2016

HALF-YEAR REPORT

SOCIETAS EUROPAEA WITH SHARE CAPITAL OF 31,024,865.70 EUROS

Registered office: 9/11, rue Montalivet – 75008 PARIS
Paris Trade and Companies Register 422 950 865

A - INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of euros)

CONSOLIDATED PROFIT AND LOSS STATEMENT

PROFIT AND LOSS in thousands of euros	Note	30 June 2016	30 June 2015
Revenue	**2.1**	**550,161**	**461,648**
Production recognised in inventories		8	8
External expenses	2.2	(154,705)	(123,832)
Taxes and duties		(4,909)	(3,513)
Staff costs	2.3	(354,338)	(308,588)
Net depreciation and provisions	2.4	(2,584)	(5,272)
Other current expenses		(6,228)	(643)
Other current income		3,966	2,111
Earnings from companies consolidated by the equity method		-	127
PROFIT FROM BUSINESS OPERATIONS		**31,371**	**22,045**
Free shares and stock options		(66)	-
CURRENT OPERATING PROFIT		**31,305**	**22,045**
Other non-current income and expenses	2.5	(5,116)	(6,115)
OPERATING PROFIT		**26,189**	**15,930**
Income from cash and cash equivalents	2.6	565	991
Cost of gross financial debt	2.6	(6,664)	(5,712)
COST OF NET FINANCIAL DEBT		**(6,099)**	**(4,720)**
Other financial income and expenses	2.6	1,001	(149)
PROFIT BEFORE TAX		**21,091**	**11,061**
Tax expenses	2.7	(4,011)	(1,255)
CONSOLIDATED NET PROFIT		**17,080**	**9,805**
Minority Interests' (share of net profit)		(1,532)	(1,453)
GROUP SHARE OF NET PROFIT		**15,549**	**8,352**
Earnings per share		€ 0.79	€ 0.42
Diluted earnings per share		€ 0.79	€ 0.42
Weighted average number of ordinary shares in circulation		19,657,229	19,735,971
Weighted average number of ordinary shares plus potential dilutive shares		**19,671,529**	**19,737,581**

STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME In thousands of euros	Note	30 June 2016	30 June 2015
CONSOLIDATED NET PROFIT		**17,080**	**9,805**
Actuarial gains and losses on pension commitments	3.8	(1,790)	968
Tax effect relating to non-recyclable items		558	(299)
Non-recyclable items in the profit and loss statement		**(1,232)**	**669**
Gains and losses on financial hedging instruments	3.9	(1,111)	401
Currency translation differences		(645)	815
Tax effect relating to recyclable items		370	(133)
Recyclable items in the profit and loss statement		**(1,385)**	**1,083**
OTHER ITEMS OF COMPREHENSIVE INCOME		**(2,617)**	**1,752**
CONSOLIDATED COMPREHENSIVE INCOME		**14,463**	**11,557**
Minority interest		1,332	1,568
Group share		13,131	9,989

A - INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS in thousands of euros	Note	30 June 2016	31 Dec. 2015
Goodwill	3.1	193,672	192,586
Intangible fixed assets	3.2	17,512	10,542
Tangible fixed assets	3.2	52,180	46,170
Non-current financial assets		25,307	24,829
Holdings in affiliates and joint ventures		-	-
Other net non current assets	3.3	37,613	43,717
Deferred tax assets		34,313	34,715
Non-current assets		**360,597**	**352,558**
Inventories and work in progress		3,273	4,276
Trade receivables and associated accounts	3.4	237,615	210,975
Other accounts receivable	3.5	114,996	122,405
Cash and Cash equivalents	3.6	123,492	215,120
Current assets		**479,376**	**552,776**
TOTAL ASSETS		**839,974**	**905,335**

LIABILITIES in thousands of euros	Note	30 June 2016	31 Dec. 2015
Share Capital	3.7	31,025	28,204
Premiums associated with share capital	3.7	-	2,068
Consolidated reserves		156,014	143,160
Profit further year		15,549	26,229
Group share of shareholders' equity		**202,588**	**199,661**
Minority interests		26,969	25,577
Shareholders' equity		**229,557**	**225,238**
Non-current provisions	3.8	22,909	20,263
Non-current financial liabilities	3.9	242,680	281,215
Restructured debt > 1 year	3.10	7,415	7,085
Deffered tax liabilities		1,142	1,067
Non-current liabilities		**274,147**	**309,630**
Current provisions	3.8	12,385	18,946
Current financial liabilities	3.9	6,711	13,195
Restructured debt < 1 year	3.10	8,042	8,042
Trade payables		86,604	83,438
Corporation tax liability		2,338	4,850
Tax and social security contribution liabilities excluding corporation tax		181,390	180,619
Other liabilities	3.11	38,801	61,375
Current liabilities		**336,271**	**370,466**
TOTAL LIABILITIES		**839,974**	**905,335**

CONSOLIDATED STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS in thousands of euros	Note	30 June 2016	30 June 2015
Consolidated net profit		17,080	9,805
Reintegration of expense (+) or elimination of income (-) associated with depreciation and impairment (excluding WCR)	2.4	2,141	4,937
Elimination of profits associated with consolidation by the equity method		-	(127)
Reintegration of tax expense (+) or elimination of tax income (-)	2.7	4,018	1,255
Reintegration of calculated expense (+) or elimination of calculated income (-) associated with IFRS standards (1)		217	277
Reintegration of expense (+) or elimination of income (-) from net disposals		(1,439)	522
Reintegration of expense (+) or elimination of income (-) associated with net financial debt	2.6	4,067	4,720
Cash generated from operations before cost of net financial debt and tax		**26,085**	**21,390**
Tax paid		(6,108)	(3,655)
Impact of change in working capital requirement	4.1	(30,603)	(50,764)
Net cash flow associated with business operations		**(10,627)**	**(33,029)**
Acquisitions of fixed assets	3.2	(22,272)	(12,313)
Disposals of fixed assets		2,699	183
Change in financial fixed assets		(1,207)	1,521
Change in scope	4.2	(10,002)	(14,876)
Net cash flow associated with investment transactions		**(30,783)**	**(25,485)**
Dividends paid to shareholders in the parent company	4.3	-	-
Capital increase through cash	3.7	-	-
Purchase of treasury shares		(360)	-
Cash inflows associated with new loans	3.9	2,737	22,207
Repayment of loans	3.9 and 3.10	(47,405)	(282)
Net financial interest received		2,597	991
Net financial interest paid		(7,649)	(6,516)
Net cash flow associated with financing transactions		**(50,080)**	**16,401**
Impact of changes in foreign currency exchange rates		(139)	299
CHANGE IN CASH FLOW		**(91,628)**	**(41,816)**
Cash, cash equivalents and bank overdrafts at the start of the year		215,120	220,079
Cash, cash equivalents and bank overdrafts at year end		123,493	178,263
CHANGE IN CASH FLOW		**(91,628)**	**(41,816)**

(1) Calculated expenses associated with IFRS standards comprise the valuation of stock options and free shares (IFRS 2) and the capitalisation of loan issue expenses.

