2016 half-year report

econocom

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STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

I hereby declare that to the best of my knowledge, the financial statements for the half-year ended 30 June 2015 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 the undertakings included in the consolidation taken as a whole, and the interim management report appended hereto gives a fair description of the material events that occurred during the first six months of the financial year and their impact on the financial statements and of the major related-party transactions, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

7 September 2016

Jean-Louis Bouchard
Chairman of Econocom

MANAGEMENT REPORT

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I.

1. GROUP'S POSITION AND HIGHLIGHTS

In the first half of 2016, Econocom Group continued its profitable growth dynamic.

The Group's revenue increased by 8%, 5.1% of which was organic, to stand at €1,212 million for the first six months of the year, thus continuing the strong growth trend observed in 2016. This dynamic was driven by all the Group's businesses and confirms the relevance of its original positioning for managing and financing major digital projects based on use and in line with the digital transformation ambitions of Europe's leading players. The Group also benefited from selective investments in sectors with high growth potential: security, web & mobile apps, digital solutions charged as a fee, and digital transformation consulting.

Recurring operating profit(1) for the first half of 2016 amounted to €53 million, up 23% compared with the first half of 2015, thus growing more than twice as much as revenue. The improved operational profitability of the Services division and the good performance of the Technology Management & Financing business are the main reasons for this profitable growth.

These good performances and positive outlook for 2016 enable the Group to confirm its guidance, i.e. organic growth above the market rate, a double-digit rise in recurring operating profit and another increase in net earnings per share.

They are also a testament to the success of Econocom's development model and its investments.

During the first half of 2016, Econocom invested in offers in the buoyant SMACS(2) segment and reinforced its partnerships with major technology players. Among the more notable of these partners are:

- Apple, for whom Econocom is Europe's leading B2B distributor and integrator and who has chosen the Group to pursue its ambitions by offering its mobility solutions and application ecosystem to organisations.
- Microsoft, for whom Econocom is now France's second biggest integrator, after setting up Infeeny in 2015, a business unit dedicated to Microsoft solutions in the cloud and mobile environment and acquiring a controlling interest in MCNext Group, a leading French specialist in Microsoft technologies.
- Cisco, with whom Econocom is launching STARC (Security Threat Assessment & Response Center), a cloud-based Security-as-a-Service solution, the only one of its kind in France.
- TIBCO Software, whose technologies are central to Econocom's Big Data, Business Analytics and Business Intelligence offering, and offers a holistic data management solution, from storage to analytics.

In addition, the Group carried out two selective external growth transactions in the first half of 2016.

(1) Before amortisation of the ECS customer portfolio and the Osiatis brand.
(2) Social, Mobile, Analytics, Cloud and Security.

1.1. Changes in the scope of consolidation

As in 2015, in the first half of 2016 the Group focused on SMBs operating in high-potential markets. The two transactions carried out concerned the following business lines:

Technology Management & Financing

The Group took control of Cineolia, acquiring 60% of the share capital. Cineolia provides a range of digital services to hospital patients in France by deploying multimedia equipment (connected televisions, telephone, tablets, etc.). Cineolia reported revenue of €1.8 million in 2015.

Products & Solutions

The Group also took control of Caverin Solutions, by acquiring 66.6% of its share capital. Caverin is a Spanish distributor of digital multimedia solutions, based in the Madrid area. It posted revenue of €14.2 million in 2015. With the acquisition of Caverin, Econocom has now launched its Products & Solutions business in Spain and can thus offer its Spanish customers a comprehensive range of solutions.

1.2. Other interests acquired

In February 2016, Econocom acquired 10.82% of the share capital of Magic Makers, a recent French startup created in June 2014 by Claude Terosier and incubated by Paris Pionnières. Magic Makers specialises in teaching computer programming and is France's leading provider of creative programming workshops for children.

In May 2016, Econocom also acquired an additional interest in Histovery, thus bringing its stake up to 9.59% of the share capital. Histovery designs, produces and runs solutions to enhance tours of cultural sites and museum collections thanks to new technologies and augmented reality. Econocom is thus contributing to the development of this new cultural experience.

1.3. Convertible bond and treasury share purchases

In June, the Group purchased 1,265,000 ORNANE convertible bonds on the market, due to mature in 2019, i.e. 7.7% of the bonds issued.

In addition, the Group continued to buy back treasury shares in the first half. It acquired 2,055,988 treasury shares during the period and as of 30 June 2016 held 4,821,172 shares, i.e. 4.28% of the company's share capital.

These transactions reflect the Group's commitment to managing share dilution and its confidence in its growth prospects.

2. HALF-YEAR RESULTS

2.1. Key figures (unaudited, in € millions)

Results	First-half 2016	**First-half 2015**	**Change**
Revenue	**1,211.6**	**1,122.3**	**+ 8%**
Technology Management & Financing	***613.0***	*567.3*	*+ 8%*
Services	***387.9***	*344.6*	*+ 13%*
Products & Solutions	***210.7***	*210.4*	*-*
Recurring operating profit before amortisation of intangible assets from acquisitions[(1)]	**53.3**	**43.4**	**+ 23%**
Recurring operating profit	**51.2**	**41.4**	**+ 24%**
Other non-recurring income and expenses	**(1.5)**	(1.1)	+ 36%
Operating profit	**49.7**	**40.3**	**+ 23%**
Net financial expenses	**(7.3)**	(6.2)	+ 18%
Change in fair value of the ORNANE embedded derivative component	**(10.7)**	(2.0)	ns
Profit before tax	**31.7**	**32.1**	**- 1%**
Income tax	**(14.0)**	(11.5)	+ 22%
Profit (loss) from discontinued operations	**-**	(0.2)	ns
Share of profit/(loss) of associates and joint ventures	**(0.1)**	-	ns
Profit for the period including non-controlling interests	**17.6**	**20.4**	**- 14%**
Profit for the period excluding non-controlling interests	**18.3**	20.8	- 12%
Profit for the period attributable to non-controlling interests	**(0.7)**	(0.4)	+ 75%
Recurring profit for the period excluding non-controlling interests[(1)]	**31.7**	**24.2**	**+ 31%**
Earnings per share (€)			
Net earnings per share	**0.170**	0.190	- 11%
Diluted earnings per share	**0.167**	0.185	- 10%
Recurring net earnings per share[(1)]	**0.294**	**0.220**	**+ 33%**

Cash flow from operating activities, equity and net debt	First-half 2016	**First-half 2015**	**Change**
Cash flow from operating activities before cost of net debt and income tax	**50.8**	**38.2**	**+ 33%**
Shareholders' equity including non-controlling interests	**270.8**	**261.2**	**+ 4%**
Net cash at bank	**41.2**	81.0	- 49%
Net debt	**(285.1)**	**(250.8)**	**- 14%**

Market capitalisation (in units and €)	30 June 2016	**30 June 2015**
Average number of outstanding shares	**107,709,131**	109,591,312
Total number of shares as of 30 June	**112,519,287**	112,519,287
Share price as of 30 June (€)	**10.31**	7.38
Market capitalisation (in € millions)	**1,160**	**830**

(1) In order to ensure easier monitoring and comparability of its operational and financial performances, Econocom Group presents two key indicators: "recurring operating profit before amortisation of intangible assets from acquisitions" and "recurring profit attributable to owners of the parent." These indicators, which are not defined by accounting standards, are determined as follows:

• *Recurring operating profit before amortisation of intangible assets from acquisitions (cf. annual report 2015, §3.4, page 35).*

This indicator measures the operating performance of the period under review, after adjusting it for intangible assets resulting from business combinations.
As of 30 June 2016, the principle intangible assets resulting from business combinations for which Econocom Group made adjustments and for which depreciation is not taken into account when determining this indicator, are the ECS customer portfolio and the Osiatis brand.

• *Recurring profit attributable to owners of the parent*

Recurring profit attributable to owners of the parent is a new performance indicator which Econocom will use in order to gain a better understanding of its economic and financial performance. From now on this indicator completes and supersedes restated profit for the year attributable to owners of the parent (cf. definition - annual report 2015, §3.4, page 35). It is composed as follows:

(in € millions)	First-half 2016	First-half 2015
Profit for the period attributable to owners of the parent	**18.3**	**20.8**
Change in fair value of the ORNANE embedded derivative component	**10.7**	2.0
Amortisation of the ECS customer portfolio and the Osiatis brand	**2.1**	2.1
Tax impacts of these amortisations	**(1.0)**	(0.8)
Profit for the period attributable to owners of the parent, restated	**30.1**	**24.1**
Other non-recurring operating income and expenses	**1.5**	1.1
Non-recurring financial income and expenses (cost of redeeming ORNANE convertible bonds)	**1.3**	0.0
Tax impacts of these restatements	**(1.2)**	(1.2)
Profit from discontinued operations	**-**	0.2
Recurring profit for the period attributable to owners of the parent	**31.7**	**24.2**

Based on this new indicator, the Group also presents "recurring net earnings per share" which corresponds to profit for the period attributable to owners of the parent divided by the average number of outstanding shares.

2.2. Overview of activity in the first half

In the first half of 2016, Econocom Group reported consolidated revenue of €1,211.6 million compared with €1,122.3 million in the first half of 2015, i.e. an 8% increase, 5.1% of which was organic, which reflects the Group's healthy sales dynamic.

