

**THERMADOR GROUPE**

Private limited company with capital of €35, 994,136  
Head office : SAINT QUENTIN FALLAVIER (Isère).  
80 rue du Ruisseau.  
339 159 402 companies register of Vienne

**Condensed consolidated half yearly statements at 30 June 2016**

*This is a free translation into English of the condensed consolidated half yearly statements issued in the French language and is provided solely for the convenience of English speaking readers. The report must be read in conjunction and construed in accordance with French law and French auditing professional standards.*

**I.- Financial statement at 30 June 2016.**

(In thousands of euros)

<b>Assets</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>31/12/2015</b>
Non-current assets:			
Consolidated goodwill	23 753	6 136	23 753
Intangible assets	483	392	468
Tangible assets:	48 058	46 384	46 763
Land	6 902	6 902	6 902
Buildings	31 535	33 019	32 050
Other tangible assets	4 956	4 818	4 700
Other tangible assets in progress	4 665	1 645	3 111
Financial investments	49	4	48
Deferred tax assets	727	1 472	844
Total non-current assets	73 070	54 388	71 876
Current assets:			
Stock (goods)	79 141	67 816	77 191
Trade notes and accounts receivable	50 862	44 883	35 002
Corporate tax			1 220
Other receivables	6 194	4 777	5699
Financial instruments	135		358
Cash & equivalent	11 236	21 028	20 839
Total current assets	147 568	138 504	140 309
Total assets	220 638	192 892	212 185

<b>Liabilities</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>31/12/2015</b>
Shareholders' equity:			
Share capital and reserves	75 226	64 423	70 912
Retained earnings	77 363	71 035	71 181
Net attributable earnings of the period	10 193	10 120	20 186
Minority interests	156	149	149
Total shareholders' equity	162 938	145 727	162 428
Non-current liabilities			
Deferred tax liabilities	1 919	2 248	1 919
Provisions for retirement indemnities	2 180	2 514	2 531
Total non-current liabilities	4 099	4 762	4 450
Current liabilities:			
Current provisions	2 808	2 305	549
Suppliers and associated accounts	35 077	26 632	28 130
Suppliers – fixed assets	618	786	736
Tax payable	72	14	189
Other tax and social liabilities	8 045	7 247	7 468
Other liabilities	6 981	5 419	8 235
Total current liabilities	53 601	42 403	45 307
Total liabilities	220 638	192 892	212 185

**II.- Global consolidated profit statement**  
(In thousands of euros).

	<b>1<sup>st</sup> half 2016</b>	<b>1<sup>st</sup> half 2015</b>	<b>Financial Year 2015</b>
<b>Consolidated profit and loss account</b>			
Turnover	124 413	110 370	220 245
Other income from activity	149	80	284
Purchases consumed	- 79 400	- 69 180	-138 371
Personal charges	- 11 133	- 9 203	-23 112
External costs	-12 231	-9 763	-20 662
Taxes	- 2 070	- 2 140	-3 305
Depreciation and amortisation	-1 709	-1 539	-3 234
Increase in provisions	-2 568	-2 316	-400
Other earning, other operating expenditure	878	- 345	-457
Current operating profit for the business	16 329	15 964	30 988
Variation of fair value of financial instruments	-223		902
Cash earnings and equivalent	9	33	65
Gross debt burden			- 2
Taxes	- 5 915	- 5 873	-11 763
Net profit	10 200	10 124	20 190
Net profit – portion of group	10 193	10 120	20 186
Minority interests	7	4	4
Earnings per share in euros *	2,27	2,32	4,55
Net profit per share in euros after dilution **	1,60	1,62	3,20

\* Earning per share is calculated on 4,499,267 shares in 2016, 4,356,484 shares on 30/06/2015 and 4,440,310 on 31/12/2015 (see note 9).

\*\* Result per share after dilution is calculated from 6,374,267 shares on 30/6/2016; 6,231,484 shares on 30/06/2015 and 6,315,310 on 31/12/2015, i.e. existing shares plus 1,875,000 shares corresponding to authorised non-issued capital (see note 9).

