

**PRESS RELEASE**  
**LACROIX GROUP**  
(ISIN FR 0000066607)

## **2015/2016 First Half-Year Results**

**LACROIX Group continues its transition towards a group-wide approach based on its expertise as technological equipment supplier and complementary businesses operating around the concept « connected technologies for a smarter world ».**

**With this in view, the first half-year results show a decline and at the same time reveal the first encouraging signs of the « 2020 ambition » challenge. In concrete terms, LACROIX Electronics' operational profitability is recovering as it puts greater focus on the industry of the future. LACROIX Sofrel confirms its good performances with faster growth on international markets. Recent acquisitions made by LACROIX City show good performances whereas traditional markets are struggling.**

The highlights of the first half-year are as follows:

- 1) **LACROIX Electronics:** growth remains buoyant (+17%), with a substantial improvement of the Profit from Operating Activities (PFOA), in line with forecast, despite continuing difficulties in the R&D Centers and in Germany. In a context of slower growth, the second half-year is set to generate an improved PFOA for this business.
- 2) **LACROIX Sofrel:** revenue grew by almost 7%, mainly driven by exports. This growth enables to limit the decline of the PFOA, resulting from increasing R&D expenses and the strengthening of the teams. Over the year, the activity will post satisfactory results despite a flattening growth over the second half-year.
- 3) **LACROIX City:** revenue is slightly up thanks to the integration of acquisitions and despite the sharp decline in activity in the historical road signage business. This evolution had a strong impact on the PFOA, and the Operating Profit is affected by the reorganization in the road signage business.

Over the second half-year, pressure on volumes and prices, as well as impact from reorganization, will continue to affect the PFOA with respect to the historical business, and will leave it in deficit. The contribution of the acquisitions completed in 2015 will remain positive.

Restoring profitability will take time, in a market which is no longer growing but which still offers real opportunities. The ongoing reorganization, tougher than expected, is being carried out with energy and determination, with the support of the teams. This involvement will enable to be more efficient and to position LACROIX City as a market-leading company, in the long term.

In this mixed environment, the consolidated result will be down compared to the previous year, despite a significant improvement in the second half-year. This level of results does not affect the financial structure of the Group, and enables to continue investing and refocusing LACROIX on its expanding markets.

**First Half-Year results <sup>(1)</sup> – Fiscal Year 2015/2016 :**

In Million Euros	31.03.2016	31.03.2015	Variation	30.09.2015
Revenue	215,8	190,7	13%	395,1
Profit from Operating Activities	2,1	3,5	-40%	8,2
Operating profit	-2,5	1,4	-279%	4,5
Net Income Group share	-1,8	0,2	N/A	1,0
Net debts / Equity (Gearing)	0,30	0,24	N/A	0,33

<sup>(1)</sup> *The financial statements have been the subject of a limited review by the company's auditors.*

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