The Group's recurring operating profit, before amortisation of intangible assets from acquisitions, amounted to €53.3 million on 30 June 2016, compared with €43.4 million a year before, up 23%. This strong growth was driven by the improved operational margin of the Technology Management & Financing and Services businesses. This is the result of business synergies, the full effect of the successful integration of the Services business and productivity plans implemented across all the Group's business lines.

Operating profit for the Group stands at €49.7 million, compared with €40.3 million in the first half of 2015, i.e. a 23% rise. This includes non-recurring operating expenses of just €1.5 million as of 30 June 2016.

Net financial expense for the first half of 2016 was affected by an expense of €10.7 million corresponding to the change in the mark-to-market value of the ORNANE derivative due to the rise in the Econocom Group share price in the first half of 2016 (as a reminder: as of 30 June 2015, the change in fair value of the ORNANE derivative represented an expense of €2 million). This expense is a non-cash item.

Profit for the first half of 2016 amounted to €17.6 million in total and €18.3 million for profit for the year attributable to owners of the parent.

Recurring profit for the period attributable to owners of the parent stood at €31.7 million at the end of in June 2016; compared with €24.2 million at the end of June 2015. It rose 31% thanks to a strong operational trend, controlled non-recurring expenses and income tax management. This result, based on the average number of outstanding shares, led to an increase in recurring basic earnings per share of 33%.

Equity amounted to €270.8 million as of 30 June 2016, compared with €261.2 million at 30 June 2015. This change during the first half of 2016 (as in the first half of 2015) reflects the seasonal nature of the Group's activity and mainly includes the first-half results, repayment of share premiums and buying back treasury shares.

Net debt at 30 June 2016 stood at €285 million and was composed of:

(in € millions)

Net cash at bank*	41.2
ORNANE convertible bonds	(161.0)
Non-convertible bonds (Euro PP)	(100.6)
Contracts and receivables refinanced with recourse	(61.6)
Finance lease liabilities	(3.1)
Consolidated net debt	**(285.1)**

** Gross cash at bank minus credit lines and commercial papers.*

Net financial debt as of 30 June 2016 represents around twice the Group's 12-month EBITDA.

EBITDA is defined on page 35 of the annual report and corresponds to recurring operating profit plus depreciation, amortisation and net additions to/reversals of impairment of non-current operating assets recognised in recurring operating profit.

2.3. Breakdown of key figures by business

Revenue and recurring operating profit* are broken down as follows:

(in € millions)	First-half 2016	First-half 2015	Total growth	Like-for-like growth
Technology Management & Financing	**613.0**	567.3	8.1%	7.9%
Services	**387.9**	344.6	12.6%	4.3%
Products & Solutions	**210.7**	210.4	0.2%	(1.1%)
Revenue	**1,211.6**	**1,122.3**	**8.0%**	**5.1%**

(in € millions)	First-half 2016	First-half 2015	Total growth	ROP as % of H1 2016 revenue	ROP as % of H1 2015 revenue
Technology Management & Financing	**30.7**	25.4	21.0%	5.0%	4.5%
Services	**18.5**	13.6	35.5%	4.8%	3.9%
Products & Solutions	**4.1**	4.4	(7.0%)	2.0%	2.0%
Recurring operating profit*	**53.3**	**43.4**	**22.8%**	**4.4%**	**3.9%**

** Before amortisation of the ECS customer portfolio and the Osiatis brand.*

In the first half of 2016, Technology Management & Financing reported revenue of €613 million compared with €567 million a year before, i.e. an 8.1% rise, which was mainly organic. This performance reflects the healthy business trend and was supported by the Group's in-house funding division, Econocom Digital Finance Limited, and the development of the sales force and the structured financing team. This excellent trend was also found in the business's recurring operating profit, which increased by 21% to stand at €30.7 million.

As of 30 June 2016, the Services business posted revenue of €388 million compared with €345 million a year before (i.e. a 12.6% increase, of which 4.3% is organic). The business benefited from the full effect of the synergies resulting from the integration of Osiatis and the optimisation plans implemented. It was also driven by the healthy business trend of the Satellites, (which contributed €96 million to revenue) and their added-value positioning in digital transformation. Fuelled by this growth and by the improved operational performance of the Planet's core businesses, recurring operating profit for Services increased by 35.5% to €18.5 million while its profitability rate climbed from 3.9% in the first half of 2015 to 4.8% in the first half of 2016.

Lastly, Products & Solutions posted revenue of €211 million, a slight increase from €210 million a year before, as the decline in volume of business in France was offset by like-for-like growth in Belgium and Italy and by the contribution from Caverin, a new P&S entity that was consolidated in January 2016 in Spain. As a result of these changes, the recurring operating profit and profitability rate for this business stagnated at €4 million and around 2%.

2.4. Breakdown of key figures by geographical area

Revenue by geographical area is broken down as follows:

(in € millions)	First-half 2016	First-half 2015	Total growth
France	641.3	602.9	6.4%
Benelux	174.1	180.9	(3.8%)
Southern Europe	228.7	196.1	16.6%
Northern & Eastern Europe	147.8	124.0	19.2%
Americas	19.7	18.4	7.1%
Revenue	**1,211.6**	**1,122.3**	**8.0%**

With the exception of Benelux, all geographical areas reported growth in revenue:

- Growth in France was driven chiefly by the excellent business momentum of the Technology Management & Financing and Services divisions;
- Business in Benelux declined slightly due to the signing of some substantial contracts for Technology Management & Financing in the first half of 2015 which were not renewed in the first half of 2016;
- Southern Europe enjoyed a very good first half (up 17%), driven both by strong organic growth (+5.8%) across all business lines (over 20% of which was for Services alone) and by the effects of the acquisition of Caverin in Spain;
- Northern & Eastern Europe also enjoyed a healthy sales dynamic, driven mainly by growth in the Technology Management & Financing business.

3. OUTLOOK

In light of the good performances in the first half of 2016 and the positive outlook for the second half, Econocom confirms its guidance for 2016, i.e. organic growth in revenue above the market rate, a double-digit rise in recurring operating profit and another increase in net earnings per share.

4. RISK FACTORS AND DISPUTES

The risk factors described in the 2015 annual report did not change significantly during the first half.

5. RELATED PARTIES

There has been no major change regarding related parties since the publication of the 2015 annual report.

6. HUMAN RESOURCES

Econocom Group employed 9,281 people as of 30 June 2016, compared with 9,134 on 31 December 2015, rising by 1.6%, whilst revenue is up 8%.

7. SHARE PRICE AND OWNERSHIP STRUCTURE

The Econocom share price stood at €10.31 on 30 June 2016. The Econocom Group share (BE0974266950 - ECONB) has been listed on the Euronext NYSE in Brussels since 1986 and is part of the Bel Mid and Tech40 indices.

The following changes took place in the ownership structure:

(as a % of rights held)	30 June 2016	31 December 2015
Companies controlled by Jean-Louis Bouchard	41.03%	41.03%
Public shareholders	54.69%	53.82%
Treasury shares	4.28%	5.15%
Total	**100.00%**	**100.00%**

Econocom Group was notified that as from 30 June 2016 two shareholders, (other than the companies controlled by Jean-Louis Bouchard) – the consortium made up of Walter Butler, Butler Industries SA and BML Belgium SA, and American firm Kabouter Management, LLC – had exceeded the 5% share ownership threshold.

The fall in the number of treasury shares in the first half is due to the sale of securities to managers as part of the exercise of stock options.

CONSOLIDATED FINANCIAL STATEMENTS

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Unless otherwise stated, all amounts are in in € millions.

II.

1. CONSOLIDATED INCOME STATEMENT AND EARNINGS PER SHARE

For the six-month periods ended 30 June 2016 and 30 June 2015

(in € millions)	*Notes*	First-half 2016	**First-half 2015**
Revenue from continuing operations	*3*	**1,211.6**	**1,122.3**
Operating expenses	*3*	**(1,160.4)**	**(1,080.9)**
Cost of sales(1)		**(816.9)**	(758.3)
Personnel costs(1)		**(253.0)**	(233.2)
External expenses(1)		**(84.9)**	(80.2)
Depreciation, amortisation and provisions		**(2.6)**	(2.6)
Net impairment losses on current and non-current assets		**(2.4)**	(4.5)
Taxes (other than income taxes)(1)		**(7.6)**	(7.5)
Other operating income and expenses		**4.9**	2.9
Financial income – operating activities		**2.1**	2.5
Recurring operating profit before amortisation of intangible assets from acquisitions*		**53.3**	**43.4**
Recurring operating profit	*3*	**51.2**	**41.4**
Non-recurring operating income and expenses	*11*	**(1.5)**	(1.1)
Operating profit		**49.7**	**40.3**
Net financial expenses	*12*	**(7.3)**	(6.2)
Change in fair value of the ORNANE embedded derivative component	*12*	**(10.7)**	(2.0)
Profit before tax		**31.7**	**32.1**
Income tax	*13*	**(14.0)**	(11.5)
Profit from continuing operations		**17.7**	**20.6**
Share of profit (loss) of associates and joint ventures		**(0.1)**	(0.0)
Profit from discontinued operations		**-**	(0.2)
Profit for the year		**17.6**	**20.4**
Non-controlling interests		**(0.7)**	(0.4)
Profit for the year attributable to owners of the parent		**18.3**	20.8
Recurring profit for the year attributable to owners of the parent**		**31.7**	**24.2**

(1) Non-material restatements have been made between the lines of operational expenses for the first half of 2015 in order to ensure better comparability between the periods.