<b>Statement of other elements of net overall consolidated profit</b>	<b>1<sup>st</sup> half 2016</b>	<b>1<sup>st</sup> half 2015</b>	<b>Financial Year 2015</b>
Net profit	10 200	10 124	20 190
Other elements of overall profit	0	0	146
Total overall profit	10 193	10 124	20 336
Total overall profit - Portion of group	10 193	10 120	20 332
Total of overall profit allocated to minority interests	7	4	4

### III.- Cash flow statement

(In thousands of euros.)

Cash flow statement	30/06/2016	30/06/2015	31/12/2015
Consolidated net profit	10 200	10 124	20 190
Plus or minus latent gains and losses on fair value movement	223		-902
Plus or minus depreciation, amortization and provisions	1 350	1 610	3 468
Capital gains or losses on sales of operating assets	-2	5	-1
Cash flow provided by operations after net financial cost and taxes	11 771	11 739	22 755
Taxes burden	5 915	5 873	11 763
Cash flow provided by operations before net financial cost and before tax paid	17 686	17 612	34 518
Tax paid	- 5 798	- 6 306	-11 953
Cash flow provided by operations before net financial cost and after tax paid	11 888	11 306	22 565
Change in operating working capital	- 8 673	- 5 712	- 4 393
Net cash flow from operating activities	3 215	5 594	18 172
Net cash flow from investing activities			-17 201
Disbursements for property, plant and equipment and intangible assets	- 3 015	- 2 593	-4 611
IFRIC 21 impact		242	242
Capital increase			6 489
Proceeds from sales of assets	6	30	42
Due to suppliers of fixed assets (variation)	- 118	-192	-242
Net cash flow from investing activities	- 3 127	- 2 513	-15 281
Free cash flow	88	3 081	2 891
Dividends paid to shareholders during financial year	- 9 691	- 11 102	-11 101
Net cash flows from financing activities	- 9 691	- 11 102	-11 101
Net cash flow variation	- 9 603	- 8 021	- 8 210
Opening cash	20 839	29 049	29 049
Closing cash	11 236	21 028	20 839

### IV.- Equity variation statement

(In thousands of euros.)

Equity variation statement	Capital	Reserves linked to capital	Shares held internally	Retained earnings	Profits recorded directly as shareholders' equity	Total group share	Minority shareholder	Total shareholders' equity
Situation on 31/12/2014	34 589	26 748		85 000	-21	146 316	146	146 462
Distribution	262	2 824		-14 186		-11 100**	-1	-11 101
Capital increase	671	5 818				6 489		6 489
IFRIC 21				242		242		242
Net profit				20 186	146	20 332	4	20 336
Situation on 31/12/2015	35 522	35 390		91 242	125	162 279	149	162 428
Distribution	472	3 842		-14 004		-9 690*	-1	-9 691
Net profit 30/06/ 2016				10 193		10 193	7	10 124
Situation on 30/06/2016	35 994	39 232		87 431	125	162 782	156	162 938

\* 2015 Dividend: €3.20 on 4,440,310 shares, paid out in 2016 out of which 32% in shares.

\*\* 2014 Dividend: €3.15 on 4,323,733 shares, paid out in 2015 out of which 18% in shares.

**V- Notes to the condensed financial half yearly consolidated statements**  
(In thousands of euros)

The condensed consolidated half yearly statements at 30/06/2016 were closed by the Board on 22 July 2016.

**1) Authoritative accounting literature:**

Note 1 - Authoritative accounting literature:

In application of European regulation 1606/2002 of July 19<sup>th</sup> 2002, the condensed consolidated financial statements at 30/06/2016 of Thermador Groupe are prepared in compliance with International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union on 30/06/2016 and in particular, in application of the IAS34: interim financial information. In application of the IAS34 standard, only a selection of our explanations is included in the first financial statements, called condensed. With the exception of the points mentioned below, the accounting principles adhered to are identical to those applied for financial statements issued for 31/12/2015.

In the financial statement presented below, all compulsory standards and interpretations have been applied.

