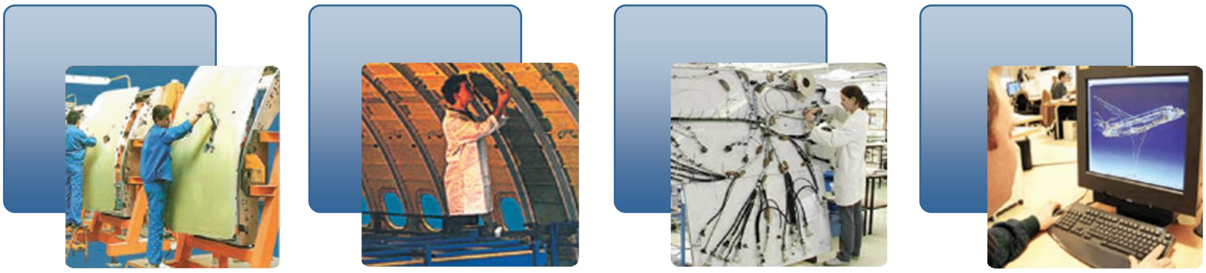
GROUPE LATECOERE



Half-year report

2016

CONTENTS

1 HALF-YEAR REPORT

The consolidated financial statements of the Group have been approved by the Board of Directors on October 6, 2016.

Main events

- **Launch of the Transformation 2020 project**[1]
- **Project for the sale of Latécoère Services**[2]
- **Activity Up 3.9% at Constant Exchange Rates**
- **Improvement of Current Operating Performance: Adjusted EBIT at € 24.4 million**
- **Non-recurring Restructuring Provisions That Impact Net Result**

Launch of the *Transformation 2020* project

Continuing the Boost plan successfully deployed since 2014, the Group announced on June 7, 2016, the launch of its strategic Transformation 2020 project. This project aims to develop the Group's capacity to benefit fully from the next round of new programs expected between 2020 and 2025, thanks to restored competitiveness and investment capacity.

This project consists of the Group's refocusing on its core activities and in-depth transformation of its industrial plan, a prerequisite for its strategic repositioning and its development.
In particular it would include:

- the creation of a new production facility for machining and boilermaking in the Toulouse region (Aerostructures Industry Division) to enable the Group to re-internalize the value added;
- the closing of the Tarbes site (division of Interconnection Systems) that does not have the necessary critical mass;
- the creation of a plant for small assemblies in a "best cost" area in order to relieve the Group's factory in the Czech Republic and re-internalize the work done by subcontractors.

Project for the sale of Latécoère Services

In connection with the Transformation 2020 project, the Group's Board of Directors assembled on September 7, 2016, announced that it had received a firm purchase offer from Groupe ADF for Latécoère Services, which it decided to accept in principle. The finalization of this project is expected in the fourth quarter of 2016 and would contribute to the reduction of financial debt and the redeployment of the Latécoère group. This operation would be effective in the consolidated accounts of the Latécoère Group at December 31, 2016.

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[1] The implementation of this project is subject to prior procedures for informing and consulting with employee representative bodies.

[1] This proposed sale is subject to a process of information and consultation of personnel representative bodies and approval of the competent competition authorities - scope of the sale: Locations in Sainte Foy d'Aigrefeuille and Purpan, branches offices near Paris, Bordeaux, Nantes and in the PACA region, Latécoère Services Iberia, Latécoère Services Ltd, Latécoère Services Canada Inc. and 51% of G2Métric that is fulyl consolidated.

INCOME STATEMENT IN ADJUSTED DATA

All figures in this press release are expressed in adjusted data[3], unless otherwise indicated. Definitions of restatements and the table of passage of the consolidated profit and loss account in the income statement adjusted to mid-2016 are available in this release.

('000 EURO)	30.06.2016	30.06.2015 *
Revenue	**342,5**	**314,1**
Recurring Operating Income (EBIT)	**24,4**	**12,8**
Operating Income / Revenue	*7,1%*	*4,1%*
Other non-recurring operating income and expenses	-31,3	0,0
Operating income	**-6,9**	**12,8**
Net Cost of debt	-4,0	-7,1
other financial result	-4,8	-0,8
Financial Result	**-8,8**	**-7,9**
Income tax	-3,6	-4,3
Net Result for the period from continuing operations	**-19,4**	**0,6**
Net Result for the period from discontinued operations	0,9	0,8
GROUP NET RESULT	**-18,6**	**-0,4**

*Figures have been restated as mentioned following the application of IFRS 5 "Non-current assets held for sale and discontinued operations"
**In conformity with IFRS 5 standard, Latécoère Services activities (including activities of the Aerostructure Services segment) the net profit of discontinued operations realized over the year is disclosed by a single amount on the face of the consolidated income statement into the line named "Net profit from discontinued operations". These activities are therefore not inculed in the revenue, the operating income and the Group's order book.

Activity Up 3.9% at Constant Exchange Rates, Driven by Rising Production Rates of the A350

The turnover of the Latécoère group was €342.5 million, an increase of € 28.5 million (+ 9.0%) compared to June 30, 2015. The Group benefitted from a positive exchange rate effect relative to €/US$ exchange rate hedging unwound on the first half of 2016. At constant exchange rates, growth was 3.9%. This dynamic evolution builds on a progression of Interconnection Systems activities, amplified by a favorable base effect.

The Aerostructure industry activity was down –4.0% at constant exchange rates (€ 217.3 million, or + 0.7%). This reflects, among others, the decline in rates of the A330, and especially that of the B787 as a result of the will of Boeing to reduce its work-in-progress now that the program has reached maturity.

The Interconnection Systems branch continues to show very strong growth in its business with a turnover of € 124.9 million on the 1st half against € 98.0 million a year earlier (+ 20.3% at constant exchange rates). In addition to a favorable base effect, activity has fully benefited from the rise in rates of the A350 program on which it is strongly positioned.

Moreover, the Interconnection Systems activity has managed to position itself for the first time at Embraer (development of the KC-390 harnesses) and at Novaer. Although insignificant on the scale of the group, the winning of these contracts illustrates the willingness and ability of the group to expand its customer portfolio. In addition, the branch won the contract for the realization of the A400M cockpit panels.

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[3] In order better to allow the monitoring and comparability of its operational and financial performance, the Group decided to submit, in parallel with the consolidated financial statements, an adjusted income statement. The latter is adjusted for the impact:

- *for the variation in non-recurring work-in-progress (net of provisions) resulting from the accounting of contracts in accordance with IAS11 (construction contracts); and*
- *of the impact of exchange rate gains and losses on €/US$ hedging recorded in financial result but relating to operational flows.*

Improvement of Operating Performance

The operating result (EBIT) of the Group amounted to € 24.4 million, up € 11.6 million compared to H1 2015.

The Group continued the implementation of actions for improvement of industrial performance in the Aerostructures activities. Thus, the current operating result of the Aerostructure Industry Division improved to € 1.4 million at June 30, 2016, benefiting from the decrease in the costs of programs subject to "redesign to cost" and a favorable currency exchange impact. The branch still operates in a context of strong pressure on prices, decreases in production rates and an unfavorable base effect in H1 2016 customer support activities.

Current operating result of the Interconnection Systems activities was € 11.2 million in H1 2016 compared to € 1.5 million recorded in H1 2015. The results of industrial transfers to "best costs" areas initiated in 2015 and a favorable currency exchange impact contributed significantly to the improvement in operating margin in this branch.

In the context of the profound changes to the industrial plan of the Group, pillar of the Transformation 2020 plan, Latécoère has commenced an adaptation of its organization through a Voluntary Departure Plan followed by an Employment Safeguard Plan (ESP), maintaining in the Toulouse region the decision-making center of the Group and high value-added activities including engineering and Research & Technology. In this context, the project could lead to the elimination of 172 positions and the modification of 109 employment agreements.

Based on the latest information known at the date of the financial statements, the Group made a net restructuring provision of € 31.3 million. This includes, in accordance with IAS 37, only the necessary costs of the restructuring plan and in particular: redundancy allowances, aid for redeployment and training and consulting fees directly associated with the ESP. Provisions have not been made for costs, such as internal mobility costs induced by the plan, because they are not eligible under IAS 37. The outflow of resources associated with this plan would occur mainly in 2017 and 2018.
Thus, H1 2016 operating result was -€ 6.9 million, worsened exclusively by the estimated impacts of the proposed Employment Safeguard Plan.

At June 30, 2016, the financial result was -€ 8.8 million compared to -€ 7.9 million at June 30, 2015, reflecting on the one hand, a debt cost of € 4.0 million in net improvement from € 3.0 million due to the effects of the financial restructuring of the Group and, on the other hand, negative currency exchange effects while H1 2015 benefited from largely positive currency exchange effects.

Net result from continuing operations was a loss of -€ 19.4 million (versus a profit of € 0.6 million at June 30, 2015) strongly impacted by the provision related to the proposed Employment Safeguard Plan.

At June 30, 2016, the financial result was -€ 8.8 million compared to -€ 7.9 million at June 30, 2015, reflecting on the one hand, a debt cost of € 4.0 million in net improvement from € 3.0 million due to the effects of the financial restructuring of the Group and, on the other hand, negative currency exchange effects while H1 2015 benefited from largely positive currency exchange effects.

Net result from continuing operations was a loss of -€ 19.4 million (versus a profit of € 0.6 million at June 30, 2015) strongly impacted by the provision related to the proposed Employment Safeguard Plan.