CHANGES IN CONSOLIDATED SHAREHOLDERS'EQUITY

Amounts in € thousand	Number of shares			Capital	Premiums	Consolidated reserves	Profit for the year	Translation adjustment	Group share of equity	Minority interests	Consolidated equity
	Making up the capital	Treasury shares	In circulation								
Equity as at 1st January 2015	**16,756,955**	**491,016**	**16,265,940**	**25,638**	**4,636**	**126,423**	**24,562**	**(640)**	**180,621**	**18,012**	**198,633**
Profit for the year	-	-	-	-	-	-	8,352	-	8,352	1,453	9,805
Other items of comprehensive income	-	-	-	-	-	808	-	830	1,637	114	1,752
Comprehensive income	**-**	**-**	**-**	**-**	**-**	**808**	**8,352**	**830**	**9,989**	**1,568**	**11,557**
Change in capital of the consolidating entity	1,675,695	-	1,675,695	2,564	(2,564)	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	15,613	(24,562)	-	(8,949)	-	(8,949)
Impact of free shares and stock options	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	49,089	(49,089)	-	-	(164)	-	-	(164)	-	(164)
Equity as at 30 June 2015	**18,432,650**	**540,105**	**17,892,545**	**28,202**	**2,072**	**142,680**	**8,352**	**190**	**181,497**	**19,579**	**201,077**
Equity as at 1st January 2016	**18,434,264**	**549,310**	**17,884,955**	**28,204**	**2,068**	**142,644**	**26,229**	**515**	**199,661**	**25,577**	**225,238**
Profit for the year	-	-	-	-	-	-	15,549	-	15,549	1,532	17,080
Other items of comprehensive income (1)	-	-	-	-	-	(1,765)	-	(653)	(2,417)	(200)	(2,617)
Comprehensive income	**-**	**-**	**-**	**-**	**-**	**(1,765)**	**15,549**	**(653)**	**13,131**	**1,332**	**14,463**
Change in capital of the consolidating entity	1,843,426	-	1,843,426	2,821	(2,068)	(753)	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	(360)	-	-	(360)	-	(360)
Change in consolidation scope	-	-	-	-	-	(79)	-	-	(79)	57	(22)
Dividends (2)	-	-	-	-	-	16,399	(26,229)	-	(9,830)	-	(9,830)
Impact of free shares and stock options	-	-	-	-	-	66	-	-	66	-	66
Other changes	-	71,151	(71,151)	-	-	(1)	-	-	(1)	2	1
Equity as at 30 June 2016	**20,277,690**	**620,461**	**19,657,230**	**31,025**	**-**	**156,151**	**15,548**	**(138)**	**202,588**	**26,968**	**229,557**

(1) As at 30 June 2016, the amount of reserves of actuarial gains and losses was €(3,603) thousand, that of reserves on hedging transactions was €(1,440) thousand.
(2) The amount of the dividends for the 2015 financial year to be paid in 2016 is shown in note 4.3.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEME

These notes contain additional information regarding the consolidated balance sheet, the total of which is €839,974 thousand, and the consolidated income statement, which shows consolidated comprehensive income attributable to the owners of the parent of €13,131 thousand.

Such information is only included when its importance is material.

Unless otherwise stated, all figures are expressed in thousands of euros.

The Board of Directors of the AKKA Technologies Group approved the financial statements on 20 September 2016.

AKKA Technologies' business operations:

AKKA Technologies is a European Engineering and Technology Consulting Group that supports large manufacturing and tertiary services companies, seeing their projects through from the initial studies and R&D to large-scale production.

Building on its expertise in various complementary business lines, AKKA Technologies brings real value added to customers in sectors including aerospace, automotive, space/defence, consumer electronics, telecommunications, chemicals, pharmaceuticals, steel, energy, rail, marine and service industries.

AKKA Technologies is the leader in the automotive and aerospace sectors in Germany and France, and, thanks to the mobility of its staff and its international positioning, works on projects at the cutting edge of technology around the world.

The AKKA Technologies Group has more than 12,000 employees, and operates in 20 countries, including Belgium, Canada, China, the Czech Republic, France, Germany, Hungary, India, Italy, Morocco, the Netherlands, Romania, Russia, Spain, Switzerland, Tunisia, Turkey, the UAE, the UK and the US.

The company's registered office is located at 9-11 rue Montalivet, 75008 Paris.

AKKA Technologies is listed on EuronextTM Paris – Segment B – ISIN code FR0004180537. CAC® Small, CAC® Mid & Small, CAC® All-Tradable and CAC® All-Share indices.

Significant events and transactions during the first half:

-> **Automotive style and design activities are now all housed under the prestigious Bertone brand,** acquired in the second quarter. Since its creation by Giovanni Bertone in 1912, the illustrious Italian design house has created countless models for leading Italian automakers, including Alfa Romeo, Ferrari, Lamborghini, Maserati and BAIC. The acquisition dovetails with our strategy of expanding the AKKA Technologies Group's offer in certain promising high value-added niches. Its aim is to accelerate the Group's diversification in emerging countries under the auspices of a recognised and unique brand.

-> On 30 June 2016 AKKA Technologies signed a new five-year €200 million revolving credit facility. It replaces the previous facility set up on 12 April 2012 and renegotiated in December 2014, which expired in the first half of 2016.w

1 - SCOPE AND CONSOLIDATION METHODS

1.1 - Reporting standards

The interim condensed consolidated financial statements of the AKKA Technologies Group are prepared in accordance with the standards, amendments and interpretations issued by the IASB (International Accounting Standards Board) and adopted by the European Union as of the balance sheet date.

The standards, amendments and interpretations used to prepare the consolidated financial statements for the six months to 30 June 2016 and comparative data for 2015 are those published in the Official Journal of the European Union (OJEU) before 30 June 2016 and whose application was mandatory as of that date.

These standards are available on the European Commission website at the following address: http://ec.europa.eu/finance/company-reporting/index_en.htm.

The interim condensed consolidated financial statements of the AKKA Technologies Group are prepared in accordance with IAS 34 Interim Financial Reporting, the IFRS framework adopted in the European Union for interim financial reporting, and must be read in conjunction with the Group's full-year 2015 consolidated financial statements.

These interim consolidated financial statements have been prepared and presented in condensed form. The notes cover the significant features of the half-year, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2015 included in the registration document filed with the French financial markets authority (Autorité des Marchés Financiers – AMF) on 21 April 2016 under number D16-0383 and available on the company's website, at www.akka-technologies.com, in the investors area, under "Financial Information/Reports".