No accounting standard is applied by anticipation and it would not have any impact on the financial statements.

We would remind you that during the first application of the IFRS reference set, the following options were adopted: operations for the grouping of companies prior to 2004 were not reprocessed and assets maintained at the amortisation cost were not re-evaluated.

**2) Location and Consolidation method:**

Consolidated subsidiaries are all companies in which Thermador Groupe owns directly or indirectly at least 20 % of the voting rights 30/06/2016:

Name	Location	% ownership interest	Consolidation method
Sferaco	France	99.9975%	Full consolidation
Thermador	France	99.9975%	Full consolidation
Jetly	France	99.9972%	Full consolidation
Dipra	France	97.9933%	Full consolidation
PB Tub	France	99.9800%	Full consolidation
Isocel	France	99.9000%	Full consolidation
Sectoriel	France	99.9631%	Full consolidation
Nuair France	France	99.9631%	Full consolidation
Thermador International	France	99.9888%	Full consolidation
Axelair	France	99.9958%	Full consolidation
Mecafer	France	100%	Full consolidation
Aello	France	99.9992%	Full consolidation
Thely	France	99.9999%	Full consolidation
Opaline	France	100.0000%	Full consolidation
Tagest	France	99.8000%	Full consolidation

Since 31/12/ 2015, the scope of consolidation has not been modified and concerns all companies of the Group.

**3) Material accounting rules and methods**

The base method used to assess elements entered into the accounts is the historical cost method except for financial instruments if necessary (short-terms and derivatives) which are assessed at their actual value.

**Note 2: Consolidated goodwill:**

The balance sheet includes an item called « consolidated goodwill » for a value of €23,753. Depreciation tests (IAS 36) have been run at least once per year for units generating cash flow to which consolidated goodwill has been allocated in compliance with IAS 8 as part of the presentation of sector-based information. These units which generate cash flow were defined on the basis of activity sector criteria. Given the organisation of the Group and the distribution of different professions, units generating cash flow retained by the Group are legal entities: Jetly, Sferaco, Thermador, Dipra, Isocel, Pbtub, Sectoriel including Nuair France since 1/07/2015, Thermador international, Axelair , Aello, Mecafer since 1/07/2015 plus a separate resources unit made up of Thely, Opaline, Tagest, and Thermador Groupe (see note 19). Given the results of the tests on 31/12/2015 and the trend for results for the first half of 2016, there have been no depreciation tests on consolidated goodwill on 30/06/2016.

**Note 3: Deferred income taxes:**

Deferred taxes have been calculated for all items on the balance sheet and the P&L account.

Corporation tax rate, 30/06/2016:

<b>For the results of ordinary activities</b>	33.33%
Social contribution	0.64%
3% tax on dividends (1)	2.41%
Charges and costs not deductible from subsidiary dividends (2)	0.80%
CICE* (3)	- 0.36%
Corporate taxation rate on the profits of ordinary activities	36.82%

*\*French tax credit for employment competitiveness*

(1) The Finance Act created a 3% tax on dividends; for the first half of 2015, half of this tax paid by Thermador groupe to our shareholders in 2016 is registered in our accounts and half of the estimated tax on the dividends that our subsidiaries will pay to Thermador groupe in 2016. This amounts to €377,000.

(2) The Finance Act fixed the percentage of non-deductible costs and expenses on the dividends of subsidiaries to 5% which represents a corporate tax charge on future estimated distribution in 2017 that the subsidiaries will make to Thermador Groupe, of €129,000.

(3) See note 18.

Assets and liabilities of deferred taxes are not discounted, and are offset when they relate to the same entity and when they have the same pay-back schedules.

<b>Deferred tax non current assets</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>31/12/2015</b>
Provision for retirement indemnities	727	838	844
Axelair deficit		250	
Temporary differences		384	
<b>Total</b>	<b>727</b>	<b>1 472</b>	<b>844</b>

<b>Deferred tax current assets</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>31/12/2015</b>
Axelair and Aello deficit	460		330
Temporary differences	280		12
<b>Total</b>	<b>740</b>		<b>342</b>

<b>Deferred tax non-current liabilities</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>31/12/2015</b>
Goodwill *	1 906	1 906	1 906
3% tax on distributed dividends **		212	
Goodwill on buildings	13	13	13
Income taxes on dividends from subsidiaries		117	
<b>Total</b>	<b>1 919</b>	<b>2 248</b>	<b>1 919</b>

\* The business value appearing on Thermador Groupe's assets is not subject to taxation.