Further Improvement of the Group's Net Debt to € 56.4 Million[4]

At June 30, 2016, operating cash flow amounted to € 17 million, including € 2 million of non-recurring flows related to the Transformation 2020 plan. This primarily reflects the improved operating performance, partially offset by a deterioration in working capital needs in an amount of € 8 million. Indeed, this deterioration is in the context of punctual production rate decreases suffered by the Group, which did not allow it to adapt, with immediate effect, the volume of its purchases. Moreover, the Group is penalized by an adverse sales mix effect in the 2nd quarter at June 30, 2016 resulting in a worsened customer balance.
Thus, Group net debt was € 56.4 million at June 30, 2016, an improvement of € 7.6 million compared to December 31, 2015.

Strengthening of Currency Rate Hedging Portfolio

[4] *Net debt including discontinued activities at June 30, 2016: € 56.4 million and net debt of discontinued activities at June 30, 2016: -€ 9.4 million*

The Group continued its €/US$ currency rate hedging policy in H1 2016. The Group is now covered up to 85% over 2017 and almost 60% over 2018 on an exchange rate at worst 1.16 over the two years.

2016 Outlook

As announced in March (see press release dated March 8, 2016), the goal of average annual growth of 4% was achieved over the period 2014/2015 (+ 3.7%). Nevertheless, 2016 will be impacted by lower production rates.

Cash generation is expected to continue in H2 in line with the trend observed over the first part of the year. Nevertheless, the production rates cuts and the implementation of the 2020 Transformation Plan may punctually affect working capital needs including adverse effects which will be absorbed during the first months of 2017.

Moreover, the Latécoère Services proposed sale is expected by the end of the year.

Pierre Gadonneix, Chairman of the Board and CEO of Latécoère, said that "during the second half of the 2016, the Latécoère Group will continue its action in the implementation of the 2020 Transformation Plan in all its dimensions."

Subsequent events

Governance of the group Latécoère SA

The Board of Directors of Latécoère SA which met on 13 July 2016 has entrusted the role of CEO of the Group to Pierre Gadonneix to ensure the transition and especially conduct the strategic Transformation 2020 project announced June 7 2016 until the arrival of Yannick Assouad in November 2016. Olvier Regnard has been confirmed Deputy Chief Executive Officer. Together, they will pursue the establishment of the transformation plan in all its dimensions and will conduct until the end the discussions which have been opened with the social partners of the company.

Frédéric Michelland ceases to carry out his responsibilities as CEO of Latécoère SA this day.

Principal risks and uncertainties for the remaining six months of 2016

The principal risks and uncertainties for the remaining six months of 2016 relate to:
- the group's ability to adapt its sourcing and inventory to the falls in rates encountered on certain programs;
- change in the EUR/USD exchange rate.

Transactions with Related Parties

The transactions with related parties continued during H1 2016 on the basis of the same agreements as those applied at December 31, 2015.

Accounting Standards, Principles and Methods

The condensed consolidated financial statements at June 30, 2016 are established in compliance with IAS 34 "interim financial reporting". The Group has chosen not to apply by anticipation the standards and interpretations that will enter into force after June 30, 2016. The accounting rules and methods applied to the condensed consolidated financial statements at June 30, 2016 are identical to those applied in the consolidated financial statements at December 31, 2015 with the exception of standards, amendments and interpretations which are required to be applied as from January 1, 2016.

The financial statements are presented '000 EURO rounded to the closest thousand euros.

They are prepared on the basis of historical cost, with the exception of the following assets and liabilities which are valued at fair value: derivative financial instruments, financial instruments held for trading, financial instruments and liabilities designated at fair value through profit and loss.

The following standards and amendments were published in the Official Journal of the European Union at the closing date for these half-year financial statements and are applied for the first time at June 30, 2016:

- Amendments to IAS 1, “Presentation of Financial Statements” – Presentation of Items of Other Comprehensive Income and Disclosure Initiative;
- Amendments to IAS 16, “Property, Plant and Equipment” and IAS 38, “Intangible Assets” – Clarification of Acceptable Methods of Depreciation and Amortization;
- Amendments to IAS 19, “Employee Benefits” – Defined Benefit Plans: Employee Contributions;
- Amendments to IFRS 11, “Joint Arrangements” – Accounting for Acquisitions of Interests in Joint Operations;
- Annual Improvements to IFRSs published in December 2013 (2010-2012 cycle);
- Annual Improvements to IFRSs published in September 2014 (2012-2014 cycle).

These standards, interpretations and amendments effective for reporting periods beginning on January 1, 2016 do not have a material impact on the Group’s consolidated financial statements.

The Group dit not early adopt starting 1st of January 2016 the following new published IFRS Standards, amendments and interpretations:

- IFRS 9, “Financial Instruments”;
- IFRS 15, “Revenue from Contracts with Customers”;
- IFRS 16, “Leases”;
- Amendments to IAS 7, “Statement of Cash Flows” – Disclosure Initiative;
- Amendments to IAS 12, “Income Taxes” – Recognition of Deferred Tax Assets for Unrealized Losses;
- Amendments to IAS 28, “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture;
- Amendments to IFRS 2, “Share-based Payment” – Classification and Measurement of Share based Payment Transactions;
- Amendments to IFRS 10, “Consolidated Financial Statements”; IFRS 12, “Disclosure of Interests in Other Entities”; and IAS 28, “Investments in Associates and Joint Ventures” – Investment Entities: Applying the Consolidation Exception.

These new standards and amendments have not yet been adopted by the European Union and cannot therefore be applied ahead of their effective date even though early adoption is permitted by the texts concerned.

As regards IFRS 15, the Group identifies the differences in accounting treatment between the new standard and current accounting policies based on a sample of contracts representative of the Group’s various activities.

2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2016

2.1 Consolidated Statement of financial position

('000 EURO)	Notes	06.30.2016	12.31.2015
Goodwill	6	0	1 300
Other intangible assets	6	13 925	4 827
Tangible assets		74 771	91 565
Other financial assets		2 459	2 441
Deferred tax assets	16.2	19 530	24 430
Non-current asset derivatives	10.1	657	232
Non-current asset derivatives		170	116
TOTAL NON-CURRENT ASSETS		**111 512**	**124 910**
Inventories and work in progress	7.1	416 305	424 068
Trade and other receivables	9	172 878	194 565
Tax receivables	16.1	21 289	23 461
Current asset derivatives	10.1	719	376
Other current assets		2 354	1 881
Cash and cash equivalents		97 903	90 370
TOTAL CURRENT ASSETS		**711 449**	**734 722**
Assets held for sale	4	61 785	0
TOTAL ASSETS		**884 746**	**859 633**

('000 EURO)	Notes	06.30.2016	12.31.2015
Share capital	11.1	188 087	186 694
Share premium		214 408	213 607
Treasury shares		1 589	1 586
Other reserves		-4 806	-8 832
Derivatives future cash flow hedges		-2 285	-7 245
Group net result		-17 712	264
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**379 281**	**386 074**
Non-controlling interests		2 710	2 834
TOTAL EQUITY		**381 991**	**388 908**
Non current loans ans bank borrowings	14.1	92 617	92 304
Non-current refundable advances		40 011	39 264
Employee benefits	13	12 114	16 784
Non-current provisions	12	35 396	1 050
Deferred tax	16.2	374	1 292
Non-current liabilities derivatives	10.1	4 720	8 379
Other long-term liabilities		16 348	22 961
TOTAL NON-CURRENT LIABILITIES		**201 580**	**182 036**
Short-term bank borrowings and overdrafts	14.1	71 137	62 093
Current repayable advances		2 348	1 699
Current provisions		0	0
Trade and other payables	15	159 685	180 175
Tax liabilities		4 026	3 529
Other current liabilities		2 350	16 199
Current liabilities derivatives	10.1	10 630	24 994
TOTAL CURRENT LIABILITIES		**250 175**	**288 689**
Liabilities held for sale	4	51 000	0
TOTAL EQUITY & LIABILITIES		**884 746**	**859 633**

2.2 Consolidated Income Statement

('000 EURO)	Notes	06.30.2016	06.30.2015
Revenue		342 528	314 137
Other operating revenue		102	416
Change in inventory: work-in-progress & finished goods		-4 694	6 212
Raw material, Other Purchases & external charges	17	-217 449	-196 336
Personnel expenses		-91 231	-95 269
Taxes		-5 645	-7 990
Amortization		-6 677	-5 504
Net operating provisions charge		443	348
Depreciation of current assets		-235	-4 796
Other operating income	18	5 903	5 077
Other operating expenses		-2 171	-1 951
Recurring Operating Income		**20 874**	**14 343**
Operating Income / Revenue		*6,1%*	*4,6%*
Other non-recurring operating income and expenses	19	-31 332	0
Operating income		**-10 457**	**14 343**
Net Cost of debt		-4 039	-7 062
Foreign Exchange gains/losses realized		-9 394	-300
Other financial incomes and expenses realized		-2 202	-3 027
Realized financial result		-15 635	-10 388
Change in fair value of financial derivative instruments		11 142	-3 909
Other financial incomes and expenses unrealized		647	-2 463
Unrealized financial result		**11 788**	**-6 372**
Financial Result	20	**-3 846**	**-16 759**
Income tax	21	-4 133	-1 736
Net Result for the period from continuing operations		**-18 437**	**-4 153**
Net Result for the period from discontinued operations		911	801
NET RESULT FOR THE PERIOD		**-17 526**	**-3 352**
• Of which, Owners of the parent		-17 712	-5 138
• Of which, Non-controlling interests		186	1 786
Net Result for the period from continuing operations			
• Of which, Owners of the parent		-18 217	-5 773
• Of which, Non-controlling interests		-220	1 620
Net Result for the period from discontinued operations			
• Of which, Owners of the parent		505	635
• Of which, Non-controlling interests		406	166
Weighted average number of shares		**93 718 574**	**11 543 284**
NET RESULT FOR THE PERIOD PER SHARE			
• Earnings per share	11.1	-0,19	-0,45
• Diluted earnings per share	11.1	-0,18	-0,44
NET RESULT FOR THE PERIOD PER SHARE			
• Earnings per share continuing operations	11.1	-0,20	-0,36
• Diluted earnings per share continuing operations	11.1	-0,19	-0,36
NET RESULT FOR THE PERIOD PER SHARE			
• Earnings per share discontinued operations	11.1	0,01	0,07
• Diluted earnings per share discontinued operations	11.1	0,01	0,07