1.2 - New IFRS standards, interpretations and amendments

The main standards, interpretations and amendments with mandatory application for periods beginning on or after 1 January 2016 are:

- Annual improvements to IFRS, 2010-2012 cycle;
- Annual improvements to IFRS, 2012-2014 cycle;
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative;
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions;
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations.

The application of these new standards did not have a material impact on the Group's financial position or performance.

The Group has elected not to early adopt the standards, interpretations and amendments adopted by the European Union before 30 June 2016, for which early application was possible, but which become effective after that date. This relates primarily to the following standards:

- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses, effective for annual periods beginning on or after 1 January 2017;
- Amendment to IAS 7 Statement of Cash Flows – Disclosure Initiative, effective for annual periods beginning on after 1 January 2017.

AKKA Technologies is currently reviewing the impacts and practical consequences of the application of these standards.

The Group is also currently analysing the impact of IFRS 15 Revenue, IFRS 9 Financial Instruments and IFRS 16 Leases, approved by the IASB with first application for annual periods beginning on or after 1 January 2018 for IFRS 15 and IFRS 9, and 1 January 2019 for IFRS 16. These standards have not yet been adopted by the European Commission (adoption is scheduled for late 2016 or 2017, depending on the standard in question).

1.3 - Use of estimates

The preparation of consolidated financial statements under IFRS requires the use of estimates and assumptions that impact the financial statements. These estimates and assumptions are based on information available when they are drawn up. Estimates may be revised in the event of change in the circumstances on which they were based. Actual results may therefore differ from the initial estimate.

The consolidated financial statements for the half-year period were prepared taking into account the prevailing macroeconomic environment and the financial market parameters available as of the balance sheet date. The effects of these factors have been taken into account as appropriate, notably in the valuation of assets such as trade receivables. For longer-term assets such as intangibles (goodwill), it is assumed that conditions would change over time. The value of these assets is assessed each year on the basis of the long-term economic outlook, using the best assessment of the Group's management, bearing in mind that visibility over future cash flows is limited.

The use of estimates impacts the following information in particular:

- assumptions used for asset impairment testing,
- the calculation of deferred tax assets,
- the assessment of earnings based on the state of progress of contracts,
- the valuation of provisions and pension commitments,
- the assessment of projects eligible for R&D subsidies.

1.4 - Consolidation methods

The companies over which the Group directly or indirectly exercises exclusive control are consolidated by the full consolidation method.

Exclusive control is assessed in accordance with the criteria set out in IFRS 10 (power over the relevant activities, exposure to variable returns and ability to use power to affect the amount of returns). This is presumed to be the case in companies in which the Group directly or indirectly holds at least 50% of voting rights. Immediately exercisable potential voting rights, including those held by another entity, are taken into account in assessing control.

The analysis of joint arrangements pursuant to the criteria set out in IFRS 11 has resulted in the identification of joint ventures, but no joint activities. Joint ventures are consolidated by the equity method.

No company was consolidated by the equity method in the six months to 30 June 2016. Only APS was consolidated by the equity method as of 30 June 2015.

1.5 - Significant accounting policies

1.5.1 - Impairment of non-current non-financial assets

Impairment testing is performed at the close of the financial year, as described in Note 2.10 to the consolidated financial statements for the year ended 31 December 2015 included in the 2015 registration document. Impairment testing is only performed as of 30 June 2016 in cases where indications of impairment existed as of 31 December 2015 or were identified during the half-year.

The application of these policies did not result in the recognition of impairment in the six months under review.

1.5.2 - Tax expense

In accordance with IAS 34, tax expense on earnings is recognised in the interim financial statements on the basis of the best estimate of the weighted average annual income tax rate expected for the full year. Deferred tax assets are recognised only when their recovery is deemed likely.

1.5.3 - Subsidies

In accordance with IAS 20, subsidies (including the research, and competitiveness and employment tax credits) are deducted from the expense to which they relate.

The amount recognised in respect of the six months to 30 June 2016 is calculated based on the estimated eligible expenses.

1.6 - Scope of consolidation

Companies	% control	% interest	Consolidation method (1)	Country in which the company is based
AKKA TECHNOLOGIES SE	-	-	CE	France
AEROCONSEIL PACIFIC SAS	100%	100%	FC	French Polynesia
AEROCONSEIL SAS	100%	100%	FC	France
AKKA AEROCONSEIL ESPANA SL	100%	100%	FC	Spain
AKKA BENELUX SA	100%	100%	FC	Belgium
AKKA DEUTSCHLAND Gmbh	100%	100%	FC	Germany
AKKA DEVELOPMENT UK (ex-AEROCONSEIL UK LTD)	100%	100%	FC	Great Britain
AKKA DEVELOPMENT SARL	100%	100%	FC	Luxembourg
AKKA GMBH	100%	100%	FC	Germany
AKKA GROUPE AMERIQUE DU NORD INC	100%	100%	FC	Canada
AKKA I&S SAS	100%	100%	FC	France
AKKA INFORMATIQUE ET SYSTEMES SAS	100%	100%	FC	France
AKKA INGENIERIE DOCUMENTAIRE SAS	100%	100%	FC	France
AKKA INGENIERIE PROCESS SAS	100%	100%	FC	France
AKKA INGENIERIE PRODUIT SAS	100%	100%	FC	France
AKKA ITALIA SRL	100%	100%	FC	Italy
AKKA LIFE SCIENCE	100%	100%	FC	France
AKKA MANAGER SARL	100%	100%	FC	France
AKKA MIDDLE EAST JLT	100%	100%	FC	Dubai
AKKA OCTOGON GmbH	100%	100%	FC	Germany
AKKA RESEARCH SAS (ex-CRDTA SAS)	100%	100%	FC	France
AKKA ROMSERV SRL	100%	100%	FC	Romania
AKKA RT GmbH	100%	100%	FC	Germany
AKKA SERVICES SAS	100%	100%	FC	France
AKKA SWITZERLAND SA	100%	100%	FC	Switzerland
ATP AUTOMOTIVE TESTING PAPENBURG GmbH	100%	65%	FC	Germany
AURONIK GmbH	100%	100%	FC	Germany
AURONIK Services GmbH	100%	100%	FC	Germany
CASCIOPE SAS	100%	100%	FC	France
CORIALIS AECWA SL	51%	51%	FC	Spain
CORIALIS ANGOLA SL	100%	100%	FC	Angola
CORIALIS CEMAC SARL	100%	100%	FC	France
CORIALIS CONGO SA	70%	70%	FC	Congo
CORIALIS EAST SARL	75%	75%	FC	France
CORIALIS ENGINEERS SAS	100%	100%	FC	France
CORIALIS IBERICA SL	100%	100%	FC	Spain
CORIALIS INGENIEROS SL	100%	100%	FC	Spain
EKIS FRANCE SAS	100%	100%	FC	France
EKIS SAS	100%	100%	FC	France
EPSCO EUROPE S.r.o.	100%	100%	FC	Slovakia
EPSCO RESOURCING LIMITED	100%	100%	FC	Great Britain
EPSCO Srl	100%	100%	FC	Italy
ERDIMAT SAS	99.97%	99.97%	FC	France
GEPILOG SAS	100%	100%	FC	France
MATIS BENELUX SPRL	100%	100%	FC	Belgium
MATIS DO BRASIL CONSULTORIA E PROJETOS INDUSTRIALS LTDA	100%	100%	FC	Brazil
MATIS HISPANIA SA	100%	100%	FC	Spain
MATIS HOLDING	100%	100%	FC	France
MATIS INFORMATIONS TECHNOLOGIES SAS	100%	100%	FC	France
MATIS INTERNATIONAL SA	100%	100%	FC	Belgium
MATIS NETHERLANDS BV	100%	100%	FC	Netherland
MATIS SUISSE SA	100%	100%	FC	Switzerland
MATIS TECHNOLOGIES - M.T. SA	100%	100%	FC	France
MB SIM TECHNOLOGY Co. Ltd.	100%	65%	FC	China
MBTECH BOHEMIA s.r.o.	100%	65%	FC	Czech Republic
MBTECH CONSULTING GmbH	100%	65%	FC	Germany
MBTECH EMC GmbH	100%	65%	FC	Germany
MBTECH GROUP GmbH & Co. KGaA	65%	65%	FC	Germany
MBTECH HUNGARY Mérnöki es Tanacsado Kft	100%	65%	FC	Hungary
MBTECH MUHENDISLIK VE DANISMANLIK Limited Sirketi	100%	65%	FC	Turkey
MBTECH NORTH AMERICA Inc.	100%	65%	FC	USA
MBTECH VERWALTUNGS - GmbH	65%	65%	FC	Germany
MB-TECHNOLOGY NA LLC.	100%	65%	FC	USA
MODELISATION ASSISTANCE TECHNIQUE INFORMATIQUE SCIENTIFIQUE (MATIS) SA	100%	100%	FC	France
PROCEDA MODELBAU GmbH	100%	65%	FC	Germany
REAL FUSIO SAS	100%	100%	FC	France
SYSTEM DESIGN GmbH	100%	65%	FC	Germany
VELOCITY 368 Ltd (ex-AKKA DEVELOPMENT UK Ltd)	100%	100%	FC	Great Britain

