

2014 INTERIM FINANCIAL REPORT



GROUPE GORGÉ SA

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MANAGEMENT REPORT

There were changes in the group's scope in the first half of 2014. GROUPE GORGÉ made two acquisitions, DELTAMED (3D printing materials) and INFOTRON (airborne drones). GROUPE GORGÉ's interest in ECA SA, which is fully consolidated, fell from 63.88% to 61.17% following partial payment in ECA stock for the INFOTRON acquisition. REDHALL GROUP is no longer accounted for using the equity method as from 30 June 2014 following GROUPE GORGÉ's loss of significant influence.

The group generated first-half revenue of €101.4 million, compared with €98.6 million in the same period of 2013, an increase of 2.8%.

Current operating income totalled +€3.5 million, compared with +€3.8 million in the first half of 2013, adversely affected by the loss in the 3D Printing division (€1.2 million compared with €0.2 million in the first half of 2013).

Operating income amounted to +€2.0 million, compared with +€2.8 million in the first half of 2013. Net income was +€0.1 million (+€0.2 million in the first half of 2013). Net income - Group share totalled +€0.3 million (+€0.4 million in the first half of 2013).

The consolidated balance sheet at 30 June 2014 carried a €5.2 million liability for dividends owed by GROUPE GORGÉ as well as by ECA and NUCLEACTION to their non-controlling interests. These dividends were paid out in July 2014.

SIGNIFICANT EVENTS

1/ Outright acquisition of DELTAMED in May 2014

DELTAMED is specialised in the manufacture of photosensitive products for medical and industrial applications. Its photosensitive resins are used for 3D printing. In 2013, DELTAMED generated revenue of €2.9 million. This acquisition represented a major step forward for GROUPE GORGÉ as regards its 3D printing development plan. The company has been consolidated since 1 May 2014.

2/ Outright acquisition of INFOTRON in May 2014; reduction in interest in ECA

INFOTRON, which develops and sells VTOL airborne drones, was acquired to broaden ECA's drone offering. The INFOTRON offering will be integrated into ECA's mobile robotics solutions. The INFOTRON acquisition was initially carried out by GROUPE GORGÉ, and partially paid in cash (€2.5 million) and in ECA stock (€4.6 million). GROUPE GORGÉ subsequently transferred INFOTRON to its subsidiary ECA, on the same terms. As a result, GROUPE GORGÉ's interest in ECA fell from 63.88% at 31 December 2013 to 61.17% following this deal.

3/ Arrangement of an optional equity line of credit

GROUPE GORGÉ arranged an optional equity line of credit allowing it to issue tranches of new shares, up to a maximum of 635,000 shares. KEPLER CHEVREUX, with which it arranged this line of credit, made a firm commitment to subscribe at GROUPE GORGÉ's request. For each tranche, the issue price is set on the basis of the weighted average price at the time of issuance minus 5%. The line of credit is valid for 24 months as from March 2014. In the first half, 250,000 new shares were issued by GROUPE GORGÉ.

4/ Change in consolidation method for REDHALL GROUP

REDHALL GROUP securities were accounted for using the equity method during the half but were deconsolidated as of 30 June 2014, and are now presented on the "equity interests in non-consolidated companies" line on the balance sheet. In fact, it is no longer possible to demonstrate that GROUPE GORGÉ has significant influence, particularly since GROUPE GORGÉ was diluted in March 2014 following a capital increase to which GROUPE GORGÉ did not subscribe and which meant that it lost its status as largest shareholder. The valuation of the securities in the consolidated financial statements exceeds the stock market value, but GROUPE GORGÉ does not currently believe that this reflects the true value of the group or its value in use for GROUPE GORGÉ.

5/ Establishment of a new "3D Printing" division

A new division was established for the 3D printing operations. This division includes PRODWAYS, DELTAMED as well as PRODWAYS ENTREPRENEURS, established in June 2014 to acquire interests in companies operating in the sector. The segment analysis in the 2013 financial statements was retroactively revised to ensure that the division scopes were clearly comparable.

OPERATIONS

Smart Safety Systems (ECA group)

First-half 2014 revenue amounted to €39.4 million, 7.6% down on the same period the previous year.

The division's first-half current operating income, which is normally lower than in the second half, totalled €0.64 million, compared with €0.22 million in the first half of 2013. This improvement in the margin despite the decline in revenue was made possible by cost cutting in 2013 and improved business margins.

Order intake during the half totalled €40.4 million compared with €39.3 million in the first half of 2013.

At 30 June 2014, the order book stood at €90 million (€81 million the previous year) while tendering levels remained high, particularly in Asia and in the Persian Gulf states.

Protection in Nuclear Environments (NUCLEACTION group, SERES TECHNOLOGIES)

The division's revenue rose 24% compared with the first half of 2013, totalling €23.5 million.

Operating income amounted to +€3.9 million compared with +€2.4 million in the first half of 2013, on the back of the growing revenue and the healthy margins on current contracts.

The order book was unchanged at circa €50 million over the half and the division enjoys good visibility for 2015.

Industrial Projects and Services (CIMLEC INDUSTRIE group, CLF-SATREM, AI GROUP, VAN DAM)

The division's revenue was virtually unchanged (€37.5 million compared with €37.0 million in 2013). CIMLEC Industrie benefited from the transfer of the COMMERCY ROBOTIQUE business acquired at end-2013 from AIR LIQUIDE WELDING.

The division's operating income amounted to +€0.9 million, compared with +€1.4 million in the first half of 2013. CIMLEC INDUSTRIE's operating income moved back into the black but at the same time the contribution of the fire safety businesses declined due to a seasonality effect benefiting the second half.

The division's order book was up at over €50 million compared with under €40 million at 1 January 2014.

3D Printing (PRODWAYS, DELTAMED, PRODWAYS ENTREPRENEURS)

The division's revenue amounted to €1.1 million, with only two months' contribution from DELTAMED. Revenue in the first half of 2013 was not material (PRODWAYS consolidated for one month only).

The current operating income was minus €1.2 million due to the Group's investment expenditure on developing this business.

OUTLOOK

The contribution of the fire safety businesses to the Industrial Projects and Services division should increase in the second half. This division's full-year revenue is still highly dependent on second half orders.

In the nuclear sector, full-year revenue will once again be up on 2013. The division's short-term and long-term visibility is very satisfactory, with pending confirmation of the start of the EPR project in the UK (Hinkley Point).

ECA's annual revenue is expected to be in line with the previous year, with the second half once again accounting for a large proportion of revenue and operating income, as in past years.

The 3D Printing division will continue to make the investments necessary to kick-start this new huge growth potential business.

