017 are as follows:

Date of plans		Conditions	
Granted	**Start of option**	**Exercise price**	**Number of shares**
Feb. 2008	Feb. 2012	22.73	3,000
Oct. 2008	Oct. 2012	17.01	6,000
Oct.2011	Oct. 2015	14.33	7,000
			16,000

Stock options are valued at the fair value recognised in the income statement, on the line personnel expenses over the vesting period for employees. Since the vesting periods expired during the last financial year, the expense under IFRS2 as at 30 September 2017 is nil.

8.11.4 Bonus share plan

The main characteristics of the bonus share plan are as follows:

- Plan start date: 24 February 2017
- The plan is granted subject to performance conditions, which need to be met for the benefits of these plans to be vested.
- Number of performance shares: 52,500
- The definitive share allotment will be made in two phases:
- up to 31 December 2018, i.e. in about 2 years the first Acquisition period.
- up to 31 December 2020, i.e. in about 4 years the second Acquisition period.

At the expiry of these periods, the shares will be vested to the beneficiaries subject to conditions having been met and in the following manner:

- 30% of shares may be acquired at the end of about 2 years, i.e. on 31 December 2018. This acquisition is an interim payment into the plan.
- 100% of shares may be acquired at the end of about 4 years, i.e. on 31 December 2020. Shares acquired at the end of the first period and paid as an interim payment will be deducted from the final total amount allotted.

The retention period will be equal to the remaining period as from the date of Allotment in order to comply with the statutory lock-in period which is two years minimum as set out in Article 225 197-1 of the French Commercial Code.
The expense for the period in respect of the bonus share plan is €162k within the meaning of IFRS2, to which is added the employer's contribution provisioned at €48k.

8.12 Provisions for contingencies and charges

8.12.1 Changes in provisions for contingencies and charges

The breakdown is as follows:

	Opening	Provisions	Reversals used	Reversals not used	Changes in reporting entities	Translation differences	Other changes	Closing
Provisions for retirement benefits (1)	13,819	841	(528)			0	(1,274)	12,859
Prov. for product warranty	472	221	(94)					599
Prov. for litigations (2)	7,855	3,311	(3,471)	(362)		0		7,333
Prov. for Other risks (3)	934						(112)	822
Total	**23,080**	**4,374**	**(4,094)**	**(362)**		**1**	**(1,385)**	**21,613**

(1) The value of retirement benefits was determined by independent actuaries using the projected unit credit method. The other changes are due to the impact of discounting.

The assumptions made for the calculation, in respect of France, are as follows:

- Discount rate of 1.5% (against 0.8% in 2016)
- Average increase in salaries of 3% including inflation
- Mortality tables used are those of INSEE F 2008-2010,
- In order to take into account legal changes, the retirement age is 63 for non-managerial staff and 66 for managerial staff. Reason for retirement: 100% of departures are at the initiative of the employee.
- Turnover probability as per the table below:

	LACROIX Electronics	LACROIX Sofrel	LACROIX City
Age brackets			
under 29 years	5.00%	5.00%	8.00%
between 30 and 39 years	5.00%	5.00%	8.00%
between 40 and 44 years	5.00%	5.00%	6.00%
between 45 and 49 years	2.00%	2.00%	5.00%
between 50 and 54 years	2.00%	2.00%	5.00%
over 55 years	_	_	_

In respect of Germany, the following assumptions were made:

- Discount rate of 1.7% (against 1% in 2016)
- Inflation rate of 2%,
- Salary increase of 3%
- Average turnover rate of 5%:
- Retirement at the age of 64 for non-managerial staff and 65 for other managerial staff.

(2) Provisions for litigations is as follows:

- Provisions for customer disputes and/or warranty returns for a total of €5,733k, made up of: €4,774k for LACROIX City (of which €2,089k for ongoing disputes with municipalities regarding losses allegedly suffered over the period and for which the company has been convicted for cartel activity in 2010), €250k for LACROIX Sofrel and €709k for LACROIX Electronics.
  As regards disputes with municipalities, following LACROIX Signalisation's conviction by the Competition Authority for cartel activity in 2010, a number of companies or municipalities have sued the company. As at 30 September 2017, proceedings were ongoing with 11 companies or municipalities. Of these, 6 concern only LACROIX Signalisation and 5 are collective actions against all convicted companies, 10 actions are seeking compensation and 1 is an action for annulment of contracts.