(1) CE = Consolidation Entity; FC = Full Consolidation

Changes in the scope of consolidation in the first half of 2016

There was no significant change in the scope of consolidation in the first half of 2016.

Changes in percentage interest

There was no significant change in percentage interests held in the first half of 2016.

2 - NOTES TO THE PROFIT AND LOSS STATEMENT

2.1 - Segment information

Segment information has been provided pursuant to IFRS 8 since 1 January 2009. The information provided in the segment breakdown is based on the internal reporting used by the chief operating decision-maker (Group Executive Committee) to assess the performance of the various segments.

As of 30 June 2016, the Group had identified three segments within the meaning of IFRS 8 on segment reporting, representing geographic regions, namely France, Germany and International excluding Germany.

With the exception of France and Germany, no country has reached the threshold of 10% of revenue or profit cited in IFRS 8. As international subsidiaries excluding Germany are managed by a single CEO, they have been combined within a single segment known as International (excluding Germany).

June 2016 - in thousands €	France	Germany	International (excl.Germany)	Others	TOTAL
PRODFIT AND LOSS STATEMENT					
External revenue	257,065	179,973	113,111	12	550,161
% of revenue	46.7%	32.7%	20.6%	0.0%	100.0%
Inter-segment sales	6,309	1,442	9,019	12,844	29,614
Revenue	263,374	181,415	122,130	12,856	579,775
Operating income and expense	(241,551)	(171,874)	(101,781)	(3,584)	(518,790)
Profit from business operations (3)	**15,514**	**8,099**	**11,330**	**(3,572)**	**31,371**
Other non-current income and expenses	-	-	-	-	(5,116)
Cost of net financial debt	-	-	-	-	(6,099)
Other financial income and expenses	-	-	-	-	1,001
Tax expense	-	-	-	-	(4,011)
Net profit	-	-	-	-	17,080

June 2015 - in thousands €	France	Germany	International (excl.Germany)	Others	TOTAL
PRODFIT AND LOSS STATEMENT					
External revenue	220,189	159,270	82,184	5	461,648
% of revenue	47.7%	34.5%	17.8%	0.0%	100.0%
Inter-segment sales	3,838	2,540	7,351	11,027	24,756
Revenue	224,027	161,810	89,535	11,032	486,404
Operating income and expense	(213,630)	(150,927)	(73,061)	(1,985)	(439,603)
Profit from business operations (3)	**6,559**	**8,343**	**9,123**	**(1,980)**	**22,045**
Other non-current income and expenses	-	-	-	-	(6,115)
Cost of net financial debt	-	-	-	-	(4,720)
Other financial income and expenses	-	-	-	-	(149)
Tax expense	-	-	-	-	(1,255)
Net profit	-	-	-	-	9,805

June 2016 - in thousands €	France	Germany	International (excl.Germany)	Others	TOTAL
BALANCE SHEET					
Segment assets (1)	128,151	82,350	52,208	38,269	300,978
Segment financial liabilities (2)	16,007	-	7,203	241,639	264,848

(1) Goodwill, intangible and tangible fixed assets, other non-current assets
(2) Financial liabilities including restructured debt

December 2015 - in thousands €	France	Germany	International (excl.Germany)	Others	TOTAL
BALANCE SHEET					
Segment assets (1)	126,365	74,573	48,778	43,376	293,092
Segment financial liabilities (2)	15,690	-	11,005	282,843	309,537

(1) Goodwill, intangible and tangible fixed assets, other non-current assets
(2) Financial liabilities including restructured debt
(3) Or operational margin

2.2 - External expenses

Amounts in thousands of euros	30 June 2016	30 June 2015
Sub-contracting	(64,748)	(46,849)
Other external expenses	(89,957)	(76,984)
External expenses	**(154,705)**	**(123,832)**

2.3 - Employees

2.3.1 - Average workforce of consolidated companies

	30 June 2016	30 June 2015
Executives	8,891	7,834
Others	3,496	2,964
TOTAL	**12,387**	**10,798**

The Group had 12,394 employees as of 30 June 2016 (compared with 12,222 as of 31 December 2015 and 10,822 as of 30 June 2015).

2.3.2 - Personnel expenses

Amounts in thousands of euros	30 June 2016	30 June 2015
Wages and salaries	(272,093)	(235,977)
Social secutiry expenses	(82,245)	(72,618)
Profit sharing	-	6
Staff costs	**(354,338)**	**(308,588)**

Subsidies were deducted from personnel expenses in the amount of €13,367 thousand in the six months to 30 June 2016 (including the competitiveness and employment tax credit), compared with €11,924 thousand in the six months to 30 June 2015.

