

PRESS RELEASE

**Sharp increase of Profit from Operating Activities
for the First Half of Fiscal Year 2011 ⁽¹⁾**
(ISIN FR 0000066607)

<i>(in Thousand Euros)</i>	31.03.11	31.03.10	Variation	30.09.10
Revenue	149 703	128 081	+ 16.9 %	263 952
Profit from Operating Activities	7 481	5 523	+ 35.5 %	13 183
Operating Profit	7 527	4 023	+ 87.1 %	5 463
Net Income - Group Share	5 256	2 420	+ 117.2%	706

Highlights for the First Half of Fiscal Year 2011:

1) **Signaling Division** (36% of revenue) : Profit from operating activities is down due to a strain on prices. The second half is better oriented and should confirm the capacity for the division to deliver positive profit from operating activities despite a very difficult environment.

2) **Telemetry Division** (10% of revenue) : again a favourable evolution, both in terms of revenue (+11.3%) and profit from operating activities (+23%). The next six months will confirm this outstanding performance.

3) **Electronic Division** (54% of revenue) : sharp increase in revenue (+30%) and profit from operating activities, which amounts to €2.6M compared to €0.6M as of March 31st, 2010. The outlook for the second half remains favourable, in spite of the crisis in Japan. The takeover of TES Design Centers doubles the Design capacity of the division, and strengthens its potential for growth. Profit from operating activities will show a very sharp increase, despite the costs generated by this transaction.

In this context, the Group reports a significant increase of its revenue and profit from operating activities. This trend will be confirmed during the second half.

⁽¹⁾ *The statutory auditors did a limited examination of the accounts.*

Contact : Yves KROTOFF Tel : 02 40 92 32 00 – y.krotoff@lacroix.fr

The biannual report is available from our website www.lacroix-sa.fr