Regarding this latter action, on 31 January 2017, the Administrative Court of Rouen declared null and void the contracts awarded by the Seine Maritime department to Lacroix Signalisation over the period 1997-2006 and the corresponding reimbursement of €5,238k paid by the department over that period. Lacroix Signalisation has appealed the decision and this amount has not been provisioned in the financial statements pending the ruling of the Administrative Court of Appeal.

As at 30 September 2017, the provision recognised in respect of disputes is based on independent assessments and stand at€2,089k.

- A provision for restructuring of €337k, mainly recognised in LACROIX City in connection with the centralisation of the sales administration function of Lacroix Signalisation and the ensuing closure of regional sales offices in 2016
- Other provisions for €1263k (disputes, social risks, etc.).

(3) In connection with the exercise of stock-options by employees of Sofrel, the Group had undertaken to buy back these shares at the request of beneficiaries. The amount of €822k is the valuation, at the end of September 2017, of the theoretical purchase price of said shares.

8.13 Borrowings and financial debts

8.13.1 Borrowings and financial debts by type and maturity

The breakdown of financial debts by maturity is as follows:

	Period 2017	Period 2016	MATURITY 2017 (1)	
			<1 year (Current)	>1 year (non current)
Loans and debt with credit establishments	22,598	19,209	7,133	15,465
Leveraged leases	910	1,246	587	323
Sundry financial debt (2)	8,422	8,774	6,457	1,966
Cash credit	17,385	22,930	17,385	
Total borrowings and financial debts	**49,315**	**52,158**	**31,562**	**17,754**

(1) "Non-current" portion of financial debts: of which €250k at more than 5 years

(2) Of which C/C VINILA INVESTISSEMENTS (shareholder) for €3,823k, compared with €4,938k in 2016.

8.13.2 Change borrowings and financial debts

	Opening	Increase	Decrease	Changes in reporting entities	Translation differ-ence(2)	Other changes	Closing
Loans and debt with credit establishments	19,209	9,872	(4,328)			(2,154)	22,599
Leveraged finance leases	1,245	29	(610)		5	240	910
Other financial debts	8,774	544	(1,780)			884	8,423
Cash credit	22,930		(7,497)		36	1,916	17,385
Total change in borrow-ings and financial debts	**52,158**	**10,445**	**(14,215)**		**41**	**886**	**49,316**

Translation differences are due to the Polish subsidiary.

The other changes are due to:

- the reclassification of a financial debt account into short-term cash flow for €2,424k
- the reclassification of bank facilities into leveraged lease for €240k
- and the fair value measurement of financial instruments for €886k.

8.13.3 Breakdown by type of rate

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

	Period 2017	Period 2016
Fixed-rate loans	2,603	1,882
Variable-rate loans	20,906	18,573
Total borrowings	**23,509**	**20,455**

8.13.4 Breakdown by main currency

	Period 2017	Period 2016
Borrowings denominated in euros	23,509	20,455
Borrowings denominated in foreign currencies		
Total borrowings	**23,509**	**20,455**

8.14 Current liabilities

The breakdown of other current liabilities is as follows:

	Period 2017	Period 2016
Trade accounts payable	75,219	55,386
Payables on fixed assets	18	164
Advances and payments on account received on orders	1,074	1,587
Tax and welfare liabilities	28,847	27,121
Sundry liabilities	2,640	699
Deferred revenue	2,423	3,475
Total other short-term liabilities	**110,221**	**88,433**

8.15 Personnel

8.15.1 Personnel expenses

	Period 2017	Period 2016
Salaries & wages	72,966	72,703
Social costs	23,977	23,388
Profit-sharing	1,993	2,072
Temporary wage earners	3,742	2,788
Pension expense	236	78
Payment in shares	162	
Total Personnel expenses	**103,076**	**101,030**

8.15.2 Workforce

The breakdown of the workforce employed at the end of the year is as follows:

*	LACROIX Electronics		LACROIX Sofrel		LACROIX City		Group	
	Period 2017	Period 2016	Period 2017	Period 2016	Period 2017	Period 2016	Period 2017	Period 2016
Managerial	311	316	92	85	172	158	575	559
Technical	555	528	53	50	83	87	692	665
Clerical	633	162	23	27	148	165	804	354
Manual	1,775	2,123			188	202	1,963	2,325
Total salaried workforce	**3,275**	**3,129**	**168**	**162**	**592**	**612**	**4,034**	**3,903**
Pending assignment (1)	119	72	1	1	59	45	179	118
Total operational workforce	**3,394**	**3,201**	**169**	**163**	**651**	**657**	**4,213**	**4,021**