2.4 - Depreciation and provisions

Amounts in thousands of euros	30 June 2016	30 June 2015
Net amortization and depreciation of fixed assets	(7,419)	(7,643)
Net depreciation of current assets	(879)	41
Net provisions for risks and expenses	5,714	2,331
Net depreciation and provisions	**(2,584)**	**(5,272)**

2.5 - Other non-current income and expenses

Other non-current income and expenses consist primarily of transformation costs and non-recurring expenses related to the integration of recently acquired companies.

Transformation costs stem from the Group's Margin Improvement Plan (MIP), launched in 2015. They are focused chiefly on reprofiling the Group's offers and structures, industrialising its expertise and the processes used in the management of large projects, streamlining its cost structure, and adapting skills and profiles to the new challenges facing the Group. They also include non-recurring expenses resulting from the integration of the three companies acquired in 2015.

They are designed to consolidate and accelerate the Group's profitable and sustainable growth in the coming years, as defined under its 2018 strategic plan.

2.6 - Financial income

2.6.1 - Cost of net financial debt

Amounts in thousands of euros	30 June 2016	30 June 2015
Income from cash and cash equivalents	**565**	**991**
Interest charges	(6,334)	(5,228)
Accretion (expense) in relation to restructured debt	(330)	(484)
Cost of gross financial debt	**(6,664)**	**(5,712)**
COST OF NET FINANCIAL DEBT	**(6,099)**	**(4,720)**

2.6.2 - Other financial income and expense

Amounts in thousands of euros	30 June 2016	30 June 2015
Other financial profit and expenses	1,001	(149)

2.7 - Income tax

Amounts in thousands of euros	30 June 2016	30 June 2015
Tax payable	(864)	1,377
CVAE (French local business tax based on value added)	(3,147)	(2,632)
Total corporation tax	**(4,011)**	**(1,255)**

In accordance with IAS 34, the current tax expense for the period under review was recognised on the basis of the average effective rate expected over the full year in 2016.

3 - NOTES TO THE BALANCE SHEET

3.1 - Goodwill

Amounts in thousands of euros	Cash generating unit	30 June 2016	Change in consolidation scope	Other changes	31 dec. 2015
AKKOCT - AKKA OCTOGON	AKKA Germany	2,168	-	-	2,168
AKKRT - AKKA RT	AKKA RT	3,249	-	413	2,836
AURGER - AURONIK GmbH	Auronik	16,435	-	-	16,435
MBTGROUP - MBTGROUP	MBtech	16,420	-	-	16,420
AECFR - AECFR	AKKA France	3,147	-	-	3,147
AKKDOC - AKKDOC	AKKA France	5,346	-	-	5,346
AKKINS - AKKA INFO ET SYST	AKKA France	16,163	-	-	16,163
AKKIS - AKKA I&S	AKKA France	27,129	-	-	27,129
AKKPCS - PROCESS	AKKA France	3,128	-	-	3,128
AKKPDT - PRODUIT	AKKA France	19,738	-	-	19,738
EKIFR - EKIS FRANCE	AKKA France	8,438	-	-	8,438
MATISSA - MATIS SA	Matis	32,482	400	-	32,082
REAL - REAL FUSIO	AKKA France	388	-	-	388
AKKBEN - AKKA BENELUX	AKKA Benelux	8,148	-	-	8,148
AKKIT - AKKA ITALIA	AKKA Italy	580	-	-	580
AKKROM - ROMSERV	AKKA Romania	105	-	-	105
AKKSWI - AKKA SWITZERLAND SA	AKKA Switzerland	2,329	-	(3)	2,332
CORENGI - CORIALIS ENGINEERS	CORIALIS	16,104	-	-	16,104
EPSCOIT - EPSCO Srl	EPSCO	11,898	-	-	11,898
AKKLIFE - AKKLIFE	AKKA France	277	-	277	-
Amount of goodwill		**193,672**	**400**	**687**	**192,585**

The implementation of the procedures defined in Note 1.5.1 did not result in the recognition of any impairment in the financial statements for the six months to 30 June 2016, as was the case in the year ended 31 December 2015.

Goodwill varied in the amount of €1,126 thousand in the first half of 2016. In accordance with IFRS, the Group has one year to measure the fair value of assets acquired and liabilities assumed, and goodwill.

3.2 - Intangible assets and tangible assets

Amounts in thousands of euros	Gross intangible fixed assets	Depreciation on intangible fixed assets	TOTAL
1st january 2015	**38,589**	**(29,031)**	**9,558**
Changes in consolidation scope	1,856	(1,332)	524
Acquisitions	5,624	-	5,624
Disposals	(1,670)	1,089	(581)
Depreciation	-	(4,610)	(4,610)
Currency translation differences	39	(30)	9
Other changes	96	(79)	17
31 december 2015	**44,535**	**(33,993)**	**10,542**
Changes in consolidation scope	-	-	-
Acquisitions	8,924	-	8,924
Disposals	(23)	17	(6)
Depreciation	-	(1,945)	(1,945)
Currency translation differences	(20)	18	(2)
Other changes	(4)	3	(1)
30 june 2016	**53,412**	**(35,900)**	**17,512**

Amounts in thousands of euros	Gross tangible fixed assets	Depreciation on tangible fixed assets	TOTAL
1st january 2015	**138,096**	**(92,795)**	**45,301**
Changes in consolidation scope	2,541	(1,508)	1,033
Acquisitions	11,353	-	11,353
Disposals	(2,853)	2,528	(325)
Depreciation	-	(11,383)	(11,383)
Currency translation differences	438	(235)	204
Other changes	3	(15)	(13)
31 december 2015	**149,577**	**(103,407)**	**46,170**
Changes in consolidation scope	-	-	-
Acquisitions	12,481	-	12,481
Disposals	(1,850)	1,279	(571)
Depreciation	-	(5,884)	(5,884)
Currency translation differences	(108)	66	(42)
Other changes	195	(169)	26
30 june 2016	**160,295**	**(108,116)**	**52,180**

3.3 - Other non-current assets

This item consists primarily of receivables in respect of R&D subsidies in the amount of €36,519 thousand (compared with €42,640 thousand in the year ended 31 December 2015) and the adjustment to their present value in the amount of €118 thousand, compared with €329 thousand in the year ended 31 December 2015.

3.4 - Trade receivables and related accounts

Amounts in thousands of euros	30 June 2016	31 Dec. 2015
Work in progress for clients	101,284	117,284
Invoices to be prepared	149,279	105,796
Gross trade receivables	**250,563**	**223,081**
Provisions	(12,948)	(12,105)
Net trade receivables	**237,615**	**210,975**

Unmatured receivables assigned to the factor and derecognised totalled €130,866 thousand as of 30 June 2016, compared with €123,444 thousand as of 31 December 2015. They represent the total amount of unmatured receivables assigned to the factor and not yet settled by customers, and are recorded as a credit in the trade receivables account.