** ECS customer portfolio and Osiatis brand.*

*** Recurring profit for the year attributable to owners of the parent is an indicator used by the Group to give a better indication of its economic and financial performance. It does not include:*

- Items between recurring operating profit (before amortisation of intangible assets from acquisitions) and operating profit,

- Non-recurring items affecting financial result,

- Non-recurring items of income tax expenses (particularly tax effects of previous restatements).

A table showing the reconciliation between profit for the year attributable to owners of the parent and recurring profit for the year attributable to owners of the parent is provided in paragraph 2.1 of the management report.

(in €)	*Notes*	First-half 2016	**First-half 2015**
Basic earnings per share – continuing operations		**0.17**	0.19
Basic earnings per share – discontinued operations		**-**	0.00
Basic earnings per share		**0.17**	**0.19**
Diluted earnings per share – continuing operations		**0.17**	0.19
Diluted earnings (loss) per share – discontinued operations		**-**	0.00
Diluted earnings per share		**0.17**	**0.19**
Recurring basic earnings per share**		**0.29**	**0.22**

*** Recurring profit for the year attributable to owners of the parent is an indicator used by the Group to give a better indication of its economic and financial performance. It does not include:*
- Items between recurring operating profit (before amortisation of intangible assets from acquisitions) and operating profit,
- Non-recurring items affecting financial result,
- Non-recurring items of income tax expenses (particularly tax effects of previous restatements).
A table showing the reconciliation between profit for the year attributable to owners of the parent and recurring profit for the year attributable to owners of the parent is provided in paragraph 2.1 of the management report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	First-half 2016	**First-half 2015**
Profit for the year	**17.6**	**20.4**
Items that will not be reclassified to profit or loss	**-**	-
Items that may be reclassified to profit or loss	**(0.2)**	0.5
Foreign currency translation adjustments	**(0.2)**	0.5
Other comprehensive income (expense)	**(0.2)**	**0.5**
Total comprehensive income for the year	**17.4**	**20.9**
Attributable to owners of the parent	***17.6***	*21.6*
Attributable to non-controlling interests	***(0.2)***	*(0.7)*

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended 30 June 2016 and 31 December 2015

Assets

(in € millions)	*Notes*	30 June 2016	**31 December 2015**
Non-current assets			
Intangible assets	*4.1*	**65.7**	64.1
Goodwill	*2.2*	**494.6**	483.5
Property, plant and equipment	*4.2*	**34.7**	30.1
Long-term financial assets	*4.3*	**23.9**	24.2
Residual interest in leased assets	*4.4*	**77.5**	70.1
Other long-term receivables	*4.4*	**6.8**	4.6
Deferred tax assets		**14.0**	14.1
Total non-current assets		**717.2**	**690.7**
Current assets			
Inventories	*5.1*	**41.5**	22.1
Trade and other receivables	*5.2*	**827.3**	804.7
Residual interest in leased assets	*5.2*	**24.5**	28.1
Current tax assets	*5.2*	**8.6**	6.9
Other current assets	*5.2*	**51.2**	55.4
Cash and cash equivalents	*8*	**191.7**	209.6
Total current assets		**1,144.8**	**1,126.8**
Assets held for sale		**-**	-
Total assets		**1,862.0**	**1,817.5**

Equity and liabilities

(in € millions)	*Notes*	30 June 2016	**31 December 2015**
Share capital	*6.1*	**21.6**	21.6
Additional paid-in capital and reserves		**170.4**	148.7
Profit for the period attributable to owners of the parent		**18.3**	57.8
Equity attributable to owners of the parent		**210.3**	**228.1**
Non-controlling interests	*6.4*	**60.5**	52.4
Total equity		**270.8**	**280.5**
Non-current liabilities			
Financial liabilities	*8*	**10.1**	10.9
Gross liability for purchases of leased assets		**50.3**	45.9
Bonds	*8*	**256.6**	270.3
Long-term provisions	*7*	**3.2**	4.8
Provisions for pensions and other post-employment benefit obligations		**37.7**	36.3
Other non-current liabilities		**79.4**	69.2
Deferred tax liabilities		**5.6**	9.7
Total non-current liabilities		**442.9**	**447.1**
Current liabilities			
Financial liabilities	*8*	**205.1**	109.6
Gross liability for purchases of leased assets		**14.5**	16.2
Bonds	*8*	**5.0**	5.3
Short-term provisions	*7*	**27.7**	33.2
Current tax liabilities		**16.7**	16.5
Trade and other payables	*5.3*	**739.4**	751.5
Other current liabilities	*5.3*	**139.9**	157.6
Total current liabilities		**1,148.3**	**1,089.9**
Liabilities related to assets held for sale		**-**	-
Total equity and liabilities		**1,862.0**	**1,817.5**

3. CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month periods ended 30 June 2016 and 30 June 2015

(in € millions)	*Notes*	First-half 2016	**First-half 2015**
Profit for the period		**17.6**	**20.4**
Elimination of share of profit/(loss) of associates and joint ventures	*9.1.1*	**0.1**	0.0
Provisions, depreciation, amortisation and impairment	*9.1.1*	**5.3**	3.8
Change in fair value of the ORNANE embedded derivative component	*9.1.1*	**10.7**	2.0
Changes in residual interest in leased assets	*9.1.1*	**(2.8)**	(1.0)
Other non-cash expenses (income)	*9.1.1*	**(0.4)**	(3.6)
Cash flows from operating activities after cost of net debt and income tax		**30.5**	**21.6**
Income tax expense	*13*	**14.0**	11.3
Cost of net debt	*9.1.2*	**6.3**	5.3
Cash flows from operating activities before cost of net debt and income tax (a)		**50.8**	**38.2**
Change in working capital (b)	***9.1.3***	**(91.9)**	**(96.7)**
Tax paid net of tax credits (c)		**(13.9)**	(10.9)
Net cash from operating activities (a+b+c=d)		**(55.0)**	**(69.4)**
of which cash flow from discontinued operating activities[(1)]		**-**	*(0.2)*
Acquisition of property, plant and equipment and intangible assets		**(14.5)**	(6.2)
Disposal of property, plant and equipment and intangible assets		**0.1**	-
Acquisition of long-term financial assets		**(1.4)**	(0.3)
Disposal of long-term financial assets		**0.0**	0.2
Acquisition of companies and businesses, net of cash acquired		**(4.3)**	(36.0)
Disposal of companies and businesses, net of cash acquired		**-**	1.9
Net cash used in investing activities (e)	***9.2***	**(20.1)**	**(40.4)**
of which cash flow from discontinued investing activities[(1)]		**-**	*1.0*

(1) In the first half of 2015, net cash flows from discontinued activities are as defined by IFRS 5 with respect to Services in Germany.

(in € millions)	Notes	First-half 2016	**First-half 2015**
Redemption of ORNANE convertible bonds	*8.2*	**(15.6)**	-
Issuance of other non-convertible bonds		**-**	101.0
Exercise of stock options		**8.8**	0.4
Buyback of treasury shares		**(19.1)**	(21.9)
Changes in refinancing liabilities on lease contracts and liabilities on self-funded contracts		**10.6**	3.8
Increase in non-current financial liabilities		**0.0**	0.3
Repayment non-current financial liabilities		**(0.6)**	(1.2)
Increase in current financial liabilities		**81.7**	1.1
Repayment current financial liabilities		**(5.7)**	(47.0)
Interest paid		**(7.7)**	(5.1)
Capital increase in non-controlling interests		**0.2**	-
Payments to shareholders during the period		**-**	-
Net cash from financing activities (f)	**9.3**	**52.6**	**31.4**
o/w related to discontinued operations[(1)]		**-**	-
Impact of exchange rates on cash and cash equivalents (g)		**(1.3)**	0.8
Impact of discontinued operations on the opening net cash position (h)[(1)]		**-**	-
Change in cash and cash equivalents (d+e+f+g+h)		**(23.8)**	**(77.6)**

Net cash and cash equivalents at 1 January[(2)]		**209.4**	**207.3**
Change in cash and cash equivalents		**(23.8)**	(77.6)
Net cash and cash equivalents at 30 June[(2)]		**185.6**	**129.7**

(1) In the first half of 2015, net cash flows from discontinued activities are as defined by IFRS 5 with respect to Services in Germany.
(2) Net of bank overdrafts: € 6.1 million as of 30 June 2016 and €2.5 million as of 30 June 2015.

The main movements in the consolidated statement of cash flows are explained in note 9.