(1) Full-time equivalents of temporary workers

(*) Workforce of fully consolidated entities

8.16 Depreciation and estimated expenses net of reversals

The amount of depreciation and estimated expenses net of reversals, included in profit from operating activities is broken down as follows:

	Period 2017	Period 2016
Net depreciation and reversals on long-term assets	(7,253)	(6,689)
Net depreciation and reversals on inventories (1)	(1,206)	(961)
Net depreciation and reversals on other current assets	(6)	(315)
Net depreciation and reversals on contingencies and expenses	(875)	(736)
Net depreciation and reversals on others	(0)	(30)
Total net depreciation and estimated expenses	**(9,340)**	**(8,731)**

(1) Excluding reversals relating to scrapping, charged to goods and raw materials consumed

8.17 Other operating income and expenses

	Period 2017 (12 months)	Period 2016 (12 months)
Restructuring expenses (1)	(425)	(4,852)
Disposal of assets (2)	435	
Customer litigations	(652)	(200)
Other non-current expenses	1	(8)
Total	**(641)**	**(5,060)**

(1) Transactions relating to City for €257k and to LACROIX Electronics for €168k.

(2) Disposal of a building following the closure of LACROIX Signalisation sales offices

8.18 Financial expenses and revenue

The breakdown of financial income is as follows:

	Period 2017 (12 months)	Period 2016 (12 months)
Cost of gross financial debt	(1,273)	(1,195)
Income from cash and cash equivalents	147	(22)
Cost of net debt	**(1,126)**	**(1,216)**
Foreign exchange result	873	(486)
Other Financial revenue and expenses (1)	(178)	(122)
Total financial income by nature	**(431)**	**(1,824)**
Summary		
Total revenue	7,586	5,383
Total expenses	(8,017)	(7,207)
Total Financial income	**(431)**	**(1,824)**

(1) Including €60k of financial expenses relating to provision for retirement benefits, compared with €129k as at 30 September 2016.

8.19 Income taxes

8.19.1 Breakdown of corporation income tax

The breakdown of taxation is as follows:

	Period 2017 (12 months)	Period 2016 (12 months)
Tax payable	(3,224)	(2,858)
Deferred taxes	169	2,554
Income taxes	**(3,056)**	**(303)**

Following the change in legislation and up to the recovery of tax losses, the Group has applied the new tax rate of 28% on its medium and long-term deferred taxes applicable to French companies, generating a reduction in deferred tax assets of €316k.

8.19.2 Tax proof

Rationalisation of the tax	**Period 2017**
Net income of consolidated companies	8,276
Neutralisation of the share of results of equity-method companies	3
Neutralisation of provisions for Goodwill	
Restated results of equity method companies and Goodwill	**8,279**
Income taxes (1)	3,056
Net pre-tax income	*11,335*
<Theoretical tax at current rate> (2)	3,903
Difference in tax (1) - (2)	**(847)**

The reconciliation between the corporation tax contained in the income statement and the theoretical tax which would be borne based on the rate applicable in France is as follows:

Analysis of this difference in tax		**Expenses**	**Revenue**
Changes in tax rate		316	
Effects of permanent differences between consolidated and taxable results		607	
Use of deficits carried over used in period			
Losses of subsidiaries showing a loss after tax		1,549	
Lower or higher tax rate for certain types of transactions		46	
Taxation of foreign companies' results at different rates			2,635
Tax credits	(1)		729
Total		**2,518**	**3,365**
Net difference		**(847)**	

(1) The corporation tax savings relating to CIR (research tax relief) was reclassified in expenses by type for €586k. The corporation tax savings relating to CICE (Competitiveness and Employment tax relief) was recognised by deducting the personnel expenses to which it relates for €1,463k.

8.19.3 Breakdown of deferred taxes

The breakdown of deferred tax assets and liabilities is as follows:

	Opening	Impact on reserves	Impact on income	Changes in reporting entities	Other changes	Closing
Deferred tax assets						
C3S and Building effort	62		(27)			35
Employee profit-sharing	262		14			276
Retirement benefits	2,340	(171)	(201)			1,969
Margins on inventories	216		(15)			201
Loss carryforwards (1)	3,125		519			3,644
Other (2)	2,194		(825)			1,370
Compensation IDA/IDP (*)	(4,676)				1,020	(3,656)
Total IDA	**3,524**	**(171)**	**(534)**		**1,020**	**3,839**
Deferred tax liabilities						
Regulated provisions	2,650		(362)			2,288
Finance lease	588	(1)	(104)		(151)	332
Amortis. method Non-current assets	198		(44)			154
Other (3)	1,997	(215)	(193)		51	1,741
Compensation IDA/IDP (*)	(4,676)				1,020	(3,656)
Total IDP	**756**	**(215)**	**(702)**		**1,020**	**859**
Total net ID	**(2,768)**	**44**	**168**			**2,980**

(1) Based on the assumptions made by the Group and update of business plans. The base activated on the French tax consolidation scope is €9.6 million out of a total base of tax loss carryforwards of €16.6 million.