2.3 Consolidated Statement of comprehensive income

('000 EURO)	06.30.2016	06.30.2015
NET RESULT FOR THE PERIOD (1)	**-17 526**	**-3 352**
OTHER COMPREHENSIVE INCOME:		
- Items that will not be reclassified subsequently to profit or loss:		
Commitments to purchase minority interests	119	457
Actuarial gain or loss for year relating retirements benefits	0	0
Other	1 277	-35
Income tax related to items that will not be reclassified to profit or loss	0	0
- Items that will be reclassified subsequently to profit or loss:		
Translation differences	2 373	-158
Financial instruments (cash flow hedging): change in fair value and transfer in profit and loss	7 660	-8 991
Income tax related to items that may be reclassified to profit or loss	-2 697	3 107
TOTAL OTHER COMPREHENSIVE INCOME (2):	**8 732**	**-5 620**
Of which attributable to discontinued operations	*101*	*600*
TOTAL COMPREHENSIVE INCOME (1+2)	**-8 794**	**-8 972**
Of which, Owners of the parent	-8 990	-10 742
Of which, Non-controlling interests	194	1 770
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE OWNERS OF THE PARENT ARISES FROM:	**-8 990**	**-8 972**
- Continuing operations	-9 125	-10 742
- Discontinued operations	135	568
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS ARISES FROM:	**194**	**1 770**
- Continuing operations	228	1 738
- Discontinued operations	-34	32

2.4 Consolidated Statement of Cash-Flows

('000 EURO)	06.30.2016	06.30.2015
Consolidated net result	-17 526	-3 352
Adjustments		
Elim. of depreciation and provisions	41 214	12 071
Cancel. change in fair value	-11 082	3 909
Elim. of profit / loss on disposal and dilution profit and loss	78	18
Elim. of dividend income	-3	0
Other revenues & exp. without effect on cash flow	1 871	0
Net expense arising from share-based paiements	473	0
Cash flows before cost of debt and taxes	**15 025**	**12 646**
Elim. of income taxes	4 974	2 357
Elim. of finance costs	4 075	7 097
Cash flows before cost of debt and taxes	**24 074**	**22 100**
Effect of changes in inventories	6 944	-14 345
Effect of changes in trade receivables	-16 141	-1 799
Effect of changes in trade payables	6 955	8 831
Income tax paid	-3 838	-3 313
Cash flows from (used in) operating activities	**17 994**	**11 474**
*Of which operating flows provided / (used) by discontinued operations**	*-3 824*	*-3 346*
Purchase of tangible and intangible assets	-8 368	-7 071
Purchase of financial assets	-20	-1
Increase (decrease) in loans and advances made	-129	130
Proceeds from sale of tangible and intangible assets	9	42
Dividends received	3	0
Cash flows from (used in) investing activities	**-8 505**	**-6 899**
*Of which investing flows provided / (used) by discontinued operations**	*-1 708*	*-571*
Proceeds from issue of shares	2 286	288
Disposal (purchase) of treasury shares (net)	3	0
Proceeds from borrowings	295	0
Repayments of borrowings	-788	-1 547
Net financial interest paid	-2 400	-4 808
Dividends paid to minority interests	-319	-328
Change in refundable advances	1 395	2 165
Other flows from (used in) financing activities	7 874	-7 821
Cash flows from (used in) financing activities	**8 346**	**-12 052**
*Of which financing flows provided / (used) by discontinued operations**	*-765*	*-444*
Effects of exchange rate changes	124	-127
Increase (decrease) in cash and cash equivalents	**17 959**	**-7 604**
Opening cash position	90 344	30 720
Closing cash position	108 303	23 116
Of which cash from continuing operations	*97 875*	*17 721*
Of which cash from discontinued operations	*10 428*	*5 394*

** correspond exclusively to third-parties flows*

The consolidated statement of cash-flows hereabove includes discontinued operations.

2.5 Consolidated Statement of changes in Equity

('000 EURO)	Share capital	Capital reserves	Treasury shares	Shares	Cash flow hedgings - financial instruments	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	TOTAL
12.31.2014	23 091	93 095	1 625	11 424	-8 597	-5 939	114 699	1 568	116 267
Capital variations	58						58		58
Share-based payments		230					230		230
Transactions on treasury shares			55				55		55
Dividends							0	-328	-328
Other variations				-3 373			-3 373		-3 373
Transactions with owners	58	230	55	-3 373	0	0	-3 031	-328	-3 359
Net result for the period (1)				-5 138			-5 138	1 786	-3 352
Financial instruments (cash flow hedging) change in fair value and transfer in profit and loss					-5 873		-5 873		-5 873
Financial instruments : translation differences					-11		-11		-11
Translation differences : change and transfer in profit and loss						-137	-137	-22	-158
Equity component (conversion option) of convertible bonds							0		0
Other variations				416			416	6	422
Other comprehensive income (2)	0	0	0	416	-5 884	-137	-5 604	-16	-5 620
TOTAL COMPREHENSIVE INCOME (1) + (2)	0	0	0	-4 722	-5 884	-137	-10 742	1 770	-8 972
06.30.2015	23 149	93 325	1 680	3 329	-14 481	-6 076	100 926	3 009	103 935
12.31.2015	**186 694**	**213 607**	**1 586**	**-155**	**-7 251**	**-8 408**	**386 074**	**2 834**	**388 907**
Capital variations	1 393	801					2 194		2 194
Share-based payments							0		0
Transactions on treasury shares			3				3		3
Dividends				0			0	-319	-319
Other variations							0		0
Transactions with owners	1 393	801	3	0	0	0	2 197	-319	1 879
Net result for the period (1)				-17 712			-17 712	186	-17 526
Financial instruments (cash flow hedging) change in fair value and transfer in profit and loss					4 962		4 962		4 962
Financial instruments : translation differences					-1		-1		-1
Translation differences : change and transfer in profit and loss						2 368	2 368	5	2 373
Equity component (conversion option) of convertible bonds							0		0
Other variations				1 393			1 393	3	1 396
Other comprehensive income (2)	0	0	0	1 393	4 961	2 368	8 722	8	8 731
TOTAL COMPREHENSIVE INCOME (1) + (2)	0	0	0	-16 319	4 961	2 368	-8 990	194	-8 795
06.30.2016	**188 087**	**214 408**	**1 589**	**-16 474**	**-2 289**	**-6 040**	**379 281**	**2 710**	**381 990**

2.6 Notes to the Condensed Consolidated Financial Statements

GENERAL INFORMATION

INCOME STATEMENT DETAIL

BALANCE SHEET DETAIL

ADDITIONAL INFORMATION

INFORMATION RELATIVE TO THE GROUP

LATECOERE is a French corporation ("société anonyme") headquartered in Toulouse, France.

The consolidated financial statements of the Latécoère Group for the half year ended on June 30, 2016, include the parent company and its subsidiaries (the whole being designated as "the Group") and the Group's share in associates.

The consolidated financial statements of the Group have been approved by the Board of Directors on October 6th, 2016.

NOTE 1 MAIN EVENTS

1.1 Project for the Sale of Latécoère Services

As part of its plan to refocus on its core businesses and implement its Transformation 2020 strategic project, the Group had announced a study for the possible sale Latécoère Services.

Within this frame the Group's Board of Directors assembled on September 7, 2016, announced that it had received a firm purchase offer from Groupe ADF for Latécoère Services, which it decided to accept in principle.

The scope of this sale represents € 101 million in revenue at 12/31/2015 and 841 employees. This disposal will be recognized in Latécoère Group’s consolidated accounts on Decembre 31, 2016.

This proposed disposal remains subject to procedures for informing and consulting with employee representative bodies and approval from the competent competition authorities. This project is expected to be finalized in the 2016 fourth-quarter and will contribute to Latécoère Group’s debt reduction and redeployment.

Treatment and accounting impacts are presented in Note 4 of the notes to condensed consolidated financial statements.

1.2 Launch of the Transformation 2020 project

Continuing the Boost plan successfully deployed since 2014, the Group announced on June 7, 2016, the launch of its strategic Transformation 2020 project. This project aims to develop the Group's capacity to benefit fully from the next round of new programs expected between 2020 and 2025, thanks to restored competitiveness and investment capacity.