\*\* It concerns only the differences between registered amounts in consolidated subsidiaries and the estimated amount in the consolidated balance sheet.

<b>Deferred tax current liabilities</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>31/12/2015</b>
3% tax on distributed dividends **	113		315
Temporary differences	11		14
Income taxes on dividends from subsidiaries	129		258
<b>Total</b>	<b>253</b>		<b>587</b>

**Note 4 - Operations in foreign currencies, financial instruments and derivatives**

Operations in foreign currency are registered with their counter value for the date of the operation.

Debts and payables due in foreign currencies appear on the balance sheet with their counter value which applied at the end of the financial year or when the undertakings were made. The difference resulting from the reassessment of debt and credit in foreign currency to the aforementioned rate is included in the P and L statement.

Amount of supplier debt at 30 juin 2016 in US dollar (equivalent value in thousands of euros €): €5,422,000

Thermador Groupe uses no financial derivatives for the purposes of speculation. The cover policy is identified for each subsidiary and is not systematic.

The financial derivatives used serve only to cover exchange rate variations on the purchase of merchandise in foreign currency.

Before joining the Group, Mecafer had subscribed to FX accumulators in US\$ which fell due on June 30, 2016. Valuation of the currency resulting from their netting-out available for use during the 2nd half of 2016 according to the dollar exchange rate on June 30, 2016 shows a gain of €135,000 on that date. The impact on the first half of 2016 is a loss of €223,000, which is the difference between the valuation of €358,000 on December 31, 2015, and the June 30, 2016 valuation of €135,000. There is no compensation between financial assets and liabilities.

<b>Assets at 30/06/2016</b>	<b>Balance sheet value</b>	<b>Fair value</b>	<b>Fair value Per result</b>	<b>Payables</b>	<b>Derivatives</b>
Customers of commercial activities	50 862	50 862		50 862	
Other debtors	6 194	6 194		6 194	
Cash flow	11 236	11 236	11 236		
<b>Total assets</b>	<b>68 292</b>	<b>68 292</b>	<b>11 236</b>	<b>57 056</b>	

<b>Liabilities at 30/06/2016</b>	<b>Balance sheet value</b>	<b>Fair value</b>	<b>Fair value Per result</b>	<b>Payables</b>	<b>Derivatives</b>
Non-current financial liabilities	4 099	4 099		4 099	
Suppliers	35 077	35 077		35 077	
Suppliers – fixed assets	618	618		618	
Other creditors	17 906	17 906		17 906	
<b>Total liabilities</b>	<b>57 700</b>	<b>57 700</b>		<b>57 700</b>	

**Note 5:** Provisions for end-of-year bonuses and expenses:

On a permanent basis, end-of-year bonuses are paid to employees and along with the charges relating to them and are entered on December 31 as personnel cost, whilst on 30 June, their estimated amount for the first half year is entered as an allocation to provisions to cover future expenses.

The allocation for bonuses and expenses for the end of the year on 30 June 2016 was € 2,267,000 (€2,280,000 on 30/06/2015).

This figure includes the contribution due from the relevant subsidiaries.

**Note 6 - Cash and equivalent**

The liquidities item, equal to €1,236,000 corresponds to the total held in bank accounts.