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of 30 June 2015 and as of 30 June 2016

(in € millions)	Number of shares	Share capital	Share capital premiums[3]	Treasury shares	Other consolidated reserves and retained earnings	Other comprehensive Income (expense)	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total
Balance as of 1 January 2015, reported	**112,519,287**	**21.6**	**205.3**	**(8.7)**	**46.7**	**(4.9)**	**260.0**	**19.5**	**279.5**
Impact of IFRIC21 interpretation	-	-	-	-	1.8	-	1.8	-	1.8
Adjustments to business combinations[1]	-	-	-	-	(2.0)	-	(2.0)	2.0	-
Balance as of 1 January2015, restated	**112,519,287**	**21.6**	**205.3**	**(8.7)**	**46.5**	**(4.9)**	**259.8**	**21.5**	**281.3**
Profit for the period	-	-	-	-	20.8	-	20.8	(0.4)	20.4
Other comprehensive income (expense), net of tax	-	-	-	-	-	0.8	0.8	(0.3)	0.5
Total comprehensive income for first half 2015	**-**	**-**	**-**	**-**	**20.8**	**0.8**	**21.6**	**(0.7)**	**20.9**
Cancellation of shares	-	-	-	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	-	0.4	-	0.4	-	0.4
Repayment of share premiums	-	-	(16.2)	-	-	-	(16.2)	-	(16.2)
Treasury share transactions	-	-	-	(21.4)	(0.1)	-	(21.5)	-	(21.5)
Put and call options on non-controlling interests	-	-	-	-	(25.5)	-	(25.5)	-	(25.5)
Non-controlling interests in acquisitions in the period	-	-	-	-	-	-	-	23.2	23.2
Other transactions and transactions with an impact on non-controlling interests	-	-	-	-	(0.7)	-	(0.7)	(0.7)	(1.4)
Balance at 30 June 2015	**112,519,287**	**21.6**	**189.1**	**(30.1)**	**41.4**	**(4.1)**	**217.9**	**43.3**	**261.2**
Balance at 1 January 2016	**112,519,287**	**21.6**	**189.1**	**(43.1)**	**64.3**	**(3.8)**	**228.1**	**52.4**	**280.5**
Profit for the period	-	-	-	-	18.3	-	18.3	(0.7)	17.6
Other comprehensive income (expense), net of tax	-	-	-	-	-	(0.7)	(0.7)	0.5	(0.2)
Total comprehensive income in the first half 2016	**-**	**-**	**-**	**-**	**18.3**	**(0.7)**	**17.6**	**(0.2)**	**17.4**
Cancellation of shares	-	-	-	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	-	0.4	-	0.4	-	0.4
Repayment of share premiums	-	-	(18.8)[2]	-	-	-	(18.8)	-	(18.8)
Treasury share transactions	-	-	-	3.3	(10.8)	-	(7.5)	-	(7.5)
Put and call options on non-controlling interests	-	-	-	-	(8.5)	-	(8.5)	-	(8.5)
Non-controlling interests in acquisitions in the period	-	-	-	-	-	-	-	7.1	7.1
Other transactions and transactions with an impact on non-controlling interests	-	-	-	-	(1.0)	-	(1.0)	1.2	0.2
Balance at 30 June 2016	**112,519,287**	**21.6**	**170.3**	**(39.8)**	**62.7**	**(4.5)**	**210.3**	**60.5**	**270.8**

(1) In accordance with IFRS 3, the Group reconsidered the value of the assets and liabilities arising from acquisitions of controlling interests in 2014. Adjustments were made to the value of goodwill (under the full goodwill method) and a liability relating to an entity acquired in 2014.

(2) Paid in July 2016.

(3) The difference of €16.7 million between the share premium in the Econocom Group statutory financial statements and the premiums from the capital of the IFRS consolidated financial statements is due to a difference in the method for measuring Osiatis shares during the various phases of taking control of this Group in 2013.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1. Statement of compliance and basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 – Interim Financial Reporting and IFRS as adopted by the European Union as of 30 June 2016[(1)].

The consolidated financial statements of Econocom Group include the financial statements of Econocom Group SE and its subsidiaries. They are presented in millions of euros. The fact that the figures have been rounded off to the nearest decimal point may, in certain cases, result in minor discrepancies in the totals and sub-totals in the tables.

They were approved for issue by the Board of Directors on 7 September 2016 and have not been subject to a review by the statutory auditors.

The interim financial statements comply with exactly the same accounting rules and policies as those used for the full-year financial statements drawn up on 31 December 2015, as set forth in the 2015 annual report, with the exception of the point described in paragraph 1.2.1 hereafter and as a result of mandatory application as of 1 January 2016.

They comply with the minimum disclosures required by IAS 34, and, consequently, should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2015, as reported in the 2015 annual report.

The specific rules for preparing interim financial statements are as follows:

1.1.1. Assessment methods specific to interim financial statements

Provisions for post-employment benefits

Expenses in the first half for post-employment benefits are calculated on the basis of actuarial assessments made at the end of the previous period. These assessments are adjusted, if applicable, to allow for reductions, liquidations or other major, non-recurring events which took place during the half-year.

Income tax

For interim financial statements, income tax expenses (current and deferred) are calculated by applying to the accounting result for the period, for each tax entity, the estimated average income tax rate for the current year. This expense is, if applicable, adjusted with the income tax impact of exceptional items during the period.

Goodwill

Goodwill is tested for impairment at each year-end using the method described in note 2.11 of the consolidated financial statements of the 2014 annual report, as well as any time there is an indication that an impairment may have occurred.

(1) Available in English on the web site: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

1.1.2. Use of estimations

The preparation of Econocom Group's condensed consolidated interim financial statements requires the use of various estimates and assumptions regarded as realistic or reasonable. Events or circumstances may result in changes to these estimates or assumptions, which could affect the value of the Group's assets, liabilities, equity or profit.

The main accounting policies requiring the use of estimates are:
- impairment of goodwill;
- measurement of residual interest (Technology Management & Financing business);
- measurement of provisions.

As of the date on which the condensed consolidated interim financial statements were reviewed by the Board of Directors, Management believes that as far as possible, these estimates take into account all available information.

1.2. New standards, amendments and interpretations

1.2.1. New standards and interpretations applicable as of 1 January 2016

The new standards, amendments and interpretations applicable for accounting periods beginning on or after 1 January 2016 did not have a significant impact on the Group's interim financial statements. They are presented below:

Standard/interpretation	Applicable for accounting periods beginning on or after:
Annual improvements to cycles 2010 – 2012 which affects standards on share-based payments, the recognition of earn-outs and contingent consideration in business combinations, aggregation of segments, short-term receivables and payables, and the remeasurement of non-current assets	1 February 2015
IAS 19 - Defined Benefit Plans: Employee Contributions	1 July 2015
IFRS 11 - Acquisition of an interest in a joint operation - This prescribes that acquisitions of interests in joint operations must be accounted for using the acquisition method.	1 January 2016
IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Annual improvements to cycles 2012 – 2014 relating to IFRS 5, IFRS 7, IAS 14, IAS 19	1 January 2016

Furthermore, the Group has early adopted the IAS 7 amendment on changes to "Net Debt" by presenting changes to net debt, in which there is a distinction between monetary and non-monetary flows (cf note 8.2). This amendment is applicable as of accounting periods beginning as of 1 January 2017.

1.2.2. Standards and interpretations adopted by the IASB but not yet applicable as of 30 June 2016

The Group has not early adopted any of the following new standards or interpretations whose application is not mandatory for the financial year beginning 1 January 2016:

Standard/interpretation	Expected Group application date subject to EU approval:
Amendment IAS 12 – Recognition of deferred tax assets for unrealised losses	1 January 2017
IFRS 9 - Financial instruments: This standard modifies the classification and measurement of financial assets and introduces a new impairment model based on expected losses.	1 January 2018
IFRS 15 – Revenue from contracts with customers	1 January 2018
IFRS 16 – Lease contracts	1 January 2019

The impact of these standards is not yet known or cannot yet be reasonably estimated at this stage. (cf. note 2.2.3 of the notes to the consolidated financial statements of the 2015 annual report).

1.3. Changes in accounting policy

There were no changes in accounting policy during the first half of 2016.

2. CHANGES IN THE SCOPE OF CONSOLIDATION AND CHANGES IN GOODWILL

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

2.1.1. Acquisitions or stakes

In the first half 2016, Econocom took control of two companies in key sectors with high growth potential:
• **Caverin**, a distributor of digital multimedia solutions, based in Madrid; the Group took control of this control of this Spanish company by acquiring 66.66% of its share capital in January 2016;
• **Cineolia**, a provider of digital services for hospital patients (connected televisions, telephones, tablets, etc.); the Group took control of this company when it acquired 60% of the share capital in January 2016.

The price of the interests acquired for these two transactions amounted to €1.9 million. Put and call option agreements were entered into with the non-controlling shareholders for the remaining capital of these two companies. For each of them, a corresponding liability was recognised for the equity and was measured based on business plans and the future profitability expected from 2018 to 2020 for Caverin and 2020 to 2022 for Cineolia.

The goodwill for these two acquisitions was measured using the full goodwill method, taking into account the fair value of non-controlling interests. The total goodwill recognised for the period for these two acquisitions amounted to €10.1 million.

In accordance with IFRS 3, there is a “measurement period” which ends one year after the acquisition date and during which the Group may recognise adjustments to these provisional amounts (cf. § 2.4.3 of the consolidated financial statements of the 2015 annual report).

2.1.2. Increase/decrease in levels of interest

In the first half 2016, two managers acquired 10% of the share capital of Exaprobe via a capital increase.

2.2. Changes in goodwill

For the purposes of impairment testing, goodwill is allocated to cash generating units (CGUs):

(in € millions)	Technology Management & Financing	Services	Products & Solutions	Total
Goodwill as of 1 January 2016	**108.7**	**360.2**	**14.6**	**483.5**
Acquisitions	5.9	-	4.2	10.1
Disposals	-	-	-	-
Other changes	-	0.1	-	0.1
Impairment	-	-	-	-
Foreign exchange gains and losses	-	0.9	-	0.9
Goodwill as of 30 June 2016	**114.6**	**361.2**	**18.8**	**494.6**
of which gross amount				*498.9*
of which cumulated impairment				*(4.3)*

Regarding acquisitions in the first half, Cineolia was integrated to the Technology Management & Financing CGU and Caverin to the Products & Solutions CGU. The other changes correspond to adjustments to goodwill for companies acquired in 2015 (€0.1 million).