This project consists of the Group's refocusing on its core activities and in-depth transformation of its industrial plan, a prerequisite for its strategic repositioning and its development.

In the context of the profound changes to the industrial plan of the Group, pillar of the Transformation 2020 plan, Latécoère has commenced an adaptation of its organization through a Voluntary Departure Plan followed by an Employment Safeguard Plan (ESP), maintaining in the Toulouse region the decision-making center of the Group and high value-added activities including engineering and Research & Technology. In this context, the project could lead to the elimination of 172 positions (168 for the Aerostructure segment and 4 for the Interconnection Systems segment).

Based on the latest information known at the date of the financial statements, the Group made a restructuring provision of € 34.2 million. This includes, in accordance with IAS 37, only the necessary costs of the restructuring plan and in particular: redundancy allowances, aid for redeployment and training and consulting fees directly associated with the ESP. Provisions have not been made for costs, such as internal mobility costs induced by the plan, because they are not eligible under IAS 37. The outflow of resources associated with this plan would occur mainly in 2017 and 2018.

NOTE 2 ACCOUNTING POLICIES

2.1 Basis of Preparation of the Financial Statements

The condensed consolidated financial statements at June 30, 2016 are established in compliance with IAS 34 "interim financial reporting". The Group has chosen not to apply by anticipation the standards and interpretations that will enter into force after June 30, 2016. The accounting rules and methods applied to the condensed consolidated financial statements at June 30, 2016 are identical to those applied in the consolidated financial statements at December 31, 2015 with the exception of standards, amendments and interpretations which are required to be applied as from January 1, 2016.

The financial statements are presented '000 EURO rounded to the closest thousand euros.

They are prepared on the basis of historical cost, with the exception of the following assets and liabilities which are valued at fair value: derivative financial instruments, financial instruments held for trading, financial instruments and liabilities designated at fair value through profit and loss.

2.2 Application of applicable standards, amendments and interpretations for the financial statements

NEW IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE AS OF JANUARY 1, 2016

- Amendments to IAS 1, "Presentation of Financial Statements" – Presentation of Items of Other Comprehensive Income and Disclosure Initiative;
- Amendments to IAS 16, "Property, Plant and Equipment" and IAS 38, "Intangible Assets" – Clarification of Acceptable Methods of Depreciation and Amortization;
- Amendments to IAS 19, "Employee Benefits" – Defined Benefit Plans: Employee Contributions;
- Amendments to IFRS 11, "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations;
- Annual Improvements to IFRSs published in December 2013 (2010-2012 cycle);
- Annual Improvements to IFRSs published in September 2014 (2012-2014 cycle).

These standards, interpretations and amendments effective for reporting periods beginning on January 1, 2016 do not have a material impact on the Group's consolidated financial statements.

NEW PUBLISHED IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS EARLY ADOPTED BY THE GROUP AS OF JANUARY 1, 2016

None.

NEW PUBLISHED IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE OR NOT EARLY ADOPTED BY THE GROUP

- IFRS 9, "Financial Instruments";
- IFRS 15, "Revenue from Contracts with Customers";
- IFRS 16, "Leases";
- Amendments to IAS 7, "Statement of Cash Flows" – Disclosure Initiative;
- Amendments to IAS 12, "Income Taxes" – Recognition of Deferred Tax Assets for Unrealized Losses;
- Amendments to IAS 28, "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture;
- Amendments to IFRS 2, "Share-based Payment" – Classification and Measurement of Share based Payment Transactions;
- Amendments to IFRS 10, "Consolidated Financial Statements"; IFRS 12, "Disclosure of Interests in Other Entities"; and IAS 28, "Investments in Associates and Joint Ventures" – Investment Entities: Applying the Consolidation Exception.

These new standards and amendments have not yet been adopted by the European Union and cannot therefore be applied ahead of their effective date even though early adoption is permitted by the texts concerned.

As regards IFRS 15, the Group identifies differences in accounting treatment between the new standard and current accounting policies based on a sample of contracts representative of the Group's various activities.

2.3 Use of estimates and assumptions

The preparation of financial statements requires that the Group Management make estimates and assumptions which have an impact on the application of accounting methods as well as on amounts of assets and liabilities, income and expenses. The estimates and the underlying assumptions have been made from past experience and other factors considered as reasonable in view of the circumstances. They serve thus as the basis for the exercise of judgment necessary for the determination of the carrying value of assets and liabilities that cannot be obtained directly from other sources. Actual values may differ from estimated values.

The Group Management reviews its estimates and appreciations regularly on the basis of its past experience as well as other factors deemed reasonable, which constitutes the grounds for its appreciations of the carrying value of assets and liabilities. The impact of changes in accounting estimates is recognized during the period of the change if it affects only that period or during the course of the period of the change and subsequent periods if these are also affected by the change.

The judgments made by the Group Management having a significant impact on financial statements and estimates having an important risk of variations during the period, concern mainly the estimated margin on construction contracts (Note 7).

The estimate of the variation of employee benefits has been extrapolated on the basis of the information at December 31, 2015.

At June 30, 2016, the estimates and the assumptions retained for the condensed consolidated financial statements were determined based on the elements in the Group's possession at the closing date mainly concerning :

- commercial information (order book and rates) communicated by the various aircraft manufacturers and information from the prospects of the aeronautical market,
- the outlook for the dollar in the long term.

NOTE 3 CONSOLIDATION SCOPE

As the Group has, directly or indirectly, exclusive control in all Group companies subsidiaries are consolidated by full consolidation. All the companies forming part of the consolidation scope close their financial statements on December 31.

As part of the proposed sale of the "Aerostructures Services", companies in this sector have been classified in "discontinued operations" in accordance with IFRS 5, the accounting treatment is presented in Note 4 of of the notes to condensed consolidated financial statements.

	Company name	Country	Control %	Interest %	Consolidation method
Aerostructure segment:					
Aerostructure Industrial	LATECOERE	France		**Parent company**	
Aerostructure Industrial	LATECOERE do BRASIL	Brazil	100,00%	100,00%	Consolidation
Aerostructure Industrial	LATECOERE CZECH REPUBLIC s.r.o (ex LETOV s.r.o.)	Czech Republic	100,00%	100,00%	Consolidation
Aerostructure Industrial	LETOV LV a.s.	Czech Republic	100,00%	100,00%	Consolidation
Aerostructure Industrial	LATECOERE INC.	USA	100,00%	100,00%	Consolidation
Aerostructure Industrial	LATECOERE DEVELOPPEMENT	France	100,00%	100,00%	Consolidation
Aerostructure Industrial	LATECOERE BIENES RAICES	Mexico	100,00%	100,00%	Consolidation
Aerostructure Industrial	LATECOERE Mexico	Mexico	100,00%	0,00%	Consolidation
Aerostructure Industrial	LATECOERE Mexico Services	Mexico	100,00%	0,00%	Consolidation
Aerostructure Services	LATECOERE Services (ex LATecis)	France	100,00%	100,00%	Consolidation
Aerostructure Services	LATECOERE Services Iberia (ex LATecis Iberia)	Spain	100,00%	100,00%	Consolidation
Aerostructure Services	LATECOERE Services Limited (ex LATecis UK limited)	England	100,00%	100,00%	Consolidation
Aerostructure Services	LATECOERE Services Canada Inc. (ex LATecis Canada Inc.)	Canada	100,00%	100,00%	Consolidation
Aerostructure Services	LATECOERE services Gmbh	Germany	100,00%	100,00%	Consolidation
Aerostructure Services	G^2METRIC	France	51,00%	51,00%	Consolidation
Aerostructure Services	G^2METRIC GmbH	Germany	51,00%	51,00%	Consolidation
Aerostructure Services	G^2METRIC Limited	England	51,00%	51,00%	Consolidation
Interconnection Systems segment:					
	LATelec	France	100,00%	100,00%	Consolidation
	LATelec GmbH	Germany	100,00%	100,00%	Consolidation
	SEA LATelec	Tunisia	100,00%	100,00%	Consolidation
	LATelec Mexico	Mexico	100,00%	0,00%	Consolidation
	LATelec Mexico Services	Mexico	100,00%	0,00%	Consolidation
	LATsima	Morocco	100,00%	100,00%	Consolidation

For information, there has been no change in scope during the period.

NOTE 4 DISCONTINUED OPERATIONS

Accounting treatment

Following the different decisions and approvals obtained, and taking into consideration the expected effective closing of the transaction of Latécoère Services activities in the 4th quarter 2016, the Group considers that the conditions are met for the application of IFRS 5 – "Non-current assets held for sale and discontinued operations":the Group has made a decision to sell the assets concerned and considers the sale to be highly probable as of 30 June 2016.

In compliance with IFRS 5, the Group has applied the following specific measurements which impact the consolidated financial statements:

- discontinued operations (including non-current assets, current assets and the related liabilities classified as held for sale), as a whole, have been measured at the lower of their carrying amount and fair value less costs to sell.
- the exception of IAS 12 consisting in not recognising mechanical deferred taxes resulting from the difference between tax and consolidated values of the subsidiaries being disposed is no more applicable since it becomes probable that the temporary difference will reverse in the foreseeable future with the sale of the subsidiaries.
- amortisation on non-current assets classified as "assets held for sale" has ceased at the date of IFRS 5 application.
- costs specifically incurred in the context of the deal have been presented in the P&L within the "Net profit from discontinued operations".