3.5 - Other receivables

Other net receivables amounted to €114,996 thousand as of 30 June 2016. They consisted primarily of claims on the Treasury in the amount of €78,910 thousand.
Other net receivables amounted to €122,405 thousand as of 31 December 2015, including claims on the Treasury in the amount of €83,309 thousand.

In 2016, as in 2015, following analysis of the maturity of other receivables, the portion due in more than one year has been reclassified in "other non-current assets" and been discounted (see Note 3.3).

3.6 - Cash and cash equivalents

This item breaks down as cash in the amount of €116,614 thousand and cash equivalents in the net amount of €6,878 thousand.

Cash includes funds made available by the factor but not used in the amount of €67,790 thousand as of 30 June 2016 (compared with €32,350 thousand as of 31 December 2015).

3.7 - Share capital and share premium

As of 30 June 2016, the share capital of AKKA Technologies comprised 20,277,690 shares with a par value of €1.53 each, or a total of €31,025 thousand. The share premium was nil. These items varied as follows in the first half of 2016:

	Number of shares	Par value	Amount of share capital	Premium over par value	Notes
31 december 2014	**16,756,955**	**1.53**	**25,638**	**4,635**	
Increase in capital	1,675,695	1.53	2,565	(2,565)	Allotment of 1 free share for 10 held (Board of Directors meeting of 31 March 2015)
Increase in capital	1,614	1.53	2	(1)	Issue of free shares (Board of Directors meeting of 15 September 2015)
31 december 2015	**18,434,264**	**1.53**	**28,205**	**2,069**	
Increase in capital	1,843,426	1.53	2,820	(2,069)	Allotment of 1 free share for 10 held (Board of Directors meeting of 31 March 2016)
30 june 2016	**20,277,690**	**1.53**	**31,025**	**-**	

Potentially dilutive instruments:

Instruments issued by the AKKA Technologies Group with a potentially dilutive effect are as follows:

	Number of shares
Free shares allotted on 1st June 2015	14,300
Total dilutive instruments	**14,300**

Dilutive instruments represented 0.07% of share capital as of 30 June 2016.

The free shares awarded on 1 June 2015 have a two-year vesting period.

The Group recognised expenses in the amount of €66 thousand in respect of free shares and stock options (IFRS 2) in the first half of 2016. No expense of this nature was recorded in the first half of 2015.

The company is not subject to any specific regulatory or contractual obligations in respect of its share capital. The Group has no specific management policy in respect of share capital. The choice between funding through debt or a capital increase is made depending on the prospective transaction. Shareholders' equity monitored by the Group contains the same components as consolidated equity.

3.8 - Current and non-current provisions

Amounts in thousands of euros	Current		Non-current	
Due date	**30 June 2016**	**31 Dec. 2015**	**30 June 2016**	**31 Dec. 2015**
Provisions for disputes and risks	12,059	18,537	5,334	5,021
Provisions for pensions	-	-	15,948	13,650
Provisions for taxes	-	-	1,045	1,022
Provisions for other expenses	326	409	582	570
Total	**12,385**	**18,946**	**22,909**	**20,263**

Change in provisions

Amounts in thousands of euros	Disputes and risks	Pensions	Taxes	Other provisions	Total
1st january 2015	**23,137**	**13,510**	**977**	**1,501**	**39,125**
Changes in consolidation scope	4,463	328	-	-	4,791
Allowances	3,414	1,222	45	194	4,875
Reversals of used provisions	(5,990)	(240)	-	(21)	(6,251)
Reversals of unused provisions	(1,528)	(29)	-	(695)	(2,252)
Currency translation differences	17	-	-	-	17
Actuarial differences	-	(1,141)	-	-	(1,141)
Reclassification and others	45	-	-	-	45
31 december 2015	**23,559**	**13,650**	**1,022**	**979**	**39,210**
Changes in consolidation scope	-	-	-	-	-
Allowances	757	709	23	54	1,543
Reversals of used provisions	(6,602)	(201)	-	(125)	(6,928)
Reversals of unused provisions	(314)	-	-	-	(314)
Currency translation differences	(6)	-	-	-	(6)
Actuarial differences	-	1,790	-	-	1,790
Reclassification and others	-	-	-	-	-
30 june 2016	**17,394**	**15,948**	**1,045**	**908**	**35,295**

Actuarial gains and losses are recognised in other comprehensive income, and result primarily from change in the discount rate (1.05% as of 30 June 2016, compared with 2.03% as of 31 December 2015).

3.9 - Financial liabilities

The financial liabilities shown below exclude the restructured debt described in Note 3.10 and debt resulting from acquisitions described in Note 3.11.

Amounts in thousands of euros	Total financial liabilities	
Due date	**30 June 2016**	**31 Dec. 2015**
Current (less than one year)	6,711	13,195
1 to 5 year	242,680	281,215
More than 5 years	-	-
Total	**249,391**	**294,410**

The portion of financial liabilities due within one year appears on the balance sheet under "current financial liabilities". The portion due in more than a year appears under "non-current financial liabilities".

Change in financial liabilities between 31 December 2015 and 30 June 2016 breaks down as follows:

Amounts in thousands of euros	30 June 2016	Changes in consolida-tion scope	Increases	Currency translation differences	Changes in Fair value	Reductions and reclassifi-cations	31 dec. 2015
Borrowings from credit institutions	149,868	-	607	(147)	1,111	(44,463)	192,760
Restatement of financial leases	-	-	-	-	-	-	-
Bonds	99,351	-	-	-	-	(2,076)	101,427
Miscellaneous financial liabilities	169	-	-	-	-	(53)	222
Bank overdrafts	-	-	-	-	-	-	-
Financial liabilities	**249,388**	**-**	**607**	**(147)**	**1,111**	**(46,592)**	**294,409**
Cash equivalents	(6,878)	-	-	-	-	91,112	(97,990)
Cash	(116,614)	-	-	-	-	516	(117,130)
Cash and cash equivalents	**(123,492)**	**-**	**-**	**-**	**-**	**91,628**	**(215,120)**
Net debt (- net cash) excluding restructured debt	**125,896**	**-**	**607**	**(147)**	**1,111**	**45,036**	**79,289**

On 30 June 2016, AKKA Technologies signed a new five-year €200 million revolving credit facility. The facility set up on 12 April 2012 and renegotiated in December 2014 expired in the first half of 2016.

Pledges and guarantees amounted to €62,575 thousand as of 30 June 2016, compared with €74,574 thousand as of 31 December 2015. They relate primarily to:

-> An autonomous MBtech guarantee in the amount of €42,500 thousand for a lease taken out on plan,

-> A guarantee to replace the vendor of Epsco under guarantees given,

-> A joint guarantee granted to Corialis.