NOTE ON RELATED-PARTY TRANSACTIONS

Related parties are persons (directors, managers of GROUPE GORGÉ or of its principal subsidiaries) or companies owned or managed by these persons. The following transactions by the group with related parties during the half have been identified:

<i>in thousands of euros, in the group's financial statements</i>	PELICAN VENTURE	PELICAN VENTURE SUBSIDIARIES	TOP EXECUTIVES	CG BOARD
Income statement				
Revenue	183	-	-	
Other income	30	28	-	
Purchases and external charges	(146)	-	-	(47)
Balance sheet				
Trade receivables	-	-	-	
Suppliers	-	-	-	5
Miscellaneous debts	-	-	-	
Loans	-	-	507	
Deposits and guarantees received	14	10	-	

PELICAN VENTURE is a holding company, and the main shareholder of GROUPE GORGÉ.

STATEMENT OF THE PERSON RESPONSIBLE FOR THE INTERIM REPORT

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the past six months have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and of all consolidated companies and that the above interim management report includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the financial statements, the main related-party transactions and a description of the principal risks and uncertainties for the remaining six months of the year.

Raphaël GORGÉ, Chairman and Chief Executive Officer.

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014

Assets

<i>(in thousands of euros)</i>	Notes	30/06/2014	30/06/2013	31/12/2013
NON-CURRENT ASSETS		90,009	78,934	78,036
Goodwill	3.6	37,083	26,393	26,456
Intangible assets	3.6	27,312	25,729	25,332
Property, plant and equipment	3.7	15,421	15,399	15,400
Investment property		298	298	298
Financial assets: loans and receivables		1,874	1,394	1,502
Financial assets: equity interests in non-consolidated companies	2.2	3,748	207	162
Equity interests reported using the equity method	2.2	3	6,421	4,523
Deferred tax assets	3.18	4,260	3,088	4,355
Other non-current assets		11	7	8
CURRENT ASSETS		175,896	181,234	186,186
Inventories and work in progress	3.8	22,225	23,320	22,733
Trade receivables	3.9	105,178	102,903	110,392
Other current assets	3.10	13,706	16,474	12,734
Tax receivables	3.18	10,857	6,343	7,545
Cash and cash equivalents	3.12	23,929	32,194	32,782
ASSETS HELD FOR SALE		-	-	-
TOTAL ASSETS		265,905	260,168	264,222

Liabilities

<i>(in thousands of euros)</i>	Notes	30/06/2014	30/06/2013	31/12/2013
EQUITY (GROUP SHARE)		53,389	44,688	51,249
Share capital ⁽¹⁾	3.15	12,982	12,732	12,732
Share premiums ⁽¹⁾		16,483	11,748	11,794
Retained earnings and other reserves ⁽²⁾		23,924	20,208	26,723
NON-CONTROLLING INTERESTS		25,259	20,144	22,860
NON-CURRENT LIABILITIES		50,916	52,327	53,686
Long-term provisions	3.16	6,041	4,870	5,221
Non-current financial debt	3.13	39,283	42,793	41,855
Financial instruments and derivatives	3.14	1,081	1,081	1,081
Deferred tax liabilities	3.18	2,018	1,854	2,077
Other non-current liabilities		2,492	1,729	3,452
CURRENT LIABILITIES		136,341	143,009	136,427
Short-term provisions	3.16	6,430	13,148	6,533
Current borrowings and financial debt	3.13	6,867	8,797	5,416
Financial instruments and derivatives	3.14	18	43	30
Trade payables	3.11	30,282	30,001	35,130
Other current liabilities	3.11	92,568	90,130	89,040
Tax payable		177	891	278
LIABILITIES HELD FOR SALE		-	-	-
TOTAL LIABILITIES		265,905	260,168	264,222

⁽¹⁾ Of the consolidating parent company.

⁽²⁾ Including income (loss) for the period.

Consolidated income statement

<i>(in thousands of euros)</i>	Notes	30/06/2014	30/06/2013	31/12/2013
REVENUE	3.1	101,390	98,590	214,517
Capitalised production		1,376	1,578	3,541
Inventories and work in progress		1,354	2,054	(2,326)
Other income from operations		4,357	2,881	6,997
Purchases consumed		(60,241)	(58,755)	(122,314)
Personnel expenses		(40,023)	(37,869)	(73,950)
Tax and duties		(1,314)	(1,486)	(2,785)
Depreciation, amortisation and provisions (net of reversals)	3.2	(3,071)	(2,853)	(6,461)
Other operating expense (net of income)		139	(322)	(385)
CURRENT OPERATING INCOME		3,967	3,818	16,835
Non-recurring items	3.3	(1,499)	(1,021)	(764)
OPERATING INCOME		2,468	2,797	16,072
Interest on gross debt		(1,025)	(1,183)	(2,244)
Interest on cash and cash equivalents		101	232	555
NET BORROWING COSTS (a)		(924)	(951)	(1,689)
Other financial income (b)		209	154	430
Other financial expense (c)		(160)	(205)	(916)
FINANCIAL INCOME AND EXPENSE (d=a+b+c)		(875)	(1,003)	(2,176)
INCOME FROM CONTINUING OPERATIONS BEFORE TAX		1,593	1,794	13,896
Income tax	3.18	(429)	(1,500)	(2,633)
Group share of the earnings of equity-accounted companies		(860)	(74)	(2,146)
INCOME FROM CONTINUING ACTIVITIES AFTER TAX		305	221	9,117
Net income from discontinued activities		-	-	-
NET INCOME		305	221	9,117
Net income attributable to non-controlling interests		(201)	(210)	2,534
NET INCOME - GROUP SHARE		505	431	6,583

Average No. of shares	3.4	12,978,573	12,717,404	12,715,223
Net income from continuing operations per share (in euros)	3.4	0.039	0.034	0.518
Net income per share (in euros)	3.4	0.039	0.034	0.518

Income statement - gains and losses recognised directly in equity

<i>(in thousands of euros)</i>	30/06/2014	30/06/2013	31/12/2013
NET INCOME	305	221	9,117
Foreign exchange gains and losses	(20)	(83)	104
Tax relating to currency translation adjustments	7	33	(35)
Revaluation of hedging derivatives	11	26	39
Tax relating to revaluation of hedging derivatives	(4)	(9)	(13)
Revaluation of hedging derivatives - liabilities	-	-	-
Tax relating to revaluation of hedging derivatives - liabilities	-	-	-
Revaluation of available-for-sale financial assets	-	-	-
Tax relating to the revaluation of available-for-sale financial assets	-	-	-
Revaluation of property, plant and equipment	-	-	-
Tax relating to the revaluation of property, plant and equipment	-	-	-
Actuarial gains and losses on defined benefit plans	(559)	489	850
Tax relating to actuarial gains and losses on defined benefit plans	186	(163)	(283)
Group share of gains and losses recognised directly in equity of equity-accounted companies	-	-	-
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	(379)	293	663
- of which can be reclassified subsequently to profit and loss	(387)	276	637
- of which cannot be reclassified subsequently to profit and loss	8	17	26
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	(74)	514	9,779
- of which Group share	200	671	7,169
- of which non-controlling interests	(274)	(157)	2,610