In the consolidated financial statements, the activities being disposed are reported as follows:

- the assets held for sale and the related liabilities are presented separately from other assets and liabilities on specific lines on the balance sheet;
- the net profit of discontinued operations realized over the year is disclosed by a single amount on the face of the consolidated income statement into the line named "Net profit from discontinued operations".
- the net cash flows attributable to the operating, investing and financing activities of discontinued operation realized over the year are disclosed in the consolidated statement of cash flows.

At the date of the disposal, the capital gain as well as the related tax impact will be recognised under the line "Net profit from discontinued operations". The disposal value will significantly exceed the carrying value of the net assets held for sale.

Financial statements of discontinued operations

Income statement

('000 EURO)	06.30.2016	06.30.2015
Revenue	**59 028**	**46 073**
Net result for the period before income tax	1 751	1 422
Income tax	-840	-621
Net Result for the period from discontinued operations	911	801

Balance-sheet

('000 EURO)	06.30.2016
Goodwill	1 300
Other intangible assets	2 485
Tangible assets	5 741
Other financial assets	289
Deferred tax assets	50
Non-current asset derivatives	0
Non-current asset derivatives	25
TOTAL NON-CURRENT ASSETS	**9 889**
Inventories and work in progress	1 189
Trade and other receivables	39 059
Tax receivables	352
Current asset derivatives	0
Other current assets	862
Cash and cash equivalents	10 434
TOTAL CURRENT ASSETS	**51 896**
TOTAL ASSETS	**61 785**

('000 EURO)	06.30.2016
Non current loans ans bank borrowings	736
Employee benefits	2 560
Non-current provisions	115
Deferred tax	270
Other long-term liabilities	5 481
TOTAL NON-CURRENT LIABILITIES	**9 162**
Short-term bank borrowings and overdrafts	302
Current provisions	1 425
Trade and other payables	31 312
Tax liabilities	261
Other current liabilities	8 480
Current liabilities derivatives	60
TOTAL CURRENT LIABILITIES	**41 839**
TOTAL LIABILITIES	**51 000**

Statement of cash-flow

('000 EURO)	06.30.2016	06.30.2015
Operating flows provided / (used) by discontinued operations	-3 824	-3 346
Investing flows provided / (used) by discontinued operations	-1 708	-571
Financing flows provided / (used) by discontinued operations	-765	-444

Operational flows result in particular of changes in operating working capital.
Investing flows include primarily acquisitions of tangible and intangible assets amounting to € 1.7 million.
Financing flows include mainly dividends. Financing flows do not include internal loans/borrowings, considered as cash and cash equivalent.

NOTE 5 OPERATIONAL SEGMENTS

The sectors or segments presented by the Group are distinct components of the Group which are committed in the supply of goods or dependent services (business segments), and that are exposed to risks and to a profitability different from those of other segments.

In accordance with IFRS 8, the information presented by segment is based on the Group's internal reporting, examined regularly by Group Management.

The accounting methods used by the Group for the establishment of the information presented by operational segment in accordance with IFRS 8 are identical to those used by the Group for the establishment of its consolidated financial statements under IFRS standards.

Pursuant to IFRS 5, the Latécoère Services activities, which are discontinued operations as at 30 June 2016, are no longer reported as operating segments but are presented as “Discontinued sectors”.

Measurement of economic performance

The Group uses **Adjusted Operating Income (Adjusted EBIT)** as its main alternative performance indicator. This indicator is intended to present the level of operational performance of the branches of the Group.

For the sake of consistency, since July 1, 2015, the Group decided to change its main alternative performance indicator in order better to monitor its economic performance. Indeed, the very significant decline of the euro against the dollar caused the knock-in of certain currency barriers linked to the currency options* and led the Group to record these losses in financial result in compliance with IFRS standards. This accounting treatment imposed by IFRS standards no longer allows the transcription of the economic substance of the euro/dollar hedging in the indicator used.

Consequently, since July 1, 2015, the Group has decided to integrate into **Adjusted Operating Income (Adjusted EBIT)** the whole of exchange gains and losses made on euro/dollar hedging and this with the goal of reflecting in Adjusted EBIT the real economic substance of the euro/dollar exchange rate hedging strategy.

**In order to hedge its foreign currency exposure the Group primarily uses futures and knock-in barrier options (collar hedging). All these instruments are not eligible for hedge accounting in the sense of IAS 39 "Financial Instruments"*

The Adjusted Operating Income (Adjusted EBIT) represents at the consolidated accounts level the operating result (EBIT) of the Group adjusted for the change of non-recurring work-in-progress net of provisions, integrating all of the gains and losses realized on the euro/dollar hedging.

For similar reasons and to enable its monitoring and comparison by the reader, the Group presents **an Adjusted Net Result**. It corresponds to the net result, adjusted for the variation of non-recurring work-in-progress net of provisions and for the fair value variation of foreign exchange and interest rate derivative instruments (accounted for in unrealized gains and losses) net of corresponding tax effects

Finally, for the Group **the Net Debt** corresponds to current and non-current loans and bank borrowings and cash and cash equivalents.

Adjusted Income Statement by operational segments

('000 EURO) 06.30.2016	Aerostructure Industrial	%	Interconnection Systems	%	Discontinued operations	Intersegment eliminations	Total
Revenue	231 577	68%	127 374	37%		-16 424	342 528
Inter-segment revenue	-13 962	85%	-2 462	15%		16 424	0
Consolidated revenue	**217 615**	**64%**	**124 913**	**36%**		**0**	**342 528**
Adjusted recurring operating income	**12 889**	**53%**	**11 541**	**47%**		**0**	**24 430**
Adjusted recurring operating income / revenue	*5,9%*		*9,2%*				*7,1%*
Ajusted realized financial result	**-8 460**	**-35%**	**-998**	**-4%**		**0**	**-9 458**
Ajusted unrealized financial result	**356**	**1%**	**291**	**1%**		**0**	**646**
Income tax and miscellaneous	**-187**		**-3 461**				**-3 648**
Ajusted net result	**-22 902**		**3 542**		**950**	**0**	**-18 409**

('000 EURO) 06.30.2016	Aerostructure Industrial	%	Interconnection Systems	%	Discontinued operations	Intersegment eliminations	Total
Revenue	229 286	67%	100 040	29%		-15 189	314 137
Inter-segment revenue	-13 138	80%	-2 052	12%		15 189	0
Consolidated revenue	**216 149**	**63%**	**97 989**	**29%**		**0**	**314 137**
Adjusted recurring operating income	**11 302**	**46%**	**1 474**	**6%**		**0**	**12 775**
Adjusted recurring operating income / revenue	*5,2%*		*1,5%*				*4,1%*
Ajusted realized financial result	**-5 108**	**-21%**	**-355**	**-1%**		**0**	**-5 463**
Ajusted unrealized financial result	**-1 906**	**-8%**	**-539**	**-2%**		**0**	**-2 444**
Income tax and miscellaneous	**-4 460**		**143**				**-4 317**
Ajusted net result	**-172**		**723**		**801**	**0**	**1 352**

Balance sheet by operational segments

('000 EURO) 06.30.2016	Aerostructure Industrial	%	Interconnection Systems	%	Discontinued operations	Intersegment eliminations	Total
Intangible fixed assets	11 993	86%	1 932	14%		0	13 925
Tangible fixed assets	60 494	81%	14 278	19%		0	74 771
Other financial assets	34 734		388			-32 663	2 459
TOTAL ASSETS	**107 220**	**118%**	**16 598**	**18%**		**-32 663**	**91 155**
Net investments	3 964	47%	2 833	33%	1 708	0	8 505
Inventories	322 121	77%	94 835	23%		-651	416 305
Trade and other receivables	129 015	75%	51 776	30%		-7 913	172 878
Net debt	38 346	58%	52 568	80%		-25 063	65 851
Accounts payable	121 945	76%	39 865	25%		-2 126	159 685
Assets held for sale					61 785		61 785
Total Assets	**699 918**	**79%**	**196 209**	**22%**	**61 785**	**-73 166**	**884 746**

('000 EUR) 12.31.2015	Aerostructure Industrial	%	Aerostructure Services	%	Intersegment eliminations	Aerostructures	%	Interconnection Systems	%	Intersegment eliminations	Total
Intangible fixed assets	2 455	51%	1 975	41%	0	4 430	92%	397	8%	0	4 827
Goodwill	0	0%	1 300	100%	0	1 300	100%	0	0%	0	1 300
Tangible fixed assets	71 066	78%	5 471	6%	0	76 537	84%	15 020	16%	8	91 565
Other financial assets	26 944	0%	271	0%	0	27 215	0%	283	0%	-25 056	2 441
TOTAL ASSETS	**100 465**	**100%**	**9 017**	**9%**	**0**	**109 482**	**109%**	**15 699**	**16%**	**-25 048**	**100 133**
Net investments	11 010	74%	926	6%	0	11 936	80%	2 975	20%		14 911
Inventories	324 562	77%	1 029	0%	0	325 591	77%	99 430	23%	-953	424 068
Trade and other receivables	115 782	60%	51 981	27%	-2 966	164 796	85%	64 800	33%	-35 031	194 566
Net debt	37 553	59%	-4 557	-7%	0	32 996	52%	56 098	88%	-25 068	64 026
Accounts payable	145 974	81%	36 085	20%	-2 966	179 093	99%	36 115	20%	-35 031	180 177
Total Assets	**680 790**	**79%**	**66 569**	**8%**	**-2 966**	**744 393**	**87%**	**180 502**	**21%**	**-65 262**	**859 633**

The elimination of inter-segments from "Other financial assets" and from net debt corresponds primarily to loans of subsidiaries related to the arrangement of the syndicated loan at the Latécoère Company level.