Acquisitions come with collateral clauses covering assets and liabilities through sureties. Commitments received by the Group in this respect amounted to €31,700 thousand as of 30 June 2016, compared with €31,700 thousand as of 31 December 2015.

As of 30 June 2016, the covenants negotiated with the Group's banks were as follows:

-> Leverage ratio: consolidated net debt/consolidated EBITDA <3.5x as of 30 June and 31 December each year.

-> Gearing: consolidated net debt/shareholders' equity <1.5x as of 30 June and 31 December each year.

The Group was in compliance with both covenants as of 30 June 2016.

Hedging instruments

-> On 30 October 2014, the Group signed an interest rate hedging contract on the Schuldscheindarlehen to protect itself against a possible increase in 6-month Euribor. The derivative financial instrument held as of 31 December 2014 is a SWAP contract with the following characteristics:

- SWAP at a fixed rate of 0.465% on the portion of the loan maturing in five years (maturing 30 October 2019), i.e. an amount of €67.0 million.
- SWAP at a fixed rate of 0.710% on the portion of the loan maturing in seven years (maturing 30 October 2021), i.e. an amount of €13.5 million.

This hedging instrument meets the definition of a cash flow hedge. Its fair value was recorded in the amount of €(1,111) thousand in other comprehensive income in as of 30 June 2016.

3.10 - Restructured debt

Since 31 December 2015, "accretion" has generated a financial expense of €353 thousand recorded over the six months under review (compared with €506 thousand in the first half of 2015).

Amounts in thousands of euros	30 June 2016	Increases	Reduction and reclassifications	1 Jan. 2016
Current restructured debt	8,042	-	-	8,042
Non-current restructured debt	7,415	330	-	7,085
Restructured debt	**15,457**	**330**	**-**	**15,127**

Amounts in thousands of euros	31 Dec. 2015	Increases	Reduction and reclassifications	1 Jan. 2015
Current restructured debt	8,042	-	-	8,042
Non-current restructured debt	7,085	968	(8,041)	14,158
Restructured debt	**15,127**	**968**	**(8,041)**	**22,200**

The annual dividend is due on 4 September 2016.

3.11 - Other liabilities

Amounts in thousands of euros	30 June 2016	31 Dec. 2015
Other debts associated with external growth transactions	3,000	9,000
Deferred income	12,446	26,344
Other items	23,356	26,031
Total other liabilities	**38,801**	**61,375**

4 - NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

4.1 - Change in net working capital

Amounts in thousands of euros	30 June 2016	30 June 2015
Inventories	1,002	(549)
Trade recaivables and associated accounts	(27,317)	(25,686)
Other accounts receivable	13,787	(32,467)
Other non-current assets	(210)	(627)
Trade payables	2,776	3,183
Tax and social security liabilities	1,425	3,817
Miscellaneous debts (excluding debts on acquisitions of fixed assets)	(22,065)	1,564
Change in working capital requirement	**(30,603)**	**(50,765)**

4.2 - Impact of changes in the scope of consolidation

The impact of change in the scope of consolidation results from earn-out payments and disbursements to pay for acquisitions, net of the cash contributed by the acquired companies.

4.3 - Dividends

Dividends in respect of 2015 due in July 2016 amounted to €9,830 thousand or €0.50 per share, compared with €8,949 thousand or €0.55 per share paid in 2015 (taking into account the granting of one bonus share for every ten shares held).

5 - SUBSEQUENT EVENTS

German company Erlkönig has joined the Group: Erlkonig's entry into the AKKA Technologies Group comes against the backdrop of the reorganisation of the Group's German activities around three areas (Northern, Southwest and Southeast Germany). Founded in 2003, Erlkönig specialises in high value-added activities in processes, mobility and digitisation in the automotive sector.

With over 270 talented employees, it posted revenue of nearly €22 million in 2015, with front-ranking margins. It operates chiefly in Northern and Southeast Germany. Its skills complement those of Auronik, and its proximity with the Volkswagen Group, its leading customer, will accelerate the diversification of the AKKA Technologies Group among German automakers. The deal is expected to close before the end of the year. The two groups have already started working together under the aegis of AKKA Technologies' Northern Germany COO, with a view to achieving potential synergies as early as possible.

6 - OTHER INFORMATION

6.1 - Financial instruments

No reclassification between the various categories of financial instruments was recorded in the six months to 30 June 2016.

6.2 - Information on related parties

Three companies meet the definition of related parties within the meaning of IAS 24:

- Idéactive Events (organisation of events);
- Saône Valley (property leasing);
- Dubaia9 (provision of services).

As transactions with these three companies are not considered material, they are not disclosed in these notes.

6.3 - Information relating to risk management

In the course of their operations, companies within the Group are subject to audit by tax authorities and social security bodies. Since 2005, the Group has been subject to regular audits of all of its accounting, tax (income tax, business tax replaced by the CVAE, subsidies, research tax credits, VAT, etc.) and social security (social security contributions and taxes levied on wages) reporting obligations, for subsidiaries operating both in France and internationally. These audits were completed in 2012, without significantly impacting the Group's financial position. For certain audited companies, adjustment proposals were received in July 2012. The issues raised related notably to the eligibility of certain subsidised projects. Additional information and responses necessary for a proper understanding were provided point by point on all of the observations made by the authorities so as to allow them to validate the Group's positions. The tax authorities refused to take these elements into account, but the Group strongly disputes the grounds for additional liabilities. It accordingly referred the matter to the administrative courts on 23 June 2014. The latest developments in the procedure, and in particular the favourable opinion received from the Ministry for Education, Higher Education and Research (MENESR) in February 2015 in respect of 2012 and 2013, back up the risk analysis made by the Group's management. After taking into account the opinions of our independent legal and tax advisors, and considering the quality of the favourable elements contained in the file, we do not expect ultimately to see a material impact on the Group's financial statements. For information, the consequences of the audits in the event of a completely unfavourable outcome in the ongoing procedure would not impact the Group's cash position. On 10 June 2016, the Paris Administrative Court ordered further investigation to allow it to rule on the merits of the case later. This midway ruling confirms the risk analysis made by the Group at this stage. In addition, the Group received notice of the interruption of proceedings on certain companies at the end of 2014. Notifications were received in late 2015. The Group has contested them. Talks are ongoing with the tax authorities. After taking into account the opinions of our legal and tax advisors, we do not anticipate any risk on the audits currently underway given the quality of our records and the documents provided to the tax authorities during the process of these audits.

B - INTERIM MANAGEMENT REPORT

Significant events in the first half

The first half of 2016 was marked by the following events:

1. Revenue and margins

The Group recorded revenue of €550.2 million in the first half. Revenue grew by 19.2%, with organic growth of 7.9% (+5.6% in Q1 and +10.1% in Q2). The Group's three business units displayed strong momentum over the period, with organic growth of 5.1% in France, 13.0% in Germany and 5.5% internationally.