#### 4) Notes on the balance sheet

##### **Note 7 - Fixed assets (in thousands of euros)**

<b>Fixed assets (note 7)</b>	<b>Gross value at the opening of the period</b>	<b>Increases</b>	<b>Decreases</b>	<b>Gross value at the end of the period</b>
Goodwill on consolidation	23 753			23 753
Other intangible assets	3 024	198	104	3 118
<b>Total intangible assets</b>	<b>26 777</b>	<b>198</b>	<b>104</b>	<b>26 871</b>
Lands	6 902			6 902
Buildings on own property	49 015	461		49 476
Machinery and equipment	7 301	498	34	7 765
General installations, fixtures and improvements	2 817	192	73	2 936
Transportation material	60			60
Office equipment and furniture	2 787	197	61	2 923
Other tangible assets in progress	3 111	2 164	610	4 665
<b>Total tangible assets</b>	<b>71 993</b>	<b>3 512</b>	<b>778</b>	<b>74 727</b>
Other financial assets	48	1		49
<b>Total financial assets</b>	<b>48</b>	<b>1</b>		<b>49</b>
<b>Grand total</b>	<b>98 818</b>	<b>3 711</b>	<b>882</b>	<b>101 647</b>

Sectoriel building: in August 2014, we purchased land contiguous to that on which Sectoriel's current building stands, plus building, for €872,000. The planning permission, filed in January 2015, was approved. The works should last until the end of 2016 with the overall cost being approximately €5.5m.

This will allow us to cater for the forecast increase in Thermador International's turnover, whose two main suppliers are Sferaco and Sectoriel.

Real estate holdings total 214,000 m<sup>2</sup> of land and 93,000 m<sup>2</sup> of buildings (warehouses and offices).

The value of the real estate was assessed in January 2016 at around €49 million (valuation performed by Expertise Galtier, Chemin Moulin Carron-69 Ecully). The valuation includes neither Sectoriel building in progress, nor land not built on.

#### **Note 8 – Amortisation**

	<b>Value at the opening of the period</b>	<b>Increases in the period</b>	<b>Decreases and write-offs</b>	<b>Value at the end of the period</b>
<b>Amortisation (note 8)</b>				
Goodwill on consolidation				
Other intangible asset items	2 556	109	29	2 636
Total intangible assets	2 556	109	29	2 636
Land				
Buildings on own property	16 965	976		17 941
Machinery and equipment	4 473	370	35	4 808
General installations, fixtures and improvements	1 592	109	70	1 631
Office equipment and furniture	41	7		48
Total tangible assets	2 159	138	55	2 242
Grand total	25 230	1 600	160	26 670
Goodwill on consolidation	27 786	1 709	189	29 306

#### **Note 9 – Equity**

At the beginning of the year, capital totals €35,522,480 divided in 4,440,310 shares of each €8 nominal. 32% of shareholders have chosen a dividend pay-out in shares in 2016, 58,957 new actions were issued. The capital amounts for 4,499,267 shares of each €8 nominal.

There is no stock-options.

#### **Note 10 – Commitments to or operations with partners:**

The associated parties concern all board members of Thermador Groupe who are more often than not, managers of the main subsidiaries of the Group.

There is no commitment or operation with the associated parties apart from elements of earnings and pension commitments. The Group does not use any assets which belong directly or indirectly to managers or to members of their families.

The total gross earnings and all direct and indirect benefits for each Corporate Officer of the Group (including consolidating and controlled companies with regard to of Article 357-1 of the law on commercial companies) paid for the financial year to members of the Board of Directors on account of their functions total €17,000 distributed as follows:

Table of earnings <i>In thousands of euros</i>	Fixed part				Variable part			Total		
	1 <sup>st</sup> half 2016		1 <sup>st</sup> half 2015	2015	1 <sup>st</sup> half 2016	1 <sup>st</sup> half 2015	2015	1 <sup>st</sup> half 2016	1 <sup>st</sup> half 2015	2015
	Earnings	Pension payment	Earnings	Earnings	Earnings	Earnings	Earnings	Earnings	Earnings	Earnings
Guillaume Robin	93		92	183			87	93	92	270
Marylène Boyer*	60	87	88	175			75	147	88	250
Hervé Le Guillerm*	46	81	91	182			67	127	91	249
Emmanuelle Desecures**	79		78	156			15	79	78	171
Eric Mantione**	82		82	165			50	82	82	215
Jean-François Bonnefond	89		84	170			79	89	84	249
Fabienne Bochet	47		47	95			16	47	47	111
Xavier Isaac	67		66	132			47	67	66	179
Lionel Monroe	70		69	137			50	70	69	187
Subtotal	633	168	697	1 395			486	801	697	1 881
<b>Director's fees</b>										
Milena Negri	2		4	10				2	4	10
Karine Gaudin	4		6	12				4	6	12
Laurence Verdickt	2							2		
Guy Vincent	4		6	12				4	6	12
Olivier V. de la Clergerie	2							2		
Hervé Le Guillerm	2							2		