Reconciliation of the consolidated income statement to the adjusted income statement

('000 EURO)	06.30.2016 IFRS data	Work-in-progress "Non recurring cost"	Reclassification of currency €/$ hedge	Faire value for derivative instruments	06.30.2016 Adjusted data
Revenue	342 528				342 528
Other operating revenue	102				102
Change in inventory: work-in-progress & finished goods	-4 694	10 225			5 530
Raw material, Other Purchases & external charges	-217 449				-217 449
Personnel expenses	-91 231				-91 231
Taxes	-5 645				-5 645
Amortization	-6 677				-6 677
Net operating provisions charge	443				443
Depreciation of current assets	-235	-491			-726
Other operating income	5 903				5 903
Other operating expenses	-2 171		-6 177		-8 348
Recurring Operating Income (EBIT)	**20 874**	**9 733**	**-6 177**	**0**	**24 430**
Operating Income / Revenue	*6,1%*				*7,1%*
Other non-recurring operating income and expenses	-31 332				-31 332
Operating income	**-10 457**	**9 733**	**-6 177**	**0**	**-6 901**
Financial Result	**-3 846**	**0**	**6 177**	**-11 142**	**-8 811**
Result from associates	0				0
Income tax	-4 133	-3 351		3 837	-3 648
Net Result for the period from continuing operations	**-18 437**	**6 382**	**0**	**-7 305**	**-19 360**
Net Result for the period from discontinued operations	911			39	950
NET RESULT FOR THE PERIOD	**-17 526**	**6 382**	**0**	**-7 266**	**-18 409**
• Of which, Owners of the parent	-17 712	6 382	0	-7 266	-18 595
• Of which, Non-controlling interests	186	0	0	0	186

('000 EURO)	06.30.2015 IFRS data	Work-in-progress "Non recurring cost"	Reclassification of currency €/$ hedge	Faire value for derivative instruments	06.30.2015 Adjusted data
Revenue	314 137				314 137
Other operating revenue	416				416
Change in inventory: work-in-progress & finished goods	6 212	662			6 874
Raw material, Other Purchases & external charges	-196 336				-196 336
Personnel expenses	-95 269				-95 269
Taxes	-7 990				-7 990
Amortization	-5 504				-5 504
Net operating provisions charge	348				348
Depreciation of current assets	-4 796	2 714			-2 082
Other operating income	5 077				5 077
Other operating expenses	-1 951		-4 944		-6 895
Recurring Operating Income (EBIT)	**14 343**	**3 376**	**-4 944**	**0**	**12 775**
Operating Income / Revenue	*4,6%*				*4,1%*
Other non-recurring operating income and expenses	0				0
Operating income	**14 343**	**3 376**	**-4 944**	**0**	**12 775**
Financial Result	**-16 760**	**0**	**4 944**	**3 909**	**-7 907**
Result from associates	0				0
Income tax	-1 736	-1 162		-1 418	-4 317
Net Result for the period from continuing operations	**-3 352**	**2 214**	**0**	**2 491**	**551**
Net Result for the period from discontinued operations				0	801
NET RESULT FOR THE PERIOD	**-3 352**	**2 214**	**0**	**2 491**	**1 352**
• Of which, Owners of the parent	-5 138	2 214	0	2 491	-433
• Of which, Non-controlling interests	1 786	0	0	0	1 785

NOTE 6 FIXED ASSETS

Gross value of fixed assets

('000 EURO)	12.31.2015	Currency variations	Other	Acquisitions	Disposals	Assets held for sale	06.30.2016
Softwares/Franchises/patents/similar rights	15 411	-6	12 642	897	-5	-4 187	24 750
Other Intangible Fixed Assets	4 329	-1	-177	495	0	-557	4 090
INTANGIBLE ASSETS	**19 740**	**-7**	**12 465**	**1 392**	**-5**	**-4 745**	**28 840**
Land	5 576	44	0	0	0	-164	5 456
Buildings	53 660	583	8 813	647	-51	-3 831	59 822
Plants & Equipment	99 915	1 314	274	2 218	-396	-3 674	99 650
Other Fixed Assets	20 654	-76	-7 225	657	-345	-2 607	11 058
Fixed assets in progress	17 081	-23	-14 327	2 957	0	-82	5 606
Advanced payments on fixed assets	0	-3	0	161	-45	0	114
Real estate leasing	9 682	0	0	0	0	-1 874	7 808
TANGIBLE ASSETS	**206 568**	**1 840**	**-12 465**	**6 640**	**-837**	**-12 233**	**189 512**
							0
TOTAL ASSETS	**226 308**	**1 833**	**0**	**8 032**	**-843**	**-16 977**	**218 352**

Amortization of fixed assets

('000 EURO)	12.31.2015	Currency variations	Other	Increase	Decrease	Assets held for sale	06.30.2016
Softwares/Franchises/patents/similar rights	-10 968	9	0	-2 254	5	2 260	-10 948
Other Intangible Fixed Assets	-3 945	-6	-1	-15	0	0	-3 966
AMORTIZATION INTANGIBLE ASSETS	**-14 913**	**3**	**-1**	**-2 269**	**5**	**2 260**	**-14 914**
Buildings	-23 648	-223	-6 260	-1 166	41	1 844	-29 411
Plants & Equipment	-72 746	-1 561	1 183	-3 383	414	2 332	-73 760
Other Fixed Assets	-14 053	47	5 078	-536	299	1 617	-7 548
Real estate leasing	-4 556	0	0	-165	0	698	-4 022
AMORTIZATION TANGIBLE ASSETS	**-115 003**	**-1 737**	**2**	**-5 249**	**754**	**6 492**	**-114 741**
TOTAL AMORTIZATION	**-129 916**	**-1 734**	**1**	**-7 518**	**760**	**8 752**	**-129 655**

Net value of fixed assets

('000 EURO)	12.31.2015	06.30.2016
Franchises/patents/similar rights	4 827	13 802
Other Intangible Fixed Assets	0	124
INTANGIBLE ASSETS	**4 827**	**13 925**
Land	5 576	5 456
Buildings	30 012	30 410
Plants & Equipment	27 169	25 889
Other Fixed Assets	6 601	3 510
Fixed assets in progress	17 081	5 606
Advanced payments on fixed assets	0	114
Real estate leasing	5 126	3 786
TANGIBLE ASSETS	**91 565**	**74 771**
TOTAL NET ASSETS	**96 392**	**88 696**

Tangible and intangible investments of H1 2016 totaled €8 million, of which:

- Industrial plant and equipment for €4.5 million;
- Computer projects and licenses for €1.5 million (principally information systems master plans);
- Buildings for €0.6 million.

NOTE 7 INVENTORIES AND WORK-IN-PROGRESS AND CONSTRUCTION CONTRACTS

7.1 Detail of Inventories and Work-in-Progress

('000 EURO)	06.30.2016			12.31.2015		
	Gross	Provision	Net	Gross	Provision	Net
Industrial Inventories	186 093	-19 014	167 078	182 889	-18 971	163 919
Work in progress - Non Recurring Cost	262 891	-12 475	249 227	273 115	-12 966	260 149
TOTAL	**448 983**	**-31 489**	**416 305**	**456 004**	**-31 937**	**424 068**

Industrial inventories include raw materials, parts and work-in-progress. Non-recurring work-in-progress is made up of the development costs of programs (NRC work-in-progress), and the curve recognized in accordance with IAS 11 (Construction Contracts).

7.2 Construction Contracts

('000 EURO)	06.30.2016	12.31.2015
Amount due from customers (work in progress)	295	298
Amount due to customers	0	0
Revenue recognized from the origin of the contracts*	3 210	3 031
Expenses incurred since the origin of the contracts*	3 413	3 249
Refundable Advances	42	41

Construction contracts are based on forecasts made by the Group taking into account the commercial information (order book and production rates) released by the different aircraft manufacturers and the information coming from the outlook for the aeronautical market. Future costs are estimated on the basis of the industrial organizations of the Group. Furthermore, the dollar flows (revenue and expenses) representing a significant share of the total flows, the Group founded its projections on a historical analysis of the dollar, assumptions of the future evolution of the dollar in relation to the duration of contracts. This last assumption could be reviewed depending on the outlook for the currency evolution and its impact on the projections.
The main construction contracts relate to the following programs: A380 (lower part of the nose section, doors of upper deck, electrical racks, commercial harnesses), A400M (electrical rack), F7X (harnesses, rear fuselage section), Embraer ERJ 170/190 (fuselage section and doors), and Boeing 787 (passenger doors). Detailed numbers by program (and in particular, the margins of construction contracts) cannot be communicated, for confidentiality reasons.

NOTE 8 FINANCIAL ASSETS

Fair value of financial assets

The fair value of financial assets recorded at amortized cost is close to the carrying amount.
The Group distinguishes three categories of financial instruments according to the consequences that their characteristics have on their valuation method and bases itself on this classification in order to disclose some of the information required by IFRS 7:

- Level One "Market Price" category: financial instruments quoted on an active market;
- Level Two "Model with observable parameters" category: financial instruments whose valuation uses valuation techniques based on observable parameters;
- Level Three "Model with non-observable parameters".

