

Micropole half-year 2016 Income

*Strong 11% upsurge in turnover growth
Near-doubling of the current operating income
Net income impacted by the final outcome of a legal dispute in 2013*

As anticipated, the increase in turnover over the first half-year confirms the relevance of the Group's positioning on high value-added business offers. For the fourth consecutive half year the current operating income is showing strong improvement. On the strength of its innovative offers, totally in line with market expectations on data and digital, the Group is confident as to its continuing and sustainable growth.

IN MILLION EUROS –IFRS NORMS <i>(CURRENTLY UNDER AUDIT)</i>	1ST HALF- YEAR 2016	1ST HALF- YEAR 2015*
Turnover	56.4	50.9
Current operating income	1.7	0.9
<i>In % of turnover</i>	3.0%	1.8%
Other products and operational expenses	(1.2)	(0.3)
Operating income	0.4	0.6
Net income from ongoing businesses	(0.4)	(0.2)
Net income from divested businesses	(0.0)	(0.2)
Net income	(0.4)	(0.4)

* 2015 figures restated in line with IFRS 5 norms

Micropole, an international consulting and digital technologies Group, achieved a turnover of 56.4 million euros over the first half-year 2016, up 11% in relation to the 50.9 million euros attained over the same period last year. Like for like, the turnover for the first half-year has increased by 10.1%.

Current operating income stands at 1.7 million euros, almost double that attained over the same period last year and showing continued growth since the second half-year 2014. This ongoing increase in margins is explained by the improvement in two operational indicators: on the one hand, a price effect linked to the repositioning of the consulting business, and on the other hand an increase in activity rates.

Impact of the outcome of a long-standing litigation with the National Pay Operator (ONP)

First half-year net income was impacted by an exceptional provisioning of 0.9 million euros in the «Other non-operational expenses» entry (with no effect on the group's cash flow), intended to definitively settle the legal dispute between the Group and ONP, ongoing since 2013, and related to the operating of a public market. On July 12th 2016, the Paris Administrative Tribunal ruled in favor of Micropole, considering that the cancellation of the contract at Micropole's sole liability was unjustified and abusive. The state was thus ordered to pay €740 k in damages to Micropole. Both parties decided that it was in their respective interest not to appeal. Without this one-off item, the net income of the first half-year 2016 would have been €0.5 m in the black, as opposed to a loss of €0.4m over the same period last year.



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Business Progression

The operational performance for the period reflects the commercial dynamism and the complementary nature of our offers in a changing market which today is placing Micropole ever more regularly in competition with major international consulting firms and communication agencies. All the Group offers and all the areas in which we operate are thus concerned by this excellent business orientation.

- Buoyed by Consulting, Financial performance and Big Data, the **Performance Management** practice has continued its development, with very good margin levels.
- Heavy investment in the **Digital Transformation** offer (WIDE France and WIDE Switzerland) has borne fruit: strong growth in business offers solid prospects of profitability for the coming months.
- As for the **Data Governance** business, it continues to maintain the momentum generated by the interest of IT and Business management in data.

Progress over all geographic areas

From a geographical point of view, organic growth has remained particularly dynamic for international business. Businesses in France have shown clear growth over the first half-year (+5%), notably supported by overall improvement in operational indicators. On the strength of the WIDE brand launch in mid-2015, Switzerland recorded excellent performance over the half-year, with a turnover up by 30%. Benelux, for which the business is essentially consulting and performance management –geared, has also been showing very clear progress (+40%) semester after semester.

Prospects

« After 2015, a year under the sign of investment, we have, as anticipated, returned to a first half-year of solid and sustainable growth. This significant improvement, coupled with positive operational indicators, should enable the Group to reach its profitability objectives in the coming months », commented Christian Poyau, CEO of the Micropole Group.

Next financial date on Thursday November 3rd for the publication of the third quarter turnover. The complete financial calendar is available on the Group's website.

About Micropole

Micropole (www.micropole.com) is a Digital Services Company with bases in Europe and Asia, specializing in Digital Transformation, Performance Management and Data Governance. The group partners its customers throughout the entire project life-cycle, from consulting to full implementation of solutions, including training. A leader in its field in France, Switzerland and Belgium, the group also has bases in China (Beijing, Shanghai and Hong Kong). A partner of the leading software vendors, Micropole has a headcount of over 1,100, achieves 30% of its turnover internationally and serves over 800 customers (of which 80% are CAC 40 listed). Micropole has received the "innovating enterprise" label awarded by Bpifrance. The group is listed on the Eurolist Paris – Compartment C and registered in the Next Economy Segment Code ISIN: FR0000077570 – Code mnémo: MUN

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