The Group has not identified any indication that a goodwill impairment test should be implemented.

3. SEGMENT REPORTING

The Group's business segments break down into three aggregated strategic operating business segments:

- Technology Management & Financing
- Services
- Products & Solutions

Revenue and segment results

Internal transactions include:
• sales of goods and services: the Group ensures that these transactions are performed at arm's length and that no significant internal margins are retained. In most cases, purchased internal goods and services are in turn sold on to end clients. Certain services are sold before they are actually performed. In this case, revenue is deferred and recognised in liabilities under "Other current liabilities";
• cross-charging of overheads and personnel costs;
• cross-charging of financial expenses.

The Group's segment results correspond to "Recurring operating profit from ordinary activities." This segment indicator, used for the application of IFRS 8, is the indicator used by management to monitor the performance of operating activities and allocate resources.

"Recurring operating profit from ordinary activities" corresponds to operating profit before other non-recurring operating income and expenses and the amortisation of non-current intangible assets from major transactions (amortisation of the Osiatis brand and the ECS customer portfolio).

3.1. Reporting by operational business segment

The following table presents the contribution of each operating business segment to the Group's results:

(in € millions)	Technology Management & Financing	Services	Products & Solutions	Total
First-half 2016				
Revenue				
Revenue from external clients	613.0	387.9	210.7	1,211.6
Internal operating revenue	5.1	30.3	32.5	67.9
Total - Revenue from operating segments	**618.1**	**418.2**	**243.2**	**1,279.5**
Recurring operating profit from ordinary activities(1)	30.7	18.5	4.1	53.3
Amortisation of the ECS customer portfolio and the Osiatis brand	(1.0)	(1.1)	-	(2.1)
Recurring operating profit from activities	**29.7**	**17.4**	**4.1**	**51.2**
First-half 2015				
Revenue				
Revenue from external clients	567.3	344.6	210.4	1,122.3
Internal operating revenue	0.2	21.0	27.9	49.1
Total - Revenue from operating segments	**567.5**	**365.6**	**238.3**	**1,171.4**
Recurring operating profit from ordinary activities(1)	25.4	13.6	4.4	43.4
Amortisation of the ECS customer portfolio and the Osiatis brand	(1.0)	(1.1)	-	(2.1)
Recurring operating profit from activities	**24.4**	**12.5**	**4.4**	**41.4**

(1) Before amortisation of the ECS customer portfolio and the Osiatis brand.

3.2. Breakdown of revenue by geographical area

(in € millions)	First-half 2016	First-half 2015	Change
France	**641.3**	602.9	+ 6.4%
Benelux	**174.1**	180.8	- 3.8%
Southern Europe*	**228.7**	196.1	+ 16.6%
Northern & Eastern Europe	**147.8**	124.1	+ 19.1%
Americas	**19.7**	18.4	+ 7.1%
Total	**1,211.6**	**1,122.3**	**+ 8.0%**

** Including operations in Morocco.*

With the exception of Benelux, all geographical areas reported growth in revenue. In Benelux, some substantial contracts had been signed during the first half of 2015.

4. NON-CURRENT ASSETS

4.1. Net intangible assets

(in € millions)	Customer portfolio and business assets	Franchises, patents, licences, etc.	IT systems and other internally generated assets	Other	Total
Net value at 31 December 2015	**37.2**	**4.9**	**21.3**	**0.7**	**64.1**
Acquisitions	-	1.3	5.8	0.0	7.1
Disposals	-	(0.0)	(0.0)	-	(0.0)
Changes in amortisation and impairment	(2.2)	(1.3)	(2.5)	(0.2)	(6.2)
Changes in scope of consolidation	-	-	-	0.0	0.0
Translation adjustments	-	0.0	-	0.0	0.0
Transfers and other movements	-	1.3	(0.1)	(0.5)	0.7
Net value at 30 June 2016	**35.0**	**6.2**	**24.5**	**0.0**	**65.7**

4.2. Net property, plant and equipment

(in € millions)	Land and buildings	Fixtures, fittings and IT equipment	Furniture and vehicles	Property, plant and equipment held under finance leases	Other	Total
Net value at 31 December 2015	**14.6**	**7.9**	**2.9**	**0.1**	**4.6**	**30.1**
Acquisitions	1.9	4.0	0.6	0.0	0.9	7.4
Disposals	(0.0)	(0.0)	(0.0)	-	-	(0.0)
Changes in amortisation and impairment	(0.7)	(2.8)	(0.5)	(0.4)	(0.0)	(4.4)
Changes in scope of consolidation	0.1	0.0	0.0	2.2	-	2.3
Translation adjustments	0.0	0.0	0.0	(0.0)	0.0	0.0
Transfers and other movements	1.0	1.7	0.2	-	(3.6)	(0.7)
Net value at 30 June 2016	**16.9**	**10.8**	**3.2**	**1.9**	**1.9**	**34.7**

4.3. Long-term financial assets

(in € millions)	Investments in non-consolidated companies	Investments in associates and joint ventures	Other long-term financial assets	Total
Net value at 31 December 2015	**0.8**	**0.5**	**22.9**	**24.2**
Increases	0.6	-	0.8	1.4
Repayments/Disposals(1)	-	-	(1.6)	(1.6)
Share of profit (loss) of associates and joint ventures	-	(0.1)	-	(0.1)
Net value at 30 June 2016	**1.4**	**0.4**	**22.1**	**23.9**

(1) Repayments and disposals correspond to repayments of guarantees given to factors, classified under "Change in working capital" in the statement of cash flows

4.4. Residual interest in leased assets and other long-term receivables

	30 June 2016			31 December 2015		
(in € millions)	Gross	Dep.	Net	Gross	Dep.	Net
Residual interests in leased assets (long-term)	**77.5**	**-**	**77.5**	**70.1**	**-**	**70.1**
Long-term tax receivables	3.7	-	3.7	2.7	-	2.7
Other long-term receivables	3.2	(0.1)	3.1	2.1	(0.2)	1.9
Other receivables	**6.9**	**(0.1)**	**6.8**	**4.8**	**(0.2)**	**4.6**

Residual interest (long and short-term) in leased assets amounted to €102 million; they increased by 3.9%, driven by the dynamic of the TMF business, the revenue of which rose 8.1% in the first half. Their overall amount is still below 2% of the purchase price of the leased assets.

5. CURRENT OPERATING ASSETS AND LIABILITIES

5.1. Inventories

	30 June 2016			31 December 2015		
(in € millions)	Gross	Provision	Net	Gross	Provision	Net
Equipment in the process of being refinanced	**14.0**	**(1.0)**	**13.0**	**7.6**	**(2.4)**	**5.2**
Other inventories	**45.6**	**(17.1)**	**28.5**	**34.2**	**(17.3)**	**16.9**
IT and telecom equipment	*23.8*	*(1.6)*	*22.2*	*13.5*	*(1.9)*	*11.6*
Spare parts	*21.8*	*(15.5)*	*6.3*	*20.7*	*(15.4)*	*5.3*
Total	**59.6**	**(18.1)**	**41.5**	**41.8**	**(19.7)**	**22.1**

The increase in the stock of equipment in the process of being refinanced for the TMF business is mainly due the stock levels required to comply with the terms of the Service Level Agreements signed with certain clients.

In addition, the increase in stocks of IT and telecoms equipment is due mainly to the delivery conditions required by clients and to the fact that the biggest contracts, delivered in July, were in stock at the end of June.

5.2. Trade and other receivables and other current assets

	30 June 2016			31 December 2015		
(in € millions)	Gross	Dep.	Net	Gross	Dep.	Net
Trade receivables	785.2	(53.0)	732.2	747.6	(48.7)	698.9
Other receivables	97.9	(2.8)	95.1	108.7	(2.9)	105.8
Trade and other receivables	**883.1**	**(55.8)**	**827.3**	**856.3**	**(51.6)**	**804.7**
Residual interest in leased assets (short term)	**24.5**	**-**	**24.5**	**28.1**	**-**	**28.1**
Current tax assets	**8.6**	**-**	**8.6**	**6.9**	**-**	**6.9**
Other current assets	**51.2**	**-**	**51.2**	**55.4**	**-**	**55.4**

Trade receivables items are broken down below by activity:

(in € millions)	30 June 2016				31 December 2015			
	Receivables invoiced net of depreciations	Out-standing rentals	Revenue accruals	Total	Receivables invoiced net of depreciations	Out-standing rentals	Revenue accruals	Total
Technology Management & Financing	**230.1**	**301.5**	**7.1**	**538.7**	**260.7**	**263.5**	**8.7**	**532.9**
Trade receivables refinanced or in the process of being refinanced	106.9	301.5		408.4	133.8	263.5	0.0	397.3
User trade receivables (outstanding rentals refinanced but invoiced by Econocom)	123.2	-	7.1	130.3	126.9	-	8.7	135.6
Services	**77.7**	**-**	**73.0**	**150.7**	**88.4**	**-**	**44.3**	**132.7**
Products & Solutions	**26.5**	**-**	**16.3**	**42.8**	**25.5**	**-**	**7.8**	**33.3**
Total	**334.3**	**301.5**	**96.4**	**732.2**	**374.6**	**263.5**	**60.8**	**698.9**

The increase in trade receivables for the Services business, and in particular of revenue accruals, is due mainly to the growth of the business and the usual seasonal effect on invoicing. In the case of P&S, it is linked to the projects in the process of being delivered as of 30 June 2016.