('000 EURO)	Loans and receivables at amortized cost	Financial assets at fair value through profit and loss	Hedging instruments	06.30.2016	Fair value
Non current financial assets	2 459			2 459	
Trade receivables and other receivables	172 878			172 878	
Financial instruments		666	711	1 377	1 377
Cash and cash equivalent	42 680	55 223		97 903	55 223
TOTAL FINANCIAL ASSETS	**218 017**	**55 890**	**711**	**274 617**	56 600

('000 EURO)		Level 1	Level 2	Level 3	Fair value
Financial instruments			1 377		1 377
Cash and cash equivalent		55 223			55 223
TOTAL		55 223	1 377	0	56 600

('000 EURO)	Loans and receivables at amortized cost	Financial assets at fair value through profit and loss	Hedging instruments	12.31.2015	Fair value
Non current financial assets	2 441			2 441	
Trade receivables and other receivables	194 565			194 565	
Financial instruments		54	554	608	608
Cash and cash equivalent	26 053	64 318		90 370	64 318
TOTAL FINANCIAL ASSETS	**223 060**	**64 372**	**554**	**287 985**	64 925

('000 EURO)		Level 1	Level 2	Level 3	Fair value
Financial instruments			608		608
Cash and cash equivalent		64 318			64 318
TOTAL		64 318	608	0	64 925

The fair value of a trade receivable is treated as its balance sheet value, given the very short payment periods. The same is true for other receivables.

NOTE 9 RECEIVABLES AND OTHER CURRENT ASSETS

('000 EURO)	06.30.2016	12.31.2015
Advanced payments	768	820
Trade receivables*	153 229	169 730
Group current account	0	285
Tax receivables	13 638	16 060
Other current receivables	5 244	7 672
TOTAL RECEIVABLES	**172 878**	**194 566**
Prepaid expenses	2 354	1 461
Other current assets	0	421
TOTAL OTHER CURRENT ASSETS	**2 354**	**1 881**

* At June 30, 2016, the amount of trade receivables assigned to the factor was €121.2 million. The amount financed by the factor on the basis of the assigned receivables amounted to €71.1 million. At December 31, 2015, the amount of receivables assigned to the factor amounted to €120.9 million. The amount financed by the factor on the basis of the assigned receivables amounted to €72.4 million.
As the Group remains responsible for collection of assigned customer receivables, these receivables continue to appear in assets

NOTE 10 DERIVATIVE INSTRUMENTS

New hedging financial instruments were put in place during H1 2016 as follows:

- Hedging financial instruments EUR/USD for 100 MUSD to hedge 2018 exhibition,
- Hedging financial instruments BRL/USD for 4,8 MUSD to hedge 2017 exhibition,
- Hedging financial instruments EUR/CZK for 24 MEUR to hedge 2017 exhibition.

10.1 Information on the value of derivative instruments and on their covered notional contract value

('000 EURO)	**Balance sheet position**		**Notional***	**Maturity**		
	Assets	Liabilities		< 1 year	From 1 to 5 years	> 5 years
Derivative instruments not designed as a hedge:						
- Forward currency contracts BRL/USD	271	0	8 624	6 468	2 156	-
- Currency option contracts ** and forward currency contracts EUR/USD	382	3 942	**			
- Currency option contracts EUR/CZK **	13	0	**			
- Currency option contracts EUR/GBP	0	0	1 179	590	590	
- Currency option contracts USD/MXN	0	364	5 390	2 246	3 144	
Cash flow hedging:						
- Forward currency contracts EUR/USD	711	4 228	194 035	153 611	40 424	-
- Forward currency contracts CZK/EUR	0	190	24 000	12 000	12 000	
- Currency option contracts EUR/USD (intrinsic value) ***	0	3 231	430 291	183 255	247 036	-
- Currency option contracts EUR/CZK (intrinsic value)	0	0	12 000	12 000	0	-
Foreign currency Derivative instruments	1 377	11 955	675 519	370 170	305 349	-
Financial instruments not designed as a hedge:						
- Floor****	0	3 394	97 908	0	97 908	-
Interest rate Derivative instruments	**0**	**3 394**	**97 908**	**0**	**97 908**	
Financial instruments not designed as a hedge	666	7 700	113 101	9 303	103 798	-
Cash flow hedgind	711	7 649	660 326	360 867	299 460	-
TOTAL OF DERIVATIVES INSTRUMENTS	**1 377**	**15 349**	**773 427**	**370 170**	**403 257**	**-**
of which non current derivative instruments	657	4 720				
of which current derivative instruments	719	10 630				

* Notional is converted in euro K by applying the exchange rate at the closing date

** Correspond essentially to time value and digital option

*** To avoid redundancy of information, the total notional amount of currency options (intrinsic value and time value) is mentioned in the line "Currency option contract (intrinsic value)"

**** The floor corresponds to embedded derivative of the new syndicated loan agreement

10.2 Information on the impact of derivative instruments on income and shareholders' equity

Impact of future cash flow hedging

('000 EURO)	06.30.2016	12.31.2015
Equity - Hedging instruments (net of tax) at the opening date	**-7 250**	**-8 597**
Equity change for the effective portion	2 817	-42 309
Reclasssified in income	4 844	44 324
Translation differences	-1	-16
Deferred tax variation	-2 697	-652
Equity - Hedging instruments (net of tax) at the closing date	**-2 288**	**-7 250**

Impact of derivative instruments to which hedge accounting is not applied

('000 EURO)	06.30.2016	12.31.2015
Fair value at the opening date	**-12 766**	**-13 935**
Recorded through income statement before Taxes	5 732	1 169
Fair value at the closing date	**-7 034**	**-12 766**

NOTE 11 SHAREHOLDERS' EQUITY

11.1 Breakdown of Capital

	06.30.2016	12.31.2015
Number of shares	94 043 676	93 347 165
Nominal value of each share (in euro)	2,00	2,00
Share Capital in euros	188 087 352	186 694 330

During the 1st half of 2016, a capital increase reserved for employees was made in the amount of 1,393,022 euros.

	06.30.2016	12.31.2015
Averaged issued shares	93 750 289	11 553 161
Averaged treasury shares	31 715	9 876
Weighted average shares (a)	**93 718 574**	**11 543 284**
Dilutive impact of convertible bonds (b)	0	77 207
Dilutive impact of share purchase warrant (c)	2 333 680	0
Total of shares diluted (a+b+c)	**96 052 254**	**11 620 491**
Net result of continuing operations in euros	**-18 436 989**	**-4 152 653**
Result per share	-0,20	-0,36
Diluted result per share	-0,19	-0,36
Net result of discontinued operations in euros	**911 086**	**800 679**
Result per share	0,01	0,07
Diluted result per share	0,01	0,07

All shares were fully paid.

11.2 Treasury Shares

Number of shares	12.31.2015	Acquisitions	Disposals	06.30.2016	%of ownership
LATECOERE Shares	29 432	564 763	560 456	33 739	0,04%

('000 EURO)	12.31.2015	Acquisitions / Provisions	Cessions	06.30.2016	Average purchase price
LATECOERE Shares	120	1 976	1 979	117	3,45

NOTE 12 NON-CURRENT PROVISIONS

('000 EURO)	12.31.2015	Currency variations	Increase	Write-backs used	Write-backs unused	Liabilities held for sale	06.30.2016
Non current provisions	1 050	99	150	0	0	-115	1 185
Provisions for restructuring	0	0	34 212	0	0	0	34 212
Total non current provisions	**1 050**	**99**	**34 362**	**0**	**0**	**-115**	**35 396**

NOTE 13 EMPLOYEE BENEFITS

('000 EURO)	06.30.2016	12.31.2015
Retirement bonus	10 500	14 849
Long-service medals	1 615	1 935
TOTAL	**12 114**	**16 784**

The pension obligations and commitments for long-service medals recognized at 30 June 2016 were evaluated based on parameters used in a calculation at December 31, 2015. The decrease in liabilities at 30 June 2016 is mainly due to:

- the reclassification into "liabilities classified as held for sale" of commitments related to discontinued operations in the amount of € 2.6 million;
- reversal of provision related to the Employment Safeguard Plan for an amount of € 2.9 million.

NOTE 14 FINANCIAL LIABILITIES

14.1 Detail of Financial liabilities

('000 EURO)	Financial liabilities at fair value through profit and loss	Hedging instruments	Other financiel liabilities	06.30.2016	Fair value
Refundable Advances			42 358	42 358	42 358
Debenture loan			92 332	92 332	92 332
Other Bank loans			116	116	116
Factoring			67 525	67 525	67 525
Finance lease			939	939	939
Unsecured banking facility and other			2 841	2 841	2 841
Other non-current liabilities			16 348	16 348	16 348
Financial instruments	7 700	7 649		15 349	15 349
Accounts payable			159 685	159 685	159 685
TOTAL FINANCIAL LIABILITIES	**7 700**	**7 649**	**382 145**	**397 494**	**397 494**

('000 EURO)	Level 1	Level 2	Level 3	Fair value
Financial instruments	0	15 349	0	15 349
TOTAL	0	15 349	0	15 349

('000 EURO)	Financial liabilities at fair value through profit and loss	Hedging instruments	Other financiel liabilities	12.31.2015	Fair value
Refundable Advances			40 963	40 963	40 963
Syndicated loan - Tranche B			90 967	90 967	90 967
Other Bank loans			632	632	625
Factoring			59 247	59 247	59 247
Finance lease			2 024	2 024	2 083
Unsecured banking facility and other			1 526	1 526	1 526
Other non-current liabilities			22 961	22 961	22 961
Financial instruments	12 820	20 553		33 373	33 373
Accounts payable			180 177	180 177	180 177
TOTAL FINANCIAL LIABILITIES	**12 820**	**20 553**	**398 498**	**431 871**	**431 923**

('000 EURO)	Level 1	Level 2	Level 3	Fair value
Financial instruments	0	33 373	0	33 373
TOTAL	0	33 373	0	33 373

The fair value of accounts payable is treated as its balance sheet value, given the very short payment periods. The same is true for other payables. Loans and bank borrowings are accounted for at amortized cost, calculated used the effective interest rate ("TIE").