(2) Of which €156k on internal disposals

(3) Of which €841k of fair values on real-estate assets

(*) This line enables, after overall breakdown of net IDA and IDP by type, to take into account individual positions and the balance sheet presentation due to the existence of a tax group (Note 6.5.14)

9. Other information

9.1 Group's exposure to financial risks

9.1.1 Currency risks

Other than LACROIX Electronics, the Group is not exposed to currency risks.

As regards LACROIX Electronics, currency risk concerns mainly purchases made in USD, in JPY, in TND and in PLN.

- AS regards purchases in USD and JPY, the company has signed contracts with its main clients providing for an adjustment of the selling price based on fluctuations in the EUR/USD parity. As a result, currency risk is extinguished on that part. For the balance, the company has recourse to partial hedges of its needs, to cover a target rate set for each financial year.

- Expenses in TND and PLN concern mainly the salaries and social security expenses of of employees at our Polish and Turkish sites and some local purchases. The Group's policy consists in undertaking forward hedges based on its forecast needs.

Generally, recourse is made to financial instruments strictly for the needs of the activity, excluding any speculative purposes.

9.1.2 Interest rate risks

Note 8.13.3 "Borrowings and financial debts" shows that out of €23,509k of debts, €2,603k are at fixed rate and €20,906 at variable rate.
The Group uses financial instruments to mitigate this risk. As at end of September 2017, the percentage of financing at floating rates hedged by swaps was 69% of the nominal value.

9.1.3 Liquidity risks

The Group's gross debt level stands at €49,315k.
There is no covenant tied to any of the financing.
The free cash flow stands at €19,429k.
The Group therefore considers that its exposure to this risk is low.

9.1.4 Credit risks

Each of the three business areas of the Group has its own credit insurance policy, covering its potentially risky clients.
The types of clients by industry is as follows:

Business Areas	Types of clients
LACROIX Electronics LACROIX Sofrel LACROIX City	French and international companies with international operations Public bodies and major water management players Major government bodies and companies engaged in public works

9.1.5 Capital risk

The Group closely monitors its capital by controlling changes in its gearing.

	Period 2017	Period 2016
Borrowings and financial debts	31,931	29,229
Cash credit	17,385	22,930
Other Net financial debts	(187)	(157)
Cash and cash equivalents (Note 8.5)	(19,429)	(17,705)
Net debt	**29,700**	**34,295**
Shareholders’ equity	93,756	86,168
Gearing	**31.7%**	**39.8%**

9.1.6 Classification of financial assets and liabilities at fair value based on fair value levels

The Group does not provide a detailed table on the fair value hierarchy of its financial assets and liabilities, according to the 3 levels defined in the amended IFRS 7:

- Valuation at fair value is based on observable data, most of which are external to the Group.

9.2 Segment reporting

9.2.1 Consolidated income statement

Segment reporting for the period ended 30 September 2017 are as follows:

	LACROIX Electronics		LACROIX Sofrel		LACROIX City		Holdings		Group	
	Period 2017	Period 2016	Period 2017	Period 2016	Period 2017	Period 2016	Period 2017	Period 2016	Period 2017	Period 2016
Income from ordinary activities										
Sales to external customers	317,793	308,502	39,198	39,037	92,268	88,126	3,184	2,513	452,443	438,178
Inter-segment sales	(7,352)	(7,143)	(199)	(51)	(404)	(191)	(3,071)	(2,395)	(11,026)	(9,780)
Total income from ordinary activities	**310,441**	**301,359**	**38,999**	**38,986**	**91,864**	**87,935**	**113**	**118**	**441,417**	**428,398**
Profit from operating activities	**6,971**	**5,470**	**8,819**	**8,954**	**(2,107)**	**(5,422)**	**(1,275)**	**(933)**	**12,408**	**8,069**

The other items of the income statement broken down by segment are:

Total	**(4,324)**	**(5,599)**	**(702)**	**(300)**	**(4,172)**	**(2,733)**	**(142)**	**(100)**	**(9,340)**	**(8,732)**

9.2.2 Consolidated balance sheet

The table below provides assets and liabilities segments, and acquisitions of non-current assets of the period:

	LACROIX Electronics		LACROIX Sofrel		LACROIX City		Holdings		Group	
	Period 2017	Period 2016	Period 2017	Period 2016	Period 2017	Period 2016	Period 2017	Period 2016	Period 2017	Period 2016
Segment assets										
Long-term assets	38,811	33,986	5,384	5,582	24,607	25,462	1,784	1,035	70,586	66,065
Current assets	108,577	93,403	13,598	11,983	61,515	58,322	17,630	17,276	201,320	180,984
Other assets not allocated	1,571	1,268	158	240	649	(421)	1,480	2,459	3,858	3,546
Assets held for sale										
Total segment assets	**148,959**	**128,657**	**19,140**	**17,805**	**86,770**	**83,363**	**20,894**	**20,770**	**275,763**	**250,595**
Segment liabilities										
Long-term liabilities	323	808	2,285	2,359	1,071	1,743	14,073	10,061	17,752	14,971
Current liabilities	126,168	127,590	2,552	13,644	112,213	73,562	(99,151)	(89,175)	141,782	125,621
Other liabilities not allocated	11,377	12,655	2,452	2,469	9,648	8,666	(1,006)	46	22,471	23,836
Liabilities held for sale										
Total current and non-current liabilities	**137,868**	**141,053**	**7,289**	**18,472**	**122,932**	**83,971**	**(86,084)**	**(79,068)**	**182,005**	**164,428**
Acquisitions of non-current assets	**9,467**	**3,320**	**447**	**737**	**1,614**	**1,281**	**69**	**12**	**11,597**	**5,350**

9.3 Off-balance sheet commitments

The breakdown of commitments given or received by the Group is as follows:

Commitment category	Period 2017	Period 2016
Commitments given		
Borrowings and debts with credit institutions	15	195
Order of Purchases (1)	118	259

(1) Existence of a supply contract: the commitment mentioned corresponds to maximum risk, i.e. compensation to be paid in the event of non-performance (for coverage of the seller's SC). The maturity is as follows: €118k due within one year.

All financial debts are secured by physical collaterals.

There is no covenant tied to any of the financing.

9.4 Related parties

9.4.1 Transactions with associated undertakings

Associated undertakings are companies over which the Group exercises a significant influence and for which the transactions are not material.

Furthermore, Note 8.13.1 refers to a debt (current account) owed to one of the shareholders, Vinila.

9.4.2 Compensation paid to company officers

Compensations paid, in respect of the period, to members of administrative, management and supervisory bodies for their functions in the Group, is broken down as follows:

9.4.2.1 Members of the Executive Board

	Period 2017	**Period 2016**
Short-term benefits	426	552
Post-employment benefits	58	79
Other long-term benefits		
Payment in shares		
Total	**484**	**631**

Executives earn variable compensations approved by the Supervisory Board. The components of the variable compensation are determined on the basis of achievement of targets which are reviewed annually and which we do not wish to disclose for reasons of confidentiality.

9.4.2.2 Members of the Supervisory Board

	Period 2017	**Period 2016**
Short-term benefits	40	30
Post-employment benefits		
Other long-term benefits		
Severance pay		
Payment in shares		
Total	**40**	**30**

9.5 Statutory auditors' fees

The following table provides information on fees to auditors and members of their network paid by the Group in accordance with the AMF 2006-10 format.

	Ernst & Young network				Atlantique Révision Conseil			
	2017	%	2016	%	2017	%	2016	%
Audit								
Statutory Auditor	**230**	**95%**	**214**	**93%**	**45**	**100%**	**39**	**100%**
Issuer	37		33		42		39	
Fully consolidated subsidiaries	194		181		3			
Other services directly related to the statutory audit	**0**	**0%**		**0%**	**0**	**0%**	**0**	**0%**
Issuer								
Fully consolidated subsidiaries								
Sub-total Audit	**230**	**95%**	**214**	**93%**	**45**	**100%**	**39**	**100%**
Other services	12	5%	15	7%				
Legal, fiscal, social								
Other services	12		15					
Sub-total Other services	**12**	**5%**	**15**	**7%**	**0**	**0%**	**0**	**0%**
Total	**242**	**100%**	**229**	**100%**	**45**	**100%**	**39**	**100%**