Breakdown of trade receivables by type of client and by due date:

(in € millions)	Carrying amount	Receivables not past due	Breakdown of due dates			
			Total	< 60 days	60 - 90 days	> 90 days
Refinancing institutions	109.5	78.9	30.6	24.5	0.0	6.1
Other trade receivables	675.3	525.9	149.4	59.9	14.8	74.7
Impairment losses on doubtful receivables	(52.6)	(11.3)	(41.3)	0.0	(2.4)	(38.9)
Trade and other receivables, net	**732.2**	**593.5**	**138.7**	**84.4**	**12.4**	**41.9**

Refinancing institutions correspond to financial institutions that are subsidiaries of banks. Other receivables correspond to the Group's end clients, mainly companies and public-sector bodies in the eurozone. Impairment losses on doubtful debts include impairment on disputed receivables, impairment of past due receivables and provisions for leasing receivables that are self-financed or refinanced with recourse.

5.3. Trade and other payables and other current liabilities

(in € millions)	30 June 2016	31 December 2015
Trade payables	520.6	522.9
Other payables	218.8	228.6
Trade and other payables	**739.4**	**751.5**

Other payables can be analysed as follows:

(in € millions)	30 June 2016	31 December 2015
Accrued taxes and personnel costs	172.2	207.1
Repayment of share premiums to pay*	19.4	0.6
Financial instruments (ORNANE derivative component)	21.7	11.9
Trade and other payables	5.5	9.0
Other payables	**218.8**	**228.6**

** Paid in July 2016.*

Other current liabilities can be analysed as follows:

(in € millions)	30 June 2016	31 December 2015
Other liabilities	7.6	9.0
Deferred income	125.2	141.4
Miscellaneous current liabilities	7.1	7.2
Other current liabilities	**139.9**	**157.6**

6. EQUITY

6.1. Share capital of Econocom Group SE

	Number of shares			Value (in € millions)		
	Total	Treasury shares(1)	Outstanding	Share capital	Paid-in capital	Treasury shares
As of 31 December 2015	**112,519,287**	**5,791,437**	**106,727,850**	**21.6**	**189.1**	**(43.1)**
Purchase of treasury shares	-	2,264,137	(2,264,137)	-	-	(21.5)
Sales of treasury shares	-	(291,802)	291,802	-	-	2.4
Refund of share premiums	-	-	-	-	(18.8)	-
Reclassification as other reserves	-	-	-	-	(17.6)	-
Options exercised	-	(2,880,000)	2,880,000	-	-	22.4
As of 30 June 2016	**112,519,287**	**4,883,772**	**107,635,515**	**21.6**	**152.7**	**(39.8)**

(1) Of which, at end of June 2016, 4,821,172 shares in their own right and 62,600 under liquidity contracts.

6.2. Stock option plans

Stock options have been granted to some of the Group's employees, managers and corporate officers for an agreed unit price. The characteristics of these plans are detailed below:

Stock option plans	2011	2013	2014*	2015*	2016*	Total
Number of options outstanding at 31 December 2015	790,000	875,000	2,015,000	360,000	-	4,040,000
Options attributed in the period	-	-	-	-	60,000	60,000
Options issued in the period	(720,000)	-	-	-	-	(720,000)
Options lapsed or forfeited	-	-	-	-	-	-
Options outstanding at 30 June 2016	**70,000**	**875,000**	**2,015,000**	**360,000**	**60,000**	**3,380,000**
Rights granted in number of shares (comparable) at 31 Dec. 2015	3,160,000	875,000	2,015,000	360,000		6,410,000
Rights granted in number of shares (comparable) at of 30 June 2016	**280,000**	**875,000**	**2,015,000**	**360,000**	**60,000**	**3,590,000**
Exercise price (in euros)	3.06	5.96	5.52	7.75	9.57	
Average share price at the exercise date	8.99	-	-	-	-	
Expiry date	Dec.-16	Dec.-18	Dec.-19	Dec.-20	Dec.-21	

**In December 2014, the Compensation Committee approved a plan to issue 2,500,000 stock subscription rights, 2,015,000 of which were issued in 2014 (net of options lost during the period), 360,000 in 2015 and 60,000 in the first half of 2016. The formula adopted will allow Econocom Group to issue new shares upon exercise of these options.*

6.3. Free share plans

The General Shareholders’ Meeting on 17 May 2016 authorised the Econocom Board of Directors to grant 1,125,000 free existing shares, i.e. 1% of Econocom’s share capital. Acquisition may be subject to the achievement of individual, collective, internal and external objectives. Consequently, at the meeting of the Econocom Board of Directors on 19 May 2016 220,000 free shares were granted to a manager, divided into three tranches:

	Number of shares	Date of transfer of title
Tranche 1	80,000	May-17
Tranche 2	70,000	May-18
Tranche 3	70,000	May-19

Each tranche is subject to the manager’s remaining with the Group until the end of the acquisition period, as well as performance and stock market conditions.

6.4. Change in non-controlling interests

(in € millions)

At 31 December 2015	**52.4**
Share of comprehensive income attributable to non-controlling interests	**(0.2)**
Share of the net assets of investments attributable to non-controlling interests	**7.1**
Impact of the dilution in Exaprobe and Interadapt and miscellaneous	**1.3**
At 30 June 2016	**60.5**

6.5. Basic and diluted earnings per share

The weighted number of ordinary shares outstanding used to calculate earnings per share at 30 June 2016 is 107,709,131.

The adjusted number of shares used to calculate diluted earnings per share at 30 June 2016 is 109,802,087, and does not include any potential shares from the ORNANE convertible bond issues since these convertible bonds have an accretive impact at 30 June 2016.

7. PROVISIONS

A provision is recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable or certain that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted where appropriate to reflect the best estimate of the obligation at that date.

(in € millions)	31-Dec-15	Changes in scope of consolidation	Additions	Reversals	Reclassifications and effects of currency conversions	30 June 16
Restructuring and employee-related risks	15.6	1.1	1.0	(7.0)	(0.6)	10.1
Tax and legal risks	14.4	0.8	1.1	(4.2)	0.5	12.6
Commissions to pay	0.9	-	0.1	-	(0.1)	0.9
Other risks	7.1	0.3	0.5	(1.0)	0.4	7.3
Total	**38.0**	**2.2**	**2.7**	**(12.2)**	**0.2**	**30.9**
Current	*33.2*					*27.7*
Non-current	*4.8*					*3.2*

Net profit impact of additions to/reversals of provisions:

(in € millions)	Additions	Reversals due to surplus provisions (or reallocated)	Net profit impact
Recurring operating profit	(1.3)	1.9	+0.6
Non-recurring operating items	(1.2)	0.2	(1.0)
Income tax	(0.2)	-	(0.2)
Total	**(2.7)**	**2.1**	**(0.6)**

Long-term provisions (€3.2 million)

Long-term provisions relate to business risks as well as risks arising on restructuring operations and risks arising in relation to employees.

Short-term provisions (€27.7 million)

Provisions for restructuring and employee-related risks include costs arising on (i) disputes with employees and (ii) restructuring in progress or announced by the Group.

Tax and legal risks relate to disputes in progress with clients, suppliers, agents or tax authorities.

Provisions for other risks relate to regulatory and contractual risks in the Services and Products & Solutions businesses.

8. NET CASH AND NET DEBT

8.1. Position of net debt

(in € millions)	30 June-16	31-Dec.-15	Change	30 June-15
Cash and cash equivalents*	191.7	209.6	- 17.9	132.2
Bank debts and commercial papers**	(150.5)	(66.2)	- 84.3	(51.2)
Net cash	**41.2**	**143.4**	**- 102.2**	**81.0**
Convertible bond debt (ORNANE)	(161.0)	(173.6)	+ 12.6	(170.3)
Non-convertible bond debt (EuroPP)	(100.6)	(101.9)	+ 1.3	(100.6)
Contracts with recourse	(47.8)	(37.2)	- 10.6	(47.4)
Factoring liabilities with recourse	(10.8)	(10.7)	- 0.1	(6.8)
Other debts with recourse	(3.0)	(3.0)	-	(3.1)
Finance lease liabilities	(3.1)	(3.4)	+ 0.3	(3.6)
Gross debt	**(326.3)**	**(329.8)**	**+ 3.5**	**(331.8)**
Net debt	**(285.1)**	**(186.4)**	**- 98.7**	**(250.8)**

** Positive gross cash flow.*
*** Including bank overdrafts of €6.1 million as of 30 June 2016, €0.2 million as of 31 December 2015 and €2.5 million as of 30 June 2015.*

The change in net debt between 30 June 2016 and 31 December 2015 is mainly attributable to the seasonal nature of the Group's business, investments made in fixed assets during the period in (tools and premises) and in external growth, treasury share buybacks and the growth of the in-house funding company.

Net debt excludes gross liability for purchases of leased assets.