• **France** recorded best-in-class performances in the first half of 2016. At €257.1 million, its revenue was up 16.8%, with organic growth of 5.1%. In a market driven by growth in the automotive sector and a resumption of growth in the aerospace and railway sectors, the Group benefited from its position in the mobility sector and its ability to gain market share. The acceleration also reflects the effectiveness of the new sales organisation established under the PACT 17 transformation plan. The BU's growth came alongside a rapid improvement in its operating performance. The French operations saw their operating margin from ordinary activities double to 6.0%, vs 3.0% in H1 2015. Including recurring subsidies, the margin was 9.0%. The increase is set to continue in the coming half-years, allowing the French operations to deliver normative margins in 2017, a year ahead of the Group's initial objective.

• **In Germany**, the Group has decided to reinforce its diversification strategy by reorganising its German operations into three areas with high potential, namely Northern, Southwest and Southeast Germany. Mirroring the successful transformation in France, the aim is to reposition the offer on projects with greater value added, while refreshing the local commercial approach, which should help restore normative margins, above the Group's. Revenue grew by 13.0% on an organic basis to €180.0 million in H1 2016. Growth was driven by the robust pace of diversification. AKKA Technologies accordingly recorded double-digit organic revenue growth with Volkswagen, Continental AG and Bosch. Operating profit from ordinary activities was stable at €8.1 million, representing an operating margin of 4.5% (5.2% in H1 2015). The margin was affected by difficulties in Bavaria, heightened competition and the ongoing reorganisation.

• **International activities** (excluding Germany) benefited from the strengthening of their positions through the acquisitions of Epsco, Corialis and Matis. Their revenue totalled €113.1 million in H1 2016, an increase of 37.6% compared with H1 2015. Organic growth remained strong at 5.5% across the first half as a whole, despite a demanding comparison base. Most countries posted strong growth with high margins over the period, despite continued commercial investments for future growth: Spain, Czech Republic, Turkey, Switzerland and the UK. The successful integration of Matis is reflected in the good performance recorded in Belgium, namely growth of 62% (organic growth of 6.4%), with double-digit margins. In total, international operations generated profit from business operations of €11.3 million, representing an operating margin from ordinary activities of 10.0%. The continued diversification of the Group's international operations will be one of the drivers of margin improvement going forward.

2. Operating profit from ordinary activities

Operating profit from ordinary activities grew by 42% overall to €31.4 million (€22.0 million in H1 2015). The operating margin from ordinary activities accordingly recorded a 90bp improvement to 5.7%, compared with 4.8% in H1 2015.

The improvement is, as stated previously, attributable to the performance of the French operations, which nearly doubled their margin, the swift recovery of Matis and the growth of international operations, which continue to deliver double-digit margins.

3. Net borrowing costs

Net borrowing costs totalled €6.1 million, an increase of 29% compared with the six months to 30 June 2015. It notably includes € 0.3 million accretion cost of restructured debt, €4.4 million in interest on loans (vs €4.2 million in 2015) and bank charges relating to the RCF contract that ended at the end of the first half.

4. Net income

Consolidated net income increased by 74% to €17.1 million in H1 2016, compared with €9.8 million in H1 2015. The Group's consolidated net profit margin was 3.1% (2.1% in H1 2015).

Main transactions with related parties

See Note 6.2 to the interim condensed financial statements above.

Significant events since 30 June 2016

See Note 5 to the interim condensed financial statements above.

2016 outlook

-> Market momentum has been improving for several quarters. AKKA Technologies is gaining market share thanks to its unique positioning.

-> The diversification of the German activities continues at a sustained pace. International operations continue to expand, while generating double-digit margins. France is benefiting from the success of its transformation to continue its growth, while significantly improving its margins.

-> The integration of Matis has been successful, resulting in a swift improvement in its positioning and operating margins.

-> As such, the AKKA Technologies Group confirms its target of achieving organic revenue growth in each of its three business units in 2016, combined with a further improvement in its margins.

2018 outlook

-> Robust organic growth and recent acquisitions constitute a sound base for growth in the coming half years.

-> Mirroring its experience in France, which recorded a strong improvement in margins in the first half of 2016, Germany expects its margins to improve gradually under the combined effect of the return to growth, the new organisation and the Margin Improvement Plan.

-> The Group also aims to pursue its dynamic external growth strategy through targeted acquisitions generating organic growth.

The Group accordingly confirms its 2018 objectives:

-> Revenue of €1.2 billion,

-> Operating profit from ordinary activities* of €100 million,

-> Operating margin from ordinary activities of between 8% and 10%.

** Operating profit from ordinary activities calculated before non-recurring items and cost of stock options and free shares.*

Risks and uncertainties in the second half

See Note 6.3 to the interim condensed financial statements above.

No new risks liable to have a significant impact on the second half of 2016 have been identified since the filing of the 2015 registration document (registered by the French Financial Markets Authority in April 2016).

C - DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT (Article 222-4-3 of the AMF General Regulation)

I certify that, to the best of my knowledge, the interim condensed financial statements were prepared in accordance with applicable accounting standards and give a fair view of the assets, financial position and results of the company or the companies included in the consolidated group, and that the attached interim management report presents a fair review of the significant events that occurred during the first six months of the financial year and their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the year.

Lyon,
21 September 2016

Maurice RICCI
Chairman and CEO

D - STATUTORY AUDITOR'S REPORT ON THE INTERIM 2016 FINANCIAL INFORMATION

To the shareholders,

In performing the assignment entrusted to us by your Shareholders' Meeting, and pursuant article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we have carried out:

->a limited review of the consolidated interim financial statements of AKKA Technologies, for the period from 1 January to 30 June 2016, as attached to this report;

->a verification of the information provided in the interim management report.

These interim condensed consolidated financial statements were prepared under the responsibility of the Board of Directors. It is our responsibility, based on our limited review, to express a conclusion on these financial statements.

1. Opinion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review consists mainly of meeting with the members of management responsible for financial and accounting matters and implementing analytical procedures. This work is substantially less extensive than that required for an audit conducted in accordance with professional standards applicable in France. Consequently, the assurance that the financial statements taken as a whole do not contain significant anomalies obtained within the framework of a limited review is a moderate assurance, less than that obtained in the course of an audit.

Our limited review did not reveal any significant anomalies liable to call into question the compliance of the interim consolidated financial statements with IAS 34, the IFRS applicable to interim financial reporting as adopted in the European Union.

2. Specific verification

We also verified the information provided in the interim management report on the interim condensed consolidated financial statements subject to our review. We have no comment to make as to its sincerity or its consistency with the interim consolidated financial statements.

Villeurbanne and Lyon, 21 September 2016
The Auditors

ORFIS Baker Tilly
Jean-Louis FLECHE

Deloitte & Associés
Patrice Choquet

PASSION FOR TECHNOLOGIES

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