The variable part paid at the end of the year depends on the performance of the company in which the functions are carried out - or on group performance for group-level functions.

The level of required achievement for these quantitative criteria was precisely defined and cannot be released for confidentiality reasons, because it is linked with internal annual results. There is no commitment concerning separation compensation for executives. The Directors do not receive any benefits in kind. (Car...). Fees above are only salaries.

(\*) Marylène Boyer and Hervé le Guillerm retired on April 30, 2016 and March 31, 2016 respectively. Their fixed earnings for the first half of 2016 include their pension payment.

(\*\*) The terms of Emmanuelle Desecures and Eric Mantione as Board members were not renewed at the AGM of April 4, 2016. Their fixed earnings mentioned for the first half of 2016 corresponds to their fixed earnings at June 30, 2016.

Commitments to executives:

A retirement commitment concerns the payment of a pension upon retirement as authorised by the Board of Directors of December 19, 2003. This payment is calculated in the same way as that paid to managers according to the provisions of article 5 of amendment 1 of the industry wide agreement concerning wholesalers.

The amount of compensation registered on 30/06/2016 for Board members and corporate officers present on was €365,000.

**Note 11** – Significant events occurring prior to closure: none.

**Note 12** – Risk assessment.

The nature of principal risks was not modified for the first half of 2016, these risks are mentioned in the annual financial report for 2015.

**Note 13** - Legal risks

To the company's knowledge, there are no other exceptional items or legal proceedings that may have or may have recently had an impact on the business, the results, the financial situation or on the company's or the group's assets.



**Note 14 - Balance sheet provisions**

<b>Provisions (note 14)</b>	<b>Value at the opening of the period</b>	<b>Increase</b>	<b>Decrease</b>	<b>Value at the end of the period</b>
Non-current provisions				
Provision for deferred tax	1 919			1 919
Provisions for retirement indemnities	2 531	112	463	2 180
Total non-current provisions	4 450	112	463	4 099
Current provisions				
Provisions for bonuses and expenses		2 267		2 267
Accrued severance payments	549	111	119	541
Total current provisions	549	2 378	119	2 808
Loss provisions				
Provisions for stocks losses	1 648	31	256	1 423
Provision for bad debt	654	71	21	704
Total loss provisions	2 302	102	277	2 127
Grand total	7 301	2 592	859	9 034

**Note 15- Receivables (in thousands of euros)**

<b>Receivables (note 15)</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>31/12/2015</b>
Trade receivables	50 643	44 748	34 806
Bad debts	219	135	196
Corporate tax			1 220
Deferred corporate tax on assets	740		341
Other creditors			
VAT receivables	2 916	2 705	2 809
Other receivables	1 882	1 624	2 210
Prepaid expenses	656	448	339
Total other creditors	5 454	4 777	5 358
Total receivables	57 056	49 660	41 921

**Note 16- Debts (in thousands of euros)**

<b>Debts (note 16)</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>31/12/2015</b>
Current provisions	2 808	2 305	549
Trade payables	35 077	26 632	28 130
Suppliers – fixed assets	618	786	736
Corporate tax	72	14	189
Tax and social debts			
Salaries and social security liabilities	3 546	3 198	5 576
Deferred corporate tax on liabilities	253		587
VAT payables	2 907	2 963	797
Other tax liabilities	1 339	1 086	508
Total tax and social debts	8 045	7 247	7 468
Other debtors	6 981	5 419	8 235
Total debts	53 601	42 403	45 307

**5) Notes on the P&L****Note