8.2. Change in net debt

(en millions €)	31-Dec.-15	Monetary flows	Non-monetary flows				30 June 16
			Entry into scope of consolidation	Amortised cost	Conversion	Other	
Cash and cash equivalents	209.6	(17.6)	1.0	-	(1.3)	-	191.7
Bank overdrafts	(0.2)	(5.9)	-	-	-	-	(6.1)
Cash net of bank overdrafts[(1)]	**209.4**	**(23.5)**	**1.0**	**-**	**(1.3)**	**-**	**185.6**
Bank debt and commercial papers	(66.0)	(75.6)	(2.6)	-	(0.2)	-	(144.4)
Net cash	**143.4**	**(99.1)**	**(1.6)**	**-**	**(1.5)**	**-**	**41.2**
Convertible bond debt (ORNANE)	(173.6)	16.0[(2)]	-	(2.5)	-	(0.9)	(161.0)
Non-convertible bond debt (EuroPP)	(101.9)	2.6[(3)]	-	(1.3)	-	-	(100.6)
Contracts with recourse	(37.2)	(10.6)	-	-	-	-	(47.8)
Factoring liabilities with recourse	(10.7)	(0.1)	-	-	-	-	(10.8)
Other debts with recourse	(3.0)	-	-	-	-	-	(3.0)
Finance lease liabilities	(3.4)	0.3	-	-	-	-	(3.1)
Gross debt	**(329.8)**	**8.2**	**-**	**(3.8)**	**-**	**(0.9)**	**(326.3)**
Net debt	**(186.4)**	**(91.0)**	**(1.6)**	**(3.7)**	**(1.5)**	**(0.9)**	**(285.1)**

(1) The change in net cash of -€23.8 million as shown in the statement of cash flows is equal to the total of monetary flows of -€23.5 million, €1 million of companies entering the scope of consolidation and -€1.3 million translation adjustments.
(2) These €16 million correspond to a €13.4 million reduction of ORNANE convertible bonds, added to €2.6 million of coupons paid during the period. These coupons paid are presented in "Interest paid" in the consolidated statement of cash flows.
It should be noted that the total payment for purchasing ORNANE convertible bonds in June 2016 was €15.6 million and includes not only the reduction of debt shown here (for €13.4 million) but also a part of the reduction of the ORNANE embedded derivative (amounting to €0.9 million) and an expense (of €1.3 million) affecting net financial expense.
(3) Monetary flows on non-convertible bond debts correspond to €2.6 million of coupons paid during the first half.
These coupons paid are presented under "Interest paid" in the consolidated statement of cash flows

9. CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	*Notes*	First-half 2016	**First-half 2015**
Total profit for the year		**17.6**	**20.4**
Cash flows from operating activities after cost of net debt and income tax		**50.8**	38.2
Change in working capital		**(91.9)**	(96.7)
Tax paid net of tax credits	*9.1.1*	**(13.9)**	(10.9)
Net cash from operating activities		**(55.0)**	**(69.4)**
Net cash used in investing activities		**(20.1)**	**(40.4)**
Net cash from financing activities		**52.6**	**31.4**
Impact of exchange rates on cash and cash equivalents		**(1.3)**	0.8
Change in cash and cash equivalents		**(23.8)**	**(77.6)**
Net cash and cash equivalents at 1 January 2016		**209.4**	**207.3**
Net cash and cash equivalents at 30 June*		**185.6**	**129.7**

** Net of bank overdrafts: €6.1 million as of 30 June 2016 and €2.5 million as of 30 June 2015.*

9.1. Net cash from operating activities

Net cash from operating activities totalled -€55.0 million for the first half 2016 compared with -€69.4 million for the first half of 2015.

The increase in this item reflects:
• an increase in cash flows from operating activities which came out at €50.8 million in the first half of 2016 versus €38.2 million for the same period a year earlier;
• a €(91.9) million change in working capital in H1 2016, versus a change of €(96.7) million in H1 2015, which reflects the frequency of the activity. This change includes investments made in the TMF business amounting to €15 million;
• tax paid net of tax credits rose by €3 million compared with the first half of 2015 due in particular to the increase in annual tax expenses in 2015 (€30.7 million compared with €21 million in 2014) and effects on the scope of consolidation as a result of companies acquired in 2015.

9.1.1. Other non-cash expenses (income)

(in € millions)	*Notes*	H1 2016	**H1 2015**
Elimination of share of profit (loss) of associates and joint ventures		**0.1**	**0.0**
Depreciation/amortisation of property, plant and equipment and intangible assets	*4.1/4.2*	***10.6***	*8.1*
Net additions to (reversals of) provisions	*7*	***(8.3)***	*(7.3)*
Net additions to (reversals of) pensions and other post-employment benefits		***1.4***	*(1.0)*
Depreciation (reversals of) inventories	*5.1*	***(2.0)***	*1.0*
Impairment of trade receivables and other current assets	*5.2*	***3.6***	*2.9*
Losses (gains) on disposals of property, plant and equipment and intangible assets		***-***	*0.1*
Total provisions, depreciation, amortisation and impairment		**5.3**	**3.8**
Impact of changes in fair value of the ORNANE embedded derivative		**10.7**	**2.0**
Change in residual interest in leased assets[(1)]	***4.4/5.2***	**(2.8)**	**(1.0)**
Cost of discounting residual interest in leased assets and gross liability for purchases of leased assets[(2)]		***(1.0)***	*(1.9)*
Expenses calculated for share-based payments		***0.6***	*0.7*
Impact of sold operations and changes in consolidation methods		***-***	*(2.4)*
Other non-cash expenses (income)		**(0.4)**	**(3.6)**
Non-cash expenses (income)		**12.9**	**1.2**

(1) The change in residual interest in leased assets takes into account the effects of discounting previous periods. The impacts of discounting for the period amounting to €0.8 million are eliminated in the "Other non-cash expenses (income)" item.
(2) Corresponds to the impacts of discounting residual interest in leased assets during the period and gross liability for purchases of leased assets.

9.1.2. Cost of net debt

The reconciliation of financial expense booked in the income statement with financial expense relating to the cost of debt as presented in the statement of cash flows can be presented as follows:

(in € millions)	Consolidated income statement for the first half of 2016	Discounting and change in fair value	Currency impact and other	Cost of net debt in first half 2016
Financial income – operating activities	2.1	(1.0)	(0.3)	0.8
Other financial income and expenses	(7.3)	0.2	-	(7.1)
Change in fair value of the ORNANE embedded derivative component	(10.7)	10.7	-	-
Total	**(15.9)**	**9.9**	**(0.3)**	**(6.3)**

9.1.3. Change in working capital

The increase in working capital, which is usual in the first half, can be explained as follows:

(in € millions)	31/12/2015	Change in working capital in H1 2016	Total other changes[1]	30/06/2016	Change in working capital in H1 2015
Other gross long-term receivables	4.8	2.1	-	6.9	(0.1)
Inventories, gross	41.8	16.4	1.4	59.6	14.4
Trade receivables, gross	747.6	37.7	(0.1)	785.2	125.9
Other receivables – gross	108.7	(14.2)	3.4	97.9	4.4
Residual interest in leased assets[4]	98.2	-	3.8	102.0	-
Current tax assets	6.9	-	1.7[2]	8.6	-
Other current assets	55.4	(3.4)	(0.8)	51.2	28.3
Inventories and operating receivables	**1,063.4**	**38.6**	**9.4**	**1,111.4**	**172.9**
Other long-term liabilities	(69.2)	(2.7)	(7.5)	(79.4)	(4.3)
Trade payables	(522.9)	4.4	(2.1)	(520.6)	(33.5)
Other payables	(228.6)	37.7	(27.9)	(218.8)	28.2
Current tax liabilities	(16.5)	-	(0.2)[2]	(16.7)	-
Other current liabilities	(157.6)	16.4	1.3	(139.9)	(64.9)
Gross liability for purchases of leased assets[4]	(62.1)	(2.5)	(0.2)[3]	(64.8)	(1.7)
Trade and other operating payables	**(1,056.9)**	**53.3**	**(36.6)**	**(1,040.2)**	**(76.2)**
Total change in working capital		**91.9**			**96.7**

(1) Mainly corresponding to changes in the scope of consolidation and in fair value, and translation adjustments.
(2) The monetary flow is presented in “Tax paid net of tax credits” in the consolidated statement of cash flows.
(3) Corresponding to changes in residual financial values of leased assets excluding the currency effect and discounting in the period.
(4) Current and non-current.

9.2. Breakdown of net cash used in investing activities

Net cash used in investing activities, -€20.1 million, mainly reflects:
• Cash outflows of €4.3 million (net of cash acquired) following the companies taken over during the period (Cineolia, Caverin), and payments for earn-outs and deferred liabilities for previous acquisitions;
• €14.4 million of investments in property, plant and equipment and intangible assets, mainly in the Group's infrastructures and IT projects;
• Cash outflows of €0.9 million resulting from non-controlling interests acquired in venture capital fund Partech Entrepreneur (which funds innovative digital companies) and in the share capital of two startups, Histovery and Magic Makers.

9.3. Breakdown of net cash used in financing activities

Net cash used in financing activities, amounting to +€52.6 million, mainly reflects:
• Cash outflows of €15.6 million for the purchase of 1.265 million ORNANE convertible bonds in June;
• Net cash inflows of €78.5 million following the issue of commercial papers;
• Net cash outflows of €10.3 million resulting from the movements on treasury shares (including €8.8 million inflows following the exercise of stock options);
• €7.7 million relating to interest payments in the first half of 2016 (including coupons paid on ORNANE convertible bonds and Euro PP).

