



**ENTER THE WORLD OF NANO AND MICROSYSTEMS**

**2015 HALF YEAR RESULTS**

**STRONG BUSINESS DEVELOPMENT MOMENTUM**

**Grenoble, France and Dallas, TX, USA – 9 September 2015** – Tronics, a designer and manufacturer of innovative nano and microsystems, is listed on the Paris Alternext market (ISIN code: FR0004175099 - ALTRO).

*Tronics' Management Board met on 8 September 2015 and approved the consolidated accounts for the first half of 2015, which were presented to the Supervisory Board on the same day.*

The first half of 2015 was marked by the strong business development momentum that generated an engineering activity with a significant increase, growing 17.5% to €3,297K, compared to €2,806K in the previous year. This activity was particularly significant on the Crolles site, with an increase of 37% compared to the same period in 2014. This solid pipeline of new projects will generate manufacturing revenue within the next 12-24 months when they enter into production.

However, manufacturing activity was affected over the period by 1/ a significant customer's production volumes that were much lower than announced at the beginning of the year, 2/ the continued decline of the group's sales to its historical customer, which still generated revenue of €1.5M in the first half of 2014. This decrease of production volumes weighed on the results of the group in the first half of 2015.

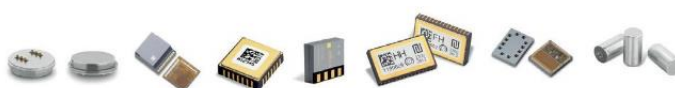
In the second half of 2015, the engineering activity will remain robust, and the manufacturing activity should improve starting in September, then trend more favorably in the 4<sup>th</sup> quarter. In this context, an improvement of the profitability is expected over the second half of the year.

<b>Consolidated half year results in €K</b>	<b>H1 2015</b>	<b>H1 2014</b>
Revenue	4,197	6,001
Operating income	(1,070)	219
Financial result	(22)	(84)
Net income	(1,200)	79

Over the first half of 2015, structural charges and especially staff costs remained stable in order to handle the ramp-up of incoming volumes.

R&D costs were €1.9M, of which 92% were recognized as expenses. All along the half-year period, Tronics' R&D activities have been sustained by the publication of 2 patents, concerning the GYPRO3300 (subject to a partnership with Thales for civil aviation applications) and 3D assembly, respectively, and the filling of 3 new patents in the sector of M&NEMS and atomic clocks.

The gross margin calculated by integrating R&D revenue rose from 71.7% to 72.2%.





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**A SOUND FINANCIAL STRUCTURE**

As of 30 June 2015, Tronics presented a very healthy balance sheet, with shareholders' equity of €16,784 K, available cash of €11,377 K and gross debt of €5,007 K. During the half-year period, financial debt decreased by €681 K, thanks to scheduled repayment on a loan contracted from BPI and installment payments related to leasing contracts.

**TRENDS AND OUTLOOK**

Tronics continues to pursue its business plan, in accordance with the objectives presented in February, with strong business successes enabling the company to:

- diversify the customer portfolio and add new customers at the international level. Regions outside France thus represented 43% of total revenue in the first half of 2015, versus 21% the year before. In Asia, the attractiveness of the M&NEMS technology for consumer applications makes it possible to target significant development in these applications.
- penetrate new markets and especially in the life sciences sector (BioMEMS), where the group has increased its revenue by a factor of 2.5 in one year. Several other projects are in progress in the medical devices sector.

Deals signed in the mobility, aeronautics, life sciences and watchmaking sectors demonstrate the enlargement of the pipeline of business opportunities in key segments.

Furthermore, the ongoing development partnerships with the Thales group, as well as the STARS project (development of a sensor enabling the measurement of acceleration in harsh environments) in association with Airbus and a leading British group demonstrate the growth momentum underway at Tronics.

This momentum is also illustrated by a strong innovation and a technology roadmap which is progressing in accordance with the objectives that have been set.

In this context, Tronics should show profitable growth from the first half of 2016, and confirms its target to reach revenue of €40M by 2018 with improved profitability.

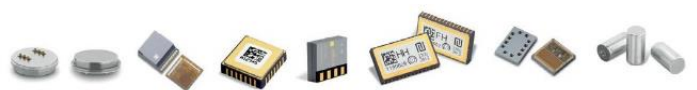
**FIRST HALF FINANCIAL REPORT**

In compliance with the Transparency Directive, the company has filed its financial report for the first half of 2015 with the French Financial Markets Authority and has made it available to the public. The report can be consulted at [www.tronicsgroup-bourse.com](http://www.tronicsgroup-bourse.com).

**NEXT PUBLICATION**

**Press releases**

2015 revenue	16 February 2016 after closing of the Paris Alternext market
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## ABOUT TRONICS

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Founded in 1997, Tronics is a recognized technological leader in the sector of nano & microsystems with high added value. Positioned at the heart of product innovation, Tronics has technology platforms protected by a portfolio of 25 families of patents, resulting from 15 years of R&D and more than €15 million of cumulative industrial investments. Addressing high-growth markets relying on increasing miniaturization of electronic devices, Tronics designs, manufactures and sells custom or standard products to the industry, aeronautics & security, medical and consumer markets. Located in Crolles, near Grenoble (France) and in Dallas, Texas (United States), Tronics posted revenue of €11.6 million in 2014. It now has 88 employees, of whom 55 are engineers and scientists.  
ISIN code : FR0004175099 ALTRO.

For more information: [www.tronicsgroup-bourse.com](http://www.tronicsgroup-bourse.com)



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