The financial liabilities which balance sheet value differs from fair value are fixed rate loans and bank borrowings, which are not subject to hedging.

14.2 Loans and Bank borrowings

('000 EURO)	06.30.2016	12.31.2015
Bank loans - non current	92 332	90 967
Leasing - non current	284	1 336
Non-current liabilities	**92 617**	**92 304**
Bank loans - current	116	632
Leasing - current	655	688
Factoring	67 525	59 247
Other short term credit	2 841	1 526
Current liabilities	**71 137**	**62 093**
TOTAL OF LOAN AND BANK BORROWINGS	**163 753**	**154 396**

Debt reconciliation related to the factor (factoring):

('000 EURO)	06.30.2016	12.31.2015
Receivables sold to the factor	121 235	120 934
Financing obtained from the factor	71 058	72 401
Cash available from the factor	-3 533	-13 155
DEBT - FACTORING	**67 525**	**59 247**

('000 EURO)	Currency	Interest rate	Maturity	Notional	06.30.2016
					Actual
Syndicated loan - Tranche B	EURO	EURIBOR+ margin	2020	97 785	92 332
Bank borrowings with guarantee	EURO	EURIBOR+ margin	2016	1 500	116
Factoring	EURO/USD	EURIBOR/LIBOR + margin	n/a	83 600	67 525
Finance lease	EURO	4,7%-7,2%	2020	25 013	939
Unsecured banking facility and other	EURO	EURIBOR + margin	n/a	2 841	2 841
TOTAL OF LOAN AND BANK BORROWINGS				**239 339**	**163 753**

NOTE 15 OTHER LIABILITIES

('000 EURO)	06.30.2016	12.31.2015
Trade payables	92 489	94 917
Employee related liabilities	38 148	47 969
State payables	7 126	13 202
Credit balance on trade receivables and advance payments from customers	1 589	5 737
Other creditors	20 333	18 352
ACCOUNTS PAYABLE	**159 685**	**180 177**

NOTE 16 TAXES

16.1 Income Tax Receivable

The amount recorded at June 30, 2016 for €21.3 million corresponds to tax credits for €19.6 million (primarily, the research-based tax credit and the competitveness and employment tax credit (CICE)).

16.2 Deferred Taxes

('000 EURO)	06.30.2016	12.31.2015
Deferred tax assets	24 430	21 235
Deferred tax liabilities	1 292	-503
DEFERRED TAX AT OPENING	**23 137**	**20 732**
Deferred tax Income (Expense) recognised in P&L	-1 738	3 313
Deferred tax variation recognised directly in equity	-2 243	-908
DEFERRED TAX AT CLOSING	**19 156**	**23 138**
Of which Deferred tax assets	19 529	24 430
Of which Deferred tax liabilities	-374	-1 292

The analysis of the net deferred tax assets by nature is as follows:

('000 EURO)	06.30.2016	12.31.2015
Tangible and intangible assets	-3 306	-3 821
Financial instruments	4 811	11 311
Retirement bonus	3 286	4 925
Other provisions (regulated provision)	-2 614	-3 065
Loan and bank borrowings	-63	-575
Loss carry-forwards	15 854	13 354
Other	1 190	1 009
NET DEFERRED TAX ASSETS (LIABILITIES)	**19 156**	**23 138**

The main sources of deferred tax assets were the recognition of the loss carry-forwards from the French tax group in an amount of €15.9 million at June 30, 2016. The Group's tax losses come from the French tax group and may be carried forward without limit in time. In order to assess its ability to reclaim these assets, the Group takes into account estimates of the future tax results of the tax consolidation scope over a period generally of five years.

NOTE 17 RAW MATERIALS, OTHER PURCHASES & EXTERNALCHARGES

('000 EURO)	06.30.2016	06.30.2015
Raw material consumed	-84 940	-73 212
Cost of goods sold	-402	-70
Sub-contracting	-95 891	-91 847
External charges	-36 217	-31 207
RAW MATERIAL, OTHER PURCHASES & EXTERNAL CHARGES	**-217 449**	**-196 336**

NOTE 18 OTHER INCOME

At June 30, 2016, the other income includes in particular grants for €2 million, tax credit (research-based tax credits and CICE- *crédit d'impôt pour la compétitivité et l'emploi*) for €2 million, and own work capitalized for €1.5 million.

NOTE 19 OTHER NON RECURRING INCOME AND EXPENSE

The Group presented as non-recurring income and expenses:
- elements of which the non-recurring makes unlikely their future occurrence;
- items that are not within the scope of current operations of the business;

At June 30, 2016, other non-current income and expenses related exclusively:
- the provision related to the Employment Safeguard Plan for an amount of € -34.2 million and;
- the reversal of the provision pension obligations and commitments for long-service medals in connection with the Employment Safeguard Plan for an amount of € 2.9 million.

NOTE 20 DETAILS OF FINANCIAL INCOME

('000 EURO)	06.30.2016	06.30.2015
Interest expense - net	-4 039	-7 062
Foreign Exchange gains/losses realized :	-9 833	-300
- derivative instuments EUR/USD	**-6 177**	**-5 962**
- other derivative instrument	**-95**	**-716**
- Foreign Exchange gains/loss realized	**-3 560**	**6 378**
Other realized financial expenses / income	-1 764	-3 027
Realized net financial result	**-15 635**	**-10 388**
Change in fair value of financial instruments :	11 142	-3 909
- Change in fair value of currency derivative instruments EUR/USD	**11 860**	**-4 273**
- Change in fair value of other currency derivative instruments	**889**	**34**
- Change in fair value of interest rate contract	**-1 606**	**330**
Valuation of items on balance sheet at the closing date	1 217	-1 528
Other unrealized financial expenses / income	-571	-934
Unrealized net financial result	**11 789**	**-6 372**
FINANCIAL RESULT	**-3 846**	**-16 759**

NOTE 21 INCOME TAXES

('000 EURO)	06.30.2016	06.30.2015
Current income taxes	-2 395	-2 434
Deferred taxes	-1 738	698
TOTAL	**-4 133**	**-1 736**

NOTE 22 RISK MANAGEMENT

The Group's exposure to the principal risks did not significantly change during H1 2016. These risks are described in Note 21 to the consolidated financial statements of the 2015 Registration Document.

NOTE 23 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

23.1 Financial Commitments

The Group's financial commitments and contingent liabilities did not change significantly during H1 2015.

23.2 Commitments under Operating Leases

Within the framework of its operation, the Group is caused to set up operating leases. The main contracts are the following:
- leasing of vehicles;
- leasing of computer and office equipment (general and technical office data processing equipment, photocopiers, fax machines, etc.);
- real estate leasing;
- other leasing (as needed).

All these contracts do not include any specific clause that could have an impact on the method of renewal or of termination of these contracts.

23.3 Other Contingent Liabilities

At 30 June 2016, the Group has not identified any other significant contingent liabilities.

NOTE 24 RELATED PARTIES

Transactions with related parties are done on a market-price basis.

Relations between the Latécoère Group and related parties during H1 2016 remained comparable to those for 2015. No significant transaction which was extraordinary, either by its nature or its amount, occurred during H1 2016.

3 STATEMENT BY THE PERSON RESPONSIBLE FOR THE REPORT

"I hereby declare that, to the best of my knowledge, the condensed financial statements for the first-half 2016 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and of the consolidated entities; and that the half-year report set forth in chapter 1 of this report, includes a fair review of the important events which occurred during the first six months of the year, their impact on the financial statements for the half year, the principal transactions between related parties together with a description of the principal risks and uncertainties for the remaining six months of the year. "

Toulouse, October 6, 2016

Deputy Chief Executive Officer
Olivier Regnard

4 STATUTORY AUDITORS' REPORT ON THE 2016 CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

From the period from January 1 to June 30, 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Latécoère S.A., for the period from January 1 to June 30, 2016.
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to notes to the condensed consolidated financial statements below:

- Note "Main Events – 1.2 Launch of the Transformation 2020 project" specifies the scope of the provision for restructuring costs recognized in accordance with IAS 37 as at June 30, 2016 amounting to €. 34,2 million;

- Note 4 "Discontinued operations" presents the accounting treatment applied to discontinued activities in accordance with IFRS 5.

II. Specific verification

We have also verified the information presented in the half-yearly financial report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Labège, on the 7 October 2016

Michel Dedieu
Partner

Paris, on the 7 October 2016

Gilles Hengoat
Partner