



**ENTER THE WORLD OF NANO AND MICROSYSTEMS**

**FIRST HALF 2016 TURNOVER**

**NEGOTIATIONS WITH A STRATEGIC INVESTOR**

**Grenoble, France – 8th July, 2016** – Tronics, a designer and manufacturer of innovative nano and microsystems, is listed on the Paris Alternext market (ISIN code: FR0004175099 - ALTRO).

Tronics announces that its first half 2016 revenues amount to € 3.1 million, against € 4.2 million in the first half 2015. The engineering activity comes out at € 2.0 million, versus € 3.3 million in H1 2015. The manufacturing activity stands at € 1.1 million, slightly higher than the H1 2015 € 0.9 million turnover.

Consolidated first-half revenue (1 January to 30 June) – unaudited

in €K (IFRS)	H1 2016	H1 2015
Revenue	3,062	4,197

The level of activity in the first half has been lower than expected from the €11M 2016 turnover forecast communicated on 19th January 2016, due to the postponement of some engineering projects in Europe and in the United States. The ramp up of the manufacturing activity has also been lower than anticipated, especially at the US subsidiary impacted early this year by the temporary closure of the manufacturing partner. The agreement with this manufacturing partner is being renegotiated.

During the first half 2016 Tronics has however recorded some significant business wins, strengthening the foundations of its future growth. Eight new contracts have been signed in Europe and four in the United States, of which four major contracts offering a significant manufacturing revenue potential:

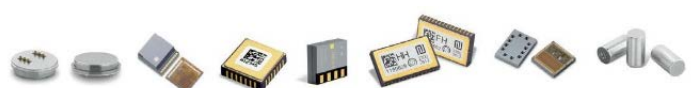
1. a wearable medical devices contract with a \$2.5M per year revenue target starting in 2017,
2. an industrial gas sensor contract with targeted €500K to €1M revenue per year,
3. a proximity sensor contract with potential manufacturing revenue higher than \$600K per year,
4. a manufacturing partnership representing up to several million units per year within the next five years.

As a further point of attention, orders and deliveries of Tronics’ GYPRO® high performance inertial sensors have strongly increased versus the same period last year; this business line turnover has been multiplied by four.

The priority of the group in 2016 remains to complete the engineering projects and to execute the production launch of innovative products in the inertial, life sciences and high value-added industrial applications sectors. Tronics also intends to pursue its growth and customer diversification momentum.

Last, the group is careful to secure its manufacturing contract with its partner in the United States.

For the full year 2016, Tronics’ revenue should increase from the 2015 level, driven by more sustained engineering and manufacturing activities in the second half of the year. Although the lower than expected 2016 level of activity is partially compensated by the €700k cost reduction program wholly implemented in the first quarter, it will weigh on the full year results.





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Besides, Tronics Microsystems informs its shareholders that it is engaged, together with certain of its key shareholders, in discussions with a strategic investor in relation to a possible transaction regarding the purchase of the company. Should this transaction proceed and the related mandatory regulatory approvals be obtained, this investor would launch a tender offer for the company's shares.

Tronics Microsystems cautions that there can be no assurance about the outcome of these ongoing discussions, which may or may not lead to a tender offer, or as to the timing, price or terms that might be agreed. Tronics Microsystems intends to inform in due time the investors about whether or not this transaction would proceed.

Tronics Microsystems has requested Euronext Paris to suspend the trading of its shares until subsequent communication on the status of the discussions. Such communication could take place by the first half of August 2016.

Tronics plans to announce its first half 2016 results on 21 September, 2016.

### ABOUT TRONICS



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 €7.8 Million in 2015. It now has 92 employees, of whom 55 are engineers and scientists. ISIN code: FR0004175099 ALTRO. « Innovative Company » certification number: A1410008 V.

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



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