Cash flow statement

<i>(in thousands of euros)</i>	30/06/2014	30/06/2013	31/12/2013
NET INCOME FROM CONTINUING OPERATIONS	305	221	9,117
Accruals	3,421	4,018	1,101
Capital gains and losses on disposals	(357)	(344)	(149)
Group share of income of equity-accounted companies	860	73	2,146
CASH FLOW FROM OPERATING ACTIVITIES (before elimination of net borrowing costs and taxes)	4,229	3,968	12,215
Net borrowing costs	924	951	1,689
Tax expense	429	1,500	2,633
CASH FLOW FROM OPERATING ACTIVITIES (after elimination of net borrowing costs and taxes)	5,581	6,419	16,538
Tax paid	(915)	(1,123)	(3,263)
Change in working capital requirements	(5,602)	(82)	(1,543)
NET CASH FLOW FROM OPERATING ACTIVITIES	(936)	5,214	11,731
Investing activities			
Payments/acquisition of intangible assets	(1,724)	(1,785)	(3,170)
Payments/acquisition of property, plant and equipment	(975)	(785)	(2,046)
Proceeds/disposal of property, plant and equipment and intangible assets	600	17	50
Payments/acquisition of long-term investments	(353)	(41)	(220)
Proceeds/disposal of long-term investments	9	46	268
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	(8,051)	(4,940)	(3,169)
NET CASH (USED IN)/GENERATED BY INVESTING ACTIVITIES	(10,493)	(7,489)	(8,287)
Financing activities			
Capital increase or contributions	4,884	145	292
Dividends paid to parent company shareholders	-	(4,063)	(4,074)
Dividends paid to non-controlling interests	-	(19)	(657)
Proceeds from borrowings	24	97	5,296
Repayment of borrowings	(2,108)	(10,999)	(18,939)
Net borrowing costs	(924)	(951)	(1,689)
NET CASH (USED IN)/GENERATED BY FINANCING ACTIVITIES	(1,877)	(15,790)	(19,772)
CASH GENERATED BY CONTINUING OPERATIONS	(9,552)	(18,066)	(16,328)
Cash generated by discontinued operations	-	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	(9,552)	(18,066)	(16,328)
<i>Effects of exchange rate changes</i>	<i>(1)</i>	<i>4</i>	<i>(47)</i>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	31,307	47,724	47,724
Restatement of cash and cash equivalents ⁽¹⁾	(20)	(332)	(42)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	21,733	29,330	31,307

⁽¹⁾ Related to the reclassification of treasury shares.

Statement of changes in equity

(in thousands of euros)	Group share or owners of the parent company						
	Share	Share capital reserves	Treasury shares	Retained earnings and other reserves	Equity – Group share or owners of the parent company	Equity – Minority interests or non-controlling interests	Total equity
2013 CLOSING EQUITY	12,732	11,794	(797)	27,520	51,249	22,860	74,110
Share capital transactions	250	4,634	-	-	4,884	-	4,884
Free share grant and stock option plan	-	56	-	37	93	10	103
Treasury share transactions	-	-	18	-	18	61	79
Dividends	-	-	-	(4,137)	(4,137)	(1,068)	(5,204)
Net income (loss) for the period	-	-	(80)	585	505	(201)	305
Gains and losses recognised directly in equity	-	-	-	(305)	(305)	(74)	(379)
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	-	-	(80)	280	200	(274)	(74)
Changes in scope ⁽¹⁾	-	-	31	1,054	1,086	3,671	4,757
Others	-	-	-	(3)	(3)	(2)	(5)
JUNE 2014 CLOSING EQUITY	12,982	16,483	(828)	24,754	53,389	25,259	78,648

⁽¹⁾ Mainly related to the INFOTRON transactions

(in thousands of euros)	Group share or owners of the parent company						
	Share	Share capital reserves	Treasury shares	Retained earnings and other reserves	Equity – Group share or owners of the parent company	Equity – Minority interests or non-controlling interests	Total equity
2012 CLOSING EQUITY	12,732	17,199	(964)	19,944	48,911	20,310	69,222
Share capital transactions	-	-	-	-	-	-	-
Free share grant and stock option plan	-	45	-	51	96	16	112
Treasury share transactions	-	-	201	-	201	288	489
Dividends	-	(5,496)	-	1,433	(4,063)	(657)	(4,720)
Net income (loss) for the period	-	-	(133)	564	431	(210)	221
Gains and losses recognised directly in equity	-	-	-	240	240	53	293
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	-	-	(133)	804	671	(157)	514
Changes in scope	-	-	(106)	(1,030)	(1,136)	344	(792)
Others	-	-	-	8	8	-	8
JUNE 2013 CLOSING EQUITY	12,732	11,748	(1,003)	21,211	44,688	20,144	64,832

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The GROUPE GORGÉ's condensed consolidated interim financial statements cover a six-month period from 1 January to 30 June 2014. They were approved by the Board of Directors on 9 September 2014.

The significant events in the first half are discussed in the management report.

NOTE 1 ACCOUNTING PRINCIPLES

1.1 Seasonality of the business

The Group observes seasonal variations in its businesses that can affect the level of revenue from one six-month period to another. Accordingly, the interim results are not necessarily indicative of what can be expected for full-year 2014.

1.2 Accounting principles

The Group prepares consolidated financial statements on a biannual basis, in accordance with IAS 34 "*Interim Financial Reporting*". They do not contain all the information required for annual financial statements and must be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2013, as published in the Registration Document filed with the AMF (*Autorité des marchés financiers* - French financial markets authority) on 8 April 2014 under number D.14-0309.

The condensed consolidated financial statements for the six-months ended 30 June 2014 were prepared using identical accounting policies as used to prepare the consolidated financial statements for the financial year ended 31 December 2013, with the exception of the new standards, revised standards and interpretations applicable as from 1 January 2014:

- Amendment to IAS 32 - Offsetting Financial Assets and Financial Liabilities;
- Amendment to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets;
- Amendment to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting;
- IAS 28 Revised - Investments in Associates and Joint Ventures;
- IFRS 10 - Consolidated Financial Statements;
- IFRS 11 - Joint Arrangements;
- IFRS 12 - Disclosure of Interests in Other Entities;
- Transitional provisions - Amendments to IFRS 10, IFRS 11 and IFRS 12.

The application of IFRS 10 and IFRS 11 has no impact on the consolidated financial statements.

The Group did not apply the following standards and interpretations, which had not been adopted by the European Union at 30 June 2014 or for which application was not mandatory as from 1 January 2014:

Standard adopted:

- IFRIC 21 – Levies; recognition of a liability to pay a levy: application first financial year starting on or after 17 June 2014.

Standards not adopted:

- IFRS 9 - Financial Instruments;
- IFRS 14 – Regulatory Deferral Accounts;
- IFRS 15 – Revenue from Contracts with Customers;
- Amendments to IAS 16 and IAS 38: clarification of acceptable methods of depreciation and amortisation;
- Amendments to IFRS 11: recognition of acquisition of an interest in a joint operation;
- Amendments to IAS 19: defined benefit plans: employee contributions;
- Annual improvements to IFRSs 2010-2012 (December 2013);
- Annual improvements to IFRSs 2011-2013 (December 2013).

These interpretations and amendments are not expected to have a material impact on the Group's financial statements.

1.3 Valuation methods and rules

The financial statements have been prepared under the historical cost convention, except in the case of derivatives and available-for-sale financial assets, which are measured at fair value. Financial liabilities are measured at amortised cost. Hedging instruments are measured at fair value.

The preparation of the financial statements requires that Group management or the subsidiaries' management make estimates and assumptions that affect the reported amounts of assets and liabilities on the consolidated balance sheet, the reported amounts of income and expense items on the income statement and the commitments relating to the period under review. The actual results may differ.

The above-mentioned assumptions mainly concern:

- the calculation of the recoverable amounts of assets;
- the calculation of provisions for risks and charges;
- the calculation of income upon completion of work in progress;
- the calculation of retirement benefit obligations.

As the Group's consolidated companies operate in different sectors, the valuation and impairment methods used for certain items may vary according to the sector.

The valuation methods and rules applied for the consolidated interim financial statements are similar to those described in the notes to the 2013 consolidated financial statements (Registration Document filed with the AMF on 8 April 2014).

NOTE 2 SCOPE OF CONSOLIDATION

2.1 List of consolidated companies

Company	Parent company	% control		% interest		Method	
	At 30 JUNE 2014	JUNE 2014	2013	JUNE 2014	2013	JUNE 2014	2013
Consolidating company							
GROUPE GORGÉ SA		Top	Top	Top	Top	FC	FC
Structure							
FINU 5 ⁽¹⁾	GROUPE GORGÉ SA	100	100	100	100	FC	FC
GORGÉ EUROPE INVESTMENT (Netherlands)	GROUPE GORGÉ SA	100	100	100	100	FC	FC
GORGÉ NETHERLANDS (Netherlands)	GORGÉ EUROPE INVESTMENT	90	90	90	90	FC	FC
SCI DES CARRIÈRES	GROUPE GORGÉ SA	100	100	100	100	FC	FC
Smart Safety Systems							
ECA ⁽²⁾	GROUPE GORGÉ SA	71.57	73.89	61.17	63.88	FC	FC
ECA CNAI	ECA SA	100	100	61.17	63.88	FC	FC
ECA DÉVELOPPEMENT ⁽¹⁾	ECA SA	100	100	61.17	63.88	FC	FC
ECA EN	ECA SA	100	100	61.17	63.88	FC	FC
ECA FAROS	ECA SA	100	100	61.17	63.88	FC	FC
ECA ROBOTICS	ECA SA	100	100	61.17	63.88	FC	FC
ECA RSM ⁽³⁾	ECA SA	100	-	61.17	-	FC	-
ECA SINDEL (Italy)	ECA SA	97.55	96.02	59.67	61.34	FC	FC
ECA SINDEL BRASIL (Brazil)	ECA SINDEL	99.80	99.80	59.55	61.21	FC	FC
ECA SINTERS	ECA SA	100	100	61.17	63.88	FC	FC
ESFE (Singapore)	ECA SA	100	100	61.17	63.88	FC	FC
INFOTRON ⁽⁴⁾	ECA SA	100	-	61.17	-	FC	-
SSI (United States)	ECA SA	100	100	61.17	63.88	FC	FC
TRITON IMAGING (United States)	ECA SA	100	100	61.17	63.88	FC	FC
1ROBOTICS (United States)	ECA SA	29.89	29.89	49.55	51.74	EM	EM
Industrial Projects and Services							
AI GROUP	GROUPE GORGÉ SA	51	51	51	51	FC	FC
AIGX (Dubai)	AI GROUP	98	100	49.88	51	FC	FC
AMOPSI	GROUPE GORGÉ SA	80	80	80	80	FC	FC
CIMLEC IBERICA (Spain) ⁽⁵⁾	CIMLEC Industrie SAS	-	100	-	100	-	FC
CIMLEC INDUSTRIAL (Romania)	CIMLEC Industrie SAS	100	100	100	100	FC	FC
CIMLEC INDUSTRIE	GROUPE GORGÉ SA/CLF	100	100	100	100	FC	FC
CLF-SATREM	GROUPE GORGÉ SA	100	100	100	100	FC	FC
COMMERCY ROBOTIQUE	CIMLEC Industrie SAS -	100	100	100	100	FC	FC
FINU 6 ⁽⁶⁾	GROUPE GORGÉ SA	100	-	100	-	FC	-
MFG DEUTSCHLAND (Germany) ⁽⁵⁾	CIMLEC Industrie SAS	-	100	-	100	-	FC
NTS France	CIMLEC Industrie SAS	100	100	100	100	FC	FC
NTS IBERICA (Spain)	NTS France SAS	100	100	100	100	FC	FC
REDHALL GROUP ⁽⁷⁾	GORGÉ EUROPE INVESTMENT	11.84	19.46	11.84	19.46	EM	EM
ROBOKEEP ⁽⁵⁾	CIMLEC Industrie SAS	-	100	-	100	-	FC
SAS STONI	GROUPE GORGÉ SA	100	100	100	100	FC	FC
TENWHIL	CIMLEC Industrie SAS	100	100	100	100	FC	FC
VAN DAM	GORGÉ NETHERLANDS	100	100	90	90	FC	FC

3D printing							
DELTAMED ⁽⁸⁾	FINU 6	100	-	100	-	FC	-
PRODWAYS	GROUPE GORGÉ SA	90	90	90	90	FC	FC
PRODWAYS ENTREPRENEURS ⁽⁹⁾	FINU 6	100	-	100	-	FC	-
Protection in Nuclear Environments							
BAUMERT	NUCLÉACTION SAS	100	100	98.81	98.81	FC	FC
BAUMERT CHINE	NUCLÉACTION SAS	100	100	98.81	98.81	FC	FC
NTC NUCLEACTION	NUCLÉACTION SAS	100	100	98.81	98.81	FC	FC
NUCLÉACTION	GROUPE GORGÉ SA	98.81	98.81	98.81	98.81	FC	FC
SCI DES PORTES	GROUPE GORGÉ SA	100	100	100	100	FC	FC
SERES TECHNOLOGIES	GROUPE GORGÉ SA	60	60	60	60	FC	FC

⁽¹⁾ Companies with no operating activities;

⁽²⁾ Control percentages for ECA reflect double voting rights;

⁽³⁾ Company established in May 2014;

⁽⁴⁾ Company acquired on 30 April 2014;

⁽⁵⁾ Exit of CIMLEC IBERICA, MFG DEUTSCHLAND and ROBOKEEP at 1 January 2014;

⁽⁶⁾ Company established in March 2014;

⁽⁷⁾ Deconsolidation at 30 June 2014;

⁽⁸⁾ Company acquired on 30 April 2014;

⁽⁹⁾ Company established in June 2014.

2.2 Equity investments in associates

This item concerns 1ROBOTICS, over which ECA has 29.89% control (with an interest of 81%) as well as REDHALL GROUP, 19.46% controlled to 27 March 2014, the date on which a capital increase at REDHALL GROUP diluted GROUPE GORGÉ's interest, which now only stands at 11.84%. At end-June 2014, REDHALL GROUP was deconsolidated as a result of GROUPE GORGE's loss of significant influence following the dilution and loss of the status of largest shareholder.

Movements during the period are as follows:

(in thousands of euros)	Start of period	In	Income	Out	Others	Closing
1 ROBOTICS	3	-	-	-	-	3
REDHALL GROUP	4,520	-	(860)	(3,638)	(22)	-
TOTAL EQUITY INVESTMENTS IN ASSOCIATES	4,523	-	(860)	(3,638)	(22)	3

REDHALL GROUP has been accounted for using the equity method since end-2012. REDHALL GROUP, which is listed on the AIM market in London, prepares its annual financial statements to 30 September and publishes its interim financial statements to 31 March. GROUPE GORGÉ's share of income (under the equity method) is determined on the basis of REDHALL's interim results, with a lag of three months. A €0.6 million loss was recorded due to the dilution experienced by GROUPE GORGÉ as a result of a capital increase. This loss is aggregated with GROUPE GORGÉ's share of income from REDHALL GROUP.

REDHALL GROUP securities are now classified as available-for-sale financial assets for €3.6 million. No impairment loss was recognised despite the stock market valuation of €2.0 million at 30 June 2014, following the abrupt drop in the stock price at the end of the half, something that may only be temporary and because the group still believes that the REDHALL GROUP stock price does not reflect its true value or the value in use of the investment for GROUPE GORGÉ.

2.3 Changes in scope

The scope of consolidation changed as follows over the half:

- consolidation of DELTAMED from 1 May 2014;
- consolidation of INFOTRON from 1 May 2014;
- change in GROUPE GORGÉ's interest in ECA as a result of the creation of new shares in connection with ECA SA's acquisition of INFOTRON in early June 2014. GROUPE GORGÉ now holds 61.17% of ECA, compared with 63.88% on 31 December 2013;
- deconsolidation of REDHALL GROUP at 30 June 2014.

PRODWAYS (formerly PHIDIAS) was acquired at end-April 2013. This acquisition is measured under IFRS 3R. The fair value measurement of the acquired assets, liabilities and contingent liabilities of PRODWAYS was adjusted during the half.

The excess of the company's interest in the fair value of the acquired assets, liabilities and contingent liabilities over the acquisition cost had been recognised in goodwill for €4,299K. At 30 June, following completion of the valuation process, the final goodwill is €2,931K. The reallocations break down as follows:

- €1,785K net of deferred taxes in intangible assets (development costs). The intangible assets with a gross value of €2,677K are amortised over a period of ten years from 1 January 2014;
- €180K in deferred tax assets corresponding to the capitalisation of tax loss carryforwards.

The fair value measurement of the acquired assets, liabilities and contingent liabilities of INFOTRON and DELTAMED are not final, and may be adjusted over the 12 months following the acquisition date.

Contribution of business combinations to consolidated income in the first half of 2014

<i>(in thousands of euros)</i>	INFOTRON	DELTAMED
1- Contributions from the acquisition date		
Revenue	8	598
Operating income	(298)	100
Net income	(261)	77
2- Contributions from the start of the period ⁽¹⁾		
Revenue	87	2,105
Operating income	(782)	539
Net income	(790)	390
<i>(1) Income and profit from the business combinations as if they had taken effect on 1 January, the start of the financial year of both companies</i>		

INFOTRON

The additional goodwill stemming from the consolidation of INFOTRON breaks down as follows:

Purchase price	7,060
Non-controlling interests	-
TOTAL (a)	7,060
Net assets (b)	(267)
GOODWILL (a)-(b)	7,327

The assets and liabilities acquired break down as follows:

<i>(in thousands of euros)</i>	Carrying amount	Revaluation at fair value	First consolidation
Property, plant and equipment and financial assets	102	-	102
Inventories	137	-	137
Tax and operating receivables	139	-	139
Cash and cash equivalents	43	-	43
Prepaid expenses	23	-	23
Retirement indemnities	-	(74)	(74)
Tax and operating liabilities	(641)	115	(526)
Miscellaneous and deferred income	(98)	-	(98)
Deferred tax / revaluations at fair value	-	(13)	(13)
TOTAL	(295)	28	(267)

DELTAMED

The additional goodwill stemming from the consolidation of DELTAMED breaks down as follows:

Purchase price	7,065
Non-controlling interests	-
TOTAL (a)	7,065
Net assets (b)	1,997
GOODWILL (a)-(b)	5,068

The assets and liabilities acquired break down as follows:

<i>(in thousands of euros)</i>	Carrying amount	Revaluation at fair value	First consolidation
Intangible assets	14	-	14
Property, plant and equipment	220	-	220
Inventories	363	-	363
Receivables	350	-	350
Cash and cash equivalents	1,471	-	1,471
Prepaid expenses	12	-	12
Provisions for risks	(288)	-	(288)
Financial debt	(11)	-	(11)
Operating liabilities	(134)	-	(134)
Miscellaneous and deferred income	(3)	-	(3)
Deferred tax/revaluations at fair value	-	-	-
TOTAL	1,997	-	1,997

NOTE 3 NOTES TO THE FINANCIAL STATEMENTS

3.1 Segment analysis

Breakdown by business segment:

<i>(in thousands of euros)</i>	Industrial Projects and Services		Smart Safety Systems		Protection in Nuclear Environments		3D printing		Structure		Disposals		Consolidated	
	June 2014	June 2013	June 2014	June 2013	June 2014	June 2013	June 2014	June 2013	June 2014	June 2013	June 2014	June 2013	June 2014	June 2013
Revenue	37,504	37,031	39,351	42,693	23,462	18,898	1,140	6	1,247	1,161	(1,314)	(1,198)	101,390	98,590
Current operating income	861	1,409	636	216	3,913	2,391	(1,172)	(168)	(270)	(30)	-	-	3,967	3,818
Operating income	830	1,404	168	(786)	3,313	2,376	(1,306)	(168)	(536)	(30)	-	-	2,468	2,797

The core business revenue indicated includes revenue made with other businesses.

"Structure" refers to the GROUPE GORGÉ HQ and unallocated costs.

Analysis of revenue by geographical area

FIRST HALF OF 2014

<i>(in thousands of euros)</i>	France	%	Europe	%	Others	%	Total Revenue	%
Industrial Projects and Services	29,221	45%	3,270	33%	5,014	19%	37,504	37%
Smart Safety Systems	24,997	38%	4,720	54%	9,633	37%	39,351	39%
Protection in Nuclear Environments	11,308	17%	940	11%	11,215	43%	23,462	23%
3D printing	156	-	975	11%	9	-	1,140	1%
Structure and disposals	(67)	-	-	-	-	-	(67)	-
TOTAL	65,615	100%	9,905	100%	25,871	100%	101,390	100%
%	65%		10%		26%		100%	

FIRST HALF OF 2013

<i>(in thousands of euros)</i>	France	%	Europe	%	Others	%	Total Revenue	%
Industrial Projects and Services	26,328	41%	5,572	47%	5,130	23%	37,031	38%
Smart Safety Systems	29,723	46%	4,419	37%	8,551	39%	42,693	43%
Protection in Nuclear Environments	8,568	13%	1,848	16%	8,482	38%	18,898	19%
3D printing	-	-	6	-	-	-	6	-
Structure and disposals	(25)	-	-	-	-	-	(25)	-
TOTAL	64,581	100%	11,846	100%	22,163	100%	98,590	100%
%	66%		12%		22%		100%	

3.2 Allowances for / reversals of depreciation, amortisation and provisions (net of reversals)

<i>(in thousands of euros)</i>	30/06/2014	30/06/2013	31/12/2013
DEPRECIATION, AMORTISATION AND PROVISIONS			
intangible assets	(2,013)	(2,068)	(3,940)
property, plant and equipment	(906)	(984)	(2,040)
capital leases	(137)	(148)	(297)
SUBTOTAL	(3,056)	(3,201)	(6,277)
CHARGES TO PROVISIONS, NET OF REVERSALS			
inventory and work in process	(279)	(142)	(435)
current assets	26	242	(503)
risks and charges	237	248	754
SUBTOTAL	(15)	348	(184)
TOTAL DEPRECIATION, AMORTISATION AND PROVISIONS (NET OF REVERSALS)	(3,071)	(2,853)	(6,461)

3.3 Non-recurring items in operating income

<i>(in thousands of euros)</i>	30/06/2014	30/06/2013	31/12/2013
Restructuring costs	(917)	(526)	(1,749)
Acquisition costs	(119)	-	-
Amortisation of intangible assets recognised at fair value during the acquisitions	(463)	(343)	(688)
ECA/BAé dispute	-	-	2,343
Unusual provisions for impairment of asset values	-	-	(524)
Deconsolidation of ECA AML and OD ECA	-	(147)	(147)
Others	-	(5)	-
TOTAL	(1,499)	(1,021)	(764)

3.4 Earnings per share

	30/06/2014	30/06/2013	31/12/2013
Weighted average number of shares	12,978,573	12,717,404	12,715,223
Dividend per share paid during the period	ND	ND	0.32
EARNINGS PER SHARE <i>(in euros)</i>	0.039	0.034	0.518
EARNINGS PER SHARE FROM ONGOING ACTIVITIES <i>(in euros)</i>	0.039	0.034	0.518
Dilutive potential ordinary shares ⁽¹⁾	415,000	-	-
Diluted weighted average number of shares	13,393,573	12,717,404	12,715,223
DILUTED EARNINGS PER SHARE <i>(in euros)</i>	0.038	0.034	0.518
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS <i>(in euros)</i>	0.038	0.034	0.518

⁽¹⁾ Of which 385,000 potential shares associated with the arrangement of an optional equity line of credit).

3.5 Notes to the cash flow statement

The net cash inflow/outflow on the acquisition / disposal of subsidiaries breaks down as follows (in thousands of euros):

Acquisition of INFOTRON ⁽¹⁾	(2,500)
Cash inflow from INFOTRON	43
Acquisition of DELTAMED	(7,064)
Cash inflow from DELTAMED	1,471
NET CASH INFLOW (OUTFLOW) ON THE ACQUISITION OF SUBSIDIARIES	(8,051)

⁽¹⁾ Portion of the INFOTRON purchase price paid in cash

The dividends approved for distribution in June 2014 are not included on the dividends paid lines because they were only paid in July 2014.

3.6 Intangible assets

<i>(in thousands of euros)</i>	Goodwill	Development projects	Other intangible assets	Property, plant and equipment under construction	TOTAL
GROSS VALUES					
AT 1 JANUARY 2014	26,456	41,619	10,031	-	78,106
Acquisitions	12,393	1,524	183	18	14,117
Changes in scope	(1,606)*	2,677	46	-	1,117
Departures	-	-	(4)	-	(4)
Other changes	-	(672)	37	-	(634)
Impact of changes in exchange rates	-	8	1	-	9
AT 30 JUNE 2014	37,243	45,156	10,295	18	92,711
DEPRECIATION AND AMORTISATION, AND IMPAIRMENT					
AT 1 JANUARY 2014	-	19,494	6,825	-	26,318
Depreciation and amortisation	-	2,107	369	-	2,476
Changes in scope	-	-	32	-	32
Impairment losses	-	-	-	-	-
Departures	-	-	(4)	-	(4)
Other changes	-	(672)	-	-	(672)
Impact of changes in exchange rates	-	5	1	-	6
AT 30 JUNE 2014	-	20,934	7,223	-	28,157
NET VALUES					
AT 1 JANUARY 2014	26,456	22,126	3,207	-	51,789
AT 30 JUNE 2014	37,243	24,222	3,072	18	64,555

* Readjustment of PRODWAYS goodwill

No indications of impairment were identified at 30 June 2014.

3.7 Property, plant and equipment and investment property

<i>(in thousands of euros)</i>	Land and buildings	Fixtures and equipment	Land and buildings held under finance leases	Equipment held under finance leases	Property, plant and equipment under construction	Advances and down-payments	Investment property	TOTAL
GROSS VALUES								
AT 1 JANUARY 2014	10,589	19,225	7,619	238	328	15	298	38,311
Acquisitions	16	615	-	-	390	52	-	1,073
Changes in scope	32	889	-	-	-	-	-	921
Departures	(30)	(161)	(585)	-	-	-	-	(776)
Other changes	-	(67)	-	-	-	-	-	(67)
Impact of changes in exchange rates	-	2	-	-	-	-	-	2
AT 30 JUNE 2014	10,607	20,503	7,034	238	717	67	298	39,463
DEPRECIATION AND AMORTISATION, AND IMPAIRMENT								
AT 1 JANUARY 2014	4,884	14,290	3,368	71	-	-	-	22,613
Depreciation and amortisation	186	720	113	24	-	-	-	1,043
Changes in scope	5	622	-	-	-	-	-	627
Impairment losses	-	-	-	-	-	-	-	-
Departures	-	(150)	(390)	-	-	-	-	(539)
Other changes	-	-	-	-	-	-	-	-
Impact of changes in exchange rates	-	2	-	-	-	-	-	2
AT 30 JUNE 2014	5,075	15,484	3,091	94	-	-	-	23,745
NET VALUES								
AT 1 JANUARY 2014	5,705	4,935	4,251	167	328	15	298	15,697
AT 30 JUNE 2014	5,532	5,019	3,942	144	717	67	298	15,718

3.8 Inventory and work in process

Movements in inventories in the consolidated balance sheet are as follows:

<i>(in thousands of euros)</i>	30/06/2014			31/12/2013		
	Gross values	Impairment losses	Net values	Gross values	Impairment losses	Net values
Raw materials	18,367	(5,443)	12,923	18,431	(5,454)	12,977
Work in progress	5,110	(20)	5,090	7,392	(1)	7,391
Semi-finished and finished goods	4,148	(633)	3,515	1,990	(341)	1,650
Goods	728	(31)	697	766	(51)	715
TOTAL INVENTORY AND WORK IN PROGRESS	28,353	(6,128)	22,225	28,580	(5,847)	22,733

3.9 Trade receivables

<i>(in thousands of euros)</i>	30/06/2014	31/12/2013
Trade receivables	48,466	54,559
Invoices to be drawn up	59,541	58,762
CUSTOMERS, GROSS VALUES	108,006	113,321
Impairment losses	(2,828)	(2,929)
TRADE ACCOUNTS RECEIVABLE, NET VALUES	105,178	110,392

3.10 Other current assets

<i>(in thousands of euros)</i>	30/06/2014			31/12/2013
	Gross values	Impairment losses	Net values	Net values
Advances and down-payments made	1,267	-	1,267	1,196
Other receivables	3,606	(723)	2,882	3,296
Social and tax receivables	7,753	-	7,753	6,628
Current accounts receivable	25	-	25	27
Prepaid expenses	1,779	-	1,779	1,587
TOTAL OTHER CURRENT RECEIVABLES	14,430	(723)	13,706	12,734

3.11 Other current liabilities

<i>(in thousands of euros)</i>	30/06/2014	31/12/2013
Suppliers	30,046	34,991
Fixed asset suppliers	237	139
TOTAL TRADE PAYABLES	30,282	35,130
Advances and down-payments received	28,584	36,811
Social security liabilities	16,000	15,397
Tax liabilities	15,168	13,964
Current accounts payable	5,387	208
Miscellaneous debts	3,466	3,449
Deferred income	23,964	19,210
TOTAL OTHER CURRENT LIABILITIES	92,568	89,040

The deferred income primarily relates to long-term contracts, with €5.0 million relating to research tax credits or grants not recognised in income. The current accounts payable item includes €5.2 million in dividends payable by GROUPE GORGE SA, as well as by ECA SA and NUCLEACTION SAS to their non-controlling interests.

3.12 Cash and cash equivalents

<i>(in thousands of euros)</i>	30/06/2014	31/12/2013
Cash (a)	23,929	32,782
Bank overdrafts (b)	2,196	1,475
Cash appearing on the CFS (c)=(a)-(b)	21,733	31,307
Financial debt not including bank overdrafts (d)	43,954	45,797
NET CASH (DEBT) (c)-(d)	(22,221)	(14,490)

<i>(in thousands of euros)</i>	30/06/2014	31/12/2013
NET CASH (NET DEBT)	(22,221)	(14,490)
ECA treasury shares	1,002	1,250
GROUPE GORGÉ treasury shares	157	87
NET CASH (DEBT) RESTATED	(21,062)	(13,153)

3.13 Borrowings and financial debt

Changes in borrowings and financial debt

<i>(in thousands of euros)</i>	Start of period	Changes in scope	Increase	Decrease	Other changes*	Foreign exchange gains and losses	Closing
Restatement of finance leases	5,153	-	-	(350)	-	-	4,803
Convertible bonds	179	-	-	-	(133)	-	46
Other bonds	15,336	-	-	-	43	-	15,379
Bank borrowings	24,122	11	24	(1,710)	52	-	22,500
Other borrowings	1,007	-	248	(29)	-	-	1,226
Bank overdrafts	1,475	-	2,196	(1,475)	-	-	2,196
TOTAL FINANCIAL DEBT	47,271	11	2,468	(3,563)	(37)	-	46,150

* Relates to the restatement of borrowings at the Effective Interest Rate and the conversion of the ECA SA bonds.

Schedule of borrowings and financial debt

<i>(in thousands of euros)</i>	30/06/2014	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Restatement of finance leases	4,803	722	753	786	769	800	974
Convertible bonds	46	-	-	-	46	-	-
Other bonds	15,379	-	-	-	300	14,167	912
Bank borrowings	22,500	3,403	2,761	2,580	11,991	1,100	666
Other borrowings	1,226	546	250	163	216	-	51
Bank overdrafts	2,196	2,196	-	-	-	-	-
TOTAL FINANCIAL DEBT	46,150	6,867	3,764	3,528	13,322	16,066	2,603

3.14 Financial instruments and derivatives

GROUPE GORGÉ uses a financial instrument, a rate “swap”, to manage its exposure to fluctuations in interest rates for any of its variable rate borrowings. This swap was concluded in October 2011. The outstanding notional amount is €1,400K and the final maturity date 31 January 2016. The value recorded as at 30 June 2014 is the negative fair value of the financial instrument.

SERES' minority shareholders have put options exercisable from 2017 or 2021. GROUPE GORGÉ has a call option exercisable from 2017. These options have been valued at fair value through equity.

(in thousands of euros)	Start of period	30/06/2014 income	Equity Effect	Others	Closing
Rate swaps	29	-	(11)	-	18
CURRENT TOTAL	29	-	(11)	-	18
SERES purchase option	1,081	-	-	-	1,081
NON-CURRENT TOTAL	1,081	-	-	-	1,081

3.15 Equity

At 30/06/2014, the share capital of GROUPE GORGÉ SA was €12,981,843, consisting of 12,981,843 shares, each with a nominal value of €1, fully paid up. The share capital was increased by 250,000 shares over the course of the half, GROUPE GORGÉ making three drawdowns from its optional equity line of credit arranged in March 2014.

A dividend of €0.32 per share was paid for 2013 on 4 July 2014.

Shareholding

	30-June-14				31-Dec-13			
	Shares	% of share capital	Voting rights exercisable at the Shareholders' Meeting ⁽²⁾	% voting rights exercisable at the Shareholders' Meeting	Shares	% of share capital	Voting rights exercisable at the Shareholders' Meeting ⁽²⁾	% voting rights exercisable at the Shareholders' Meeting
GORGÉ family ⁽¹⁾	7,583,125	58.41%	14,514,038	72.36%	8,313,018	65.29%	15,913,490	77.72%
Bpifrance	1,084,639	8.36%	1,084,639	5.41%	1,069,519	8.40%	1,069,519	5.22%
SUBTOTAL GORGÉ and Bpifrance combined	8,667,764	66.77%	15,598,677	77.77%	9,382,537	73.69%	16,983,009	82.94%
Treasury shares	7,982	0.06%	-	-	4,037	0.03%	-	-
Public	4,306,097	33.17%	4,459,138	22.23%	3,345,269	26.27%	3,492,186	17.06%
Total	12,981,843	100.00%	20,057,815	100.00%	12,731,843	100%	20,475,195	100%

⁽¹⁾ "GORGÉ family" refers to shares held directly by Jean-Pierre GORGÉ, founder of the Group, i.e. 115,219 shares, those held directly by Raphaël GORGÉ (286,474 shares) as well as shares held by PÉLICAN VENTURE SAS, a holding company controlled by three members of the GORGÉ family.

⁽²⁾ Voting rights exercisable at the Shareholders' Meeting do not include treasury shares. The number of theoretical votes may be obtained by adding the number of votes exercisable at the Shareholders' Meeting to the number of treasury shares.

3.16 Short and long-term provisions for risks and charges

<i>Short-term provisions</i> <i>(in thousands of euros)</i>	Litigation	Customer warranties	Termination losses	Fines and Penalties	Others	TOTAL
AT 1 JANUARY 2014	1,677	615	1,045	524	2,673	6,533
Appropriations	6	21	291	36	806	1,161
Provisions used	(30)	(44)	(462)	(45)	(553)	(1,134)
Reversals	-	-	-	-	(450)	(450)
IMPACT ON INCOME FOR THE PERIOD	(24)	(23)	(171)	(9)	(196)	(423)
Changes in scope	-	-	-	-	288	288
Other changes	-	-	-	-	32	32
Impact of changes in exchange rates	-	-	-	-	-	-
AT 30 JUNE 2014	1,653	592	874	515	2,796	6,430

Long-term provisions only relate to retirement indemnities. For this half, the assumptions made are unchanged on those made at 31 December 2013 apart from the discount rate, which went from 3% to 2.5%. Following this sharp rate cut, the impact recognised was €0.4 million on equity for the period (SORIE effect).

3.17 Commitments and contingent liabilities

Asset and liability guarantees were obtained on the customary terms as part of the acquisition of DELTAMED and INFOTRON. Aside from these guarantees, there have been no material changes to the group's commitments as set out in the notes to the 2013 consolidated financial statements.

3.18 Corporation tax and deferred tax

There are two tax consolidations within GROUPE GORGÉ: at GROUPE GORGÉ SA and at ECA SA, with for each of the two companies all French companies satisfying the regulatory conditions.

Breakdown of tax expense

<i>(in thousands of euros)</i>	30/06/2014	30/06/2013	31/12/2013
Deferred tax liabilities	486	(376)	630
Taxes payable	(915)	(1,124)	(3,263)
TAX EXPENSE	(429)	(1,500)	(2,633)

The tax expense does not include the Research Tax Credit (CIR) or the Tax Credit for Encouraging Competitiveness and Jobs (CICE), classified under "Other income from operations". It does, however, include the Contributions on Corporate Added Value (CVAE).

Breakdown of deferred taxes by type

<i>(in thousands of euros)</i>	30/06/2014	31/12/2013
DIFFERENCES OVER TIME		
Retirement and related benefits	1,929	1,666
Development costs	(6,196)	(6,394)
Grants	51	84
Finance leases	266	290
Derivative financial instruments	(206)	(228)
Fair value - IFRS 3	31	1,033
Others	(211)	112
SUBTOTAL	(4,336)	(3,437)
Temporary differences	1,103	1,332
Deficits carried forward	5,598	4,518
CVAE	(124)	(134)
TOTAL	2,241	2,278
DEFERRED TAX LIABILITIES	(2,018)	(2,077)
DEFERRED TAX ASSETS	4,260	4,355

Tax receivables and payable

<i>(in thousands of euros)</i>	30/06/2014	31/12/2013
Tax receivables	10,857	7,545
Tax payable	(177)	(278)
NET TAX RECEIVABLE/(DUE)	10,680	7,267

Tax receivables consist mainly of receivables for the Research Tax Credit and the Tax Credit for Encouraging Competitiveness and Jobs, which could not be included in tax payable.

NOTE 4 OTHER NOTES

4.1 Workforce

	30/06/2014	30/06/2013	31/12/2013
Total workforce	1,353	1,273	1,286

4.2 Exceptional events and disputes

The Group is involved in various legal proceedings. After reviewing each case and seeking counsel, the provisions considered necessary have, as applicable, been recorded in the financial statements.

There were no material developments in the disputes compared with the information set out in the notes to the consolidated financial statements at 31 December 2013.

4.3 Events after the reporting period

In July 2014, GROUPE GORGÉ SA made a further drawdown of 50,000 shares from its optional equity line of credit. The share capital was raised to €13,031,843.

No other major event took place between 30 June 2014 and the date of the meeting of the Board of Directors which approved the condensed consolidated financial statements.

GROUPE GORGE

Statutory auditors' review report on the condensed half-yearly
financial information

Period from January 1 to June 30, 2014

COREVISE

MAZARS

MEMBRE DE RSM PARIS

COREVISE

RSM INTERNATIONAL

REGISTERED OFFICE: 39 AVENUE DE FRIEDLAND - 75008 PARIS

TEL: + 33 (0) 1 53 70 19 70 - FAX: + 33 (0) 1 53 70 19 71

SOCIETE ANONYME D'EXPERTISE COMPTABLE ET DE COMMISSARIAT AUX COMPTES

CAPITAL DE 354 870 EUROS – RCS Paris B 331 621 318

MAZARS

REGISTERED OFFICE: 61 RUE HENRI REGNAULT - 92400 COURBEVOIE

TEL: +33 (0) 1 49 97 60 00 - FAX: +33 (0) 1 49 97 60 01

SOCIETE ANONYME D'EXPERTISE COMPTABLE ET DE COMMISSARIAT AUX COMPTES

Capital de 8 320 000 Euros - RCS Nanterre B 784 824 153

GROUPE GORGE

French limited company in the form of a *Société Anonyme* with share capital of €12 981 843

Registered office: 19 rue du Quatre-Septembre 75002 PARIS

RCS: Paris B 348 541 186

Statutory auditors' review report on the condensed half-yearly financial information

Period from January 1 to June 30, 2014

COREVISE

MAZARS

MEMBRE DE RSM PARIS

Groupe Gorgé

*Condensed half-yearly
financial information*

*Period from January 1 to
June 30, 2014*

Statutory auditors' review report on the condensed half-yearly financial information

This is a free translation into English of the statutory auditors' review report on the condensed half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirement 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 Groupe Gorgé, for the period from January 1 to June 30, 2014; and
- the verification of information contained in the Interim 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 primarily in making inquiries 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 the financial statements, taken as a whole, are free from material

Groupe Gorgé

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misstatements, as we would not become aware of all significant matters that might be identified in an audit.

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

Without qualifying our above conclusion, we draw your attention to the following points contained in the notes to the condensed half-yearly consolidated financial statements:

- note 1.2 which describes the impact of applying IFRS 10 and IFRS 11 from January 1, 2014 ;
- note 2.2 which describes the valuation method for Redhall Group securities.

II – Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half yearly consolidated financial statements.

Paris and Courbevoie, September 10, 2014

The statutory auditors

Groupe Gorgé

*Condensed half-yearly
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*Period from January 1 to
June 30, 2014*

C O R E V I S E

Hélène KERMORGANT

M A Z A R S

Daniel ESCUDEIRO