10. FAIR VALUE OF FINANCIAL LIABILITIES

(in € millions)

Statement of financial position headings in accordance with IAS39 classifications Level of fair value*	Financial liabilities at amortised cost Level 2	Financial liabilities at fair value through profit or loss		Carrying amount Total
		Level 2	Level 3	
Financial liabilities	**476.8**	**-**	**-**	**476.8**
Convertible bonds	161.0	-	-	161.0
Non-convertible bonds	100.6	-	-	100.6
Liabilities relating to contracts with recourse	47.8	-	-	47.8
Factoring liabilities with recourse	10.8	-	-	10.8
Other liabilities with recourse	3.0	-	-	3.0
Finance lease liabilities	3.1	-	-	3.1
Bank overdrafts	6.1	-	-	6.1
Bank borrowings and other borrowings	144.4	-	-	144.4
Other non-current liabilities	**10.1**	**-**	**69.3**	**79.4**
Gross liability for purchases of leased assets financial values	**64.8**	**-**	**-**	**64.8**
Trade payables	**520.6**	**-**	**-**	**520.6**
Other current payables	**197.1**	**21.7**	**-**	**218.8**
Other current liabilities	**137.5**	**-**	**2.4**	**139.9**
Financial liabilities	**1,406.9**	**21.7**	**71.7**	**1,500.3**

** Cf. Note 2.3.1 of the 2015 annual report, page 139.*

Other non-current liabilities estimated at fair value through profit or loss (Level 3) correspond to non-controlling liabilities from put and call options over non-controlling interests and liabilities for companies acquired.

Other current liabilities estimated at fair value through profit or loss (Level 3) concern €2.2 million liabilities for companies acquired, while the rest is for put and call options over non-controlling interests.

Other current payables estimated at fair value through profit or loss (Level 2) correspond to fair value of the ORNANE embedded derivative component and other derivatives used as hedges for currency exchange rate risks arising on transactions. The market value of derivative instruments is measured based on models widely used on financial markets, and on market information available at the reporting date.

Based on the information held by the company, fair value of financial liabilities approximates their carrying amount, except for convertible bonds recognised at amortised cost whilst their fair value is as follows:

- convertible bonds (ORNANE), the market value of which was €11.965 per bond on 30 June 2016 (including accrued interest), i.e. a market value of €182 million for all the ORNANE convertible bonds outstanding at that date;
- For the Euro PP private placement, the market value of which (including accrued interest) on 30 June 2016 was 102% per bond (mature in 2020) and 103.5% per bond (mature in 2022) as of 30 June 2016, i.e. a market value of €103.9 million for all the convertible bonds outstanding at that date;

In view of their short-term nature, the carrying amount of trade and other payables approximates fair value.

11. NON-RECURRING OPERATING INCOME AND EXPENSES

(in € millions)	30 June 16	30 June 15
Reorganisation costs	(1.3)	(2.7)
Acquisition costs	(0.3)	(1.0)
Other operating expenses	**(1.6)**	**(3.7)**
Other operating income	0.1	2.6
Other operating income	**0.1**	**2.6**
Total	**(1.5)**	**(1.1)**

In the first half 2016, costs of restructuring net of reversals of provisions amounted to €1.3 million and concern mainly the Services business in France.

12. NET FINANCIAL EXPENSE

(in € millions)	First-half 2016	First-half 2015
Other financial income	**0.3**	0.2
Financial income	**0.3**	**0.2**
ORNANE convertible bonds - Coupons at 1.5%	**(1.3)**	(1.3)
ORNANE convertible bonds - residual expenses - amortised cost	**(1.1)**	(2.0)
ORNANE - Purchase of convertible bonds	**(1.3)**	
EURO PP (€101 M) expenses	**(1.4)**	(0.2)
Expenses on non-current liabilities	**(0.2)**	(0.4)
Financial component of provisions for pension and other post-employment benefit obligations	**(0.3)**	(0.4)
Interest on bank overdrafts	**(0.6)**	(1.1)
Financial expenses on factoring	**(1.0)**	(0.7)
Other financial expenses	**(0.4)**	(0.3)
Financial expenses	**(7.6)**	**(6.4)**
Financial income and expenses	**(7.3)**	**(6.2)**
ORNANE - Change in fair value of the embedded derivative component	**(10.7)**	(2.0)
Net financial expense	**(18.0)**	**(8.2)**

Non-recurring items of net financial expense for the first half of 2016 consist of an expense from the change in fair value of ORNANE embedded derivative component, i.e. an expense of €10.7 million. Moreover, Econocom's purchase of 1,265,000 ORNANE convertible bonds resulted in an expense of €1.3 million.

In the first half of 2015, non-recurring items of net financial expense were composed of changes in the fair value of the ORNANE embedded derivative component representing an expense of €2 million.

13. INCOME TAXES

(in € millions)	First-half 2016	First-half 2015
Profit before tax	**31.7**	32.1
Income tax	**(14.0)**	(11.5)
Nominal income tax	**44.2%**	**35.8%**
Group effective tax rate as a percentage of profit before tax excluding adjustment to fair value of the ORNANE derivative component and amortisation of the ECS customer portfolio and the Osiatis brand	**33.7%**	**33.9%**

Income tax expense stood at €14 million including €2.7 million of taxes similar to income tax (cf. note 30 of the consolidated financial expenses of 31 December 2015: for Econocom this relates to the tax on value added in France (CVAE), net of income tax, and to the IRAP tax (*imposta regionale sulle attività produttive*) in Italy.

This rate rose due to the increasing amount of the adjustment (non-deductible) to fair value of the ORNANE derivative component (-€10.7 million as of 30 June 2016 vs. €2 million as of 30 June 2015).

Adjusted for the impact of the amortisation of the ECS customer portfolio and the Osiatis brand, the effective corporate tax rates (excluding CVAE and IRAP) amounted to 27.6% as of 30 June 2016.

(in € millions)	First-half 2016	First-half 2015
Profit before tax (reported)	31.7	32.1
Change in fair value of the ORNANE embedded derivative component	10.7	2.0
Amortisation of the ECS customer portfolio and the Osiatis brand	2.1	2.1
Profit before tax excluding adjustments to fair value of the ORNANE derivative component amortisation of the ECS customer portfolio and the Osiatis brand	**44.5**	**36.2**
Income tax (reported)	(14.0)	(11.5)
Tax effects of amortisation of the ECS customer portfolio and the Osiatis brand	(1.0)	(0.8)
Income tax (excluding tax effects of the amortisation of the ECS customer portfolio and the Osiatis brand)	**(15.0)**	**(12.3)**
Effective tax rate	**33.7%**	**33.9%**

14. RELATED-PARTY TRANSACTIONS

Transactions between the parent company and its subsidiaries, which are related parties, are eliminated on consolidation and are not presented in this note. The transactions with related parties summarised below mainly concern the principal transactions carried out with the Chairman of Econocom Group's Board of Directors, his Vice Chairman, Chief Executive Officers or companies in which they have control or a considerable influence.

The conditions underlying compensation payable to the Group's corporate officers are approved by the Board of Directors based on recommendations of the Compensation Committee. There has been no major change regarding related parties since the information in note 36.1 of the 2015 annual report.

Other transactions between related parties are presented below:

• Econocom International BV (EIBV) – of which Jean-Louis Bouchard (Chairman and Chief Executive Officer of Econocom Group) is a Partner – is a non-listed company that holds 41.03% of the capital of Econocom Group SE at 30 June 2016. Econocom International BV billed fees to Econocom Group SE and its subsidiaries for managing and coordinating the Group. These fees amounted to €1.2 million for the first half of 2016.

• In June 2016, SCI Dion-Bouton – of which Jean-Louis Bouchard is Managing Partner – owns the building in Puteaux and received €2.1 million in rent in 2016. A guarantee deposit of €2.1 million was paid to SCI Dion-Bouton in 2012 for the duration of the lease.

• Transactions with SCI Maillot Pergolèse, which owns the premises in Clichy and of which Jean-Louis Bouchard is Partner and Robert Bouchard (Vice President of Econocom Group) Manager, consist of rent for 2016 amounting to €0.3 million. A guarantee deposit of €0.1 million was paid to the company for the Clichy building in which Econocom SAS rents premises.

• SCI JMB, which owns the premises in Villeurbanne and of which Jean-Louis Bouchard is Managing Partner, invoiced the Group for six months' rent, for €0.3 million at June 30 2016. The guarantee deposit amounted to €0.2 million.

• APL – of which Robert Bouchard is Chairman – invoiced the Group €0.1 million for maintenance services.

• GCX.com, of which Georges Croix (Executive Director of the Econocom Group Board of Directors) is Chairman, invoiced Digital Dimension €0.3 million for services.

15. SUBSEQUENT EVENTS

In July 2016, the Group carried out the following business combination transactions:

• Asystel Italia: to reinforce its Service operations in Italy, the Group acquired 51.1% of the share capital of Asystel Italia, a services company based in Milan. Asystel Italia reported revenue of €22 million for the last financial year.

• MCNEXT: after setting up Infeeny in 2015, a business unit dedicated to Microsoft solutions in the cloud and mobile environment, the Group acquired a controlling interest in MCNEXT Group, a consulting and service company specialising in Microsoft technologies. MCNEXT employs 200 people in Paris, Lyon and Geneva and posted revenue of €16 million in the last financial year. This investment will enable Econocom to become France's second biggest Microsoft technologies services specialist.

In addition, Econocom, via its subsidiary Digital Dimension, also exercised part of the put option with the founders of Mobis (Rayonnance Group), allowing it to acquire an additional 15% of the share capital and bring its interest in Digital Dimension up to 8% of the company's share capital.

Lastly, the Group purchased 400,000 additional ORNANE convertible bonds in July; it has now bought back 10.1% of the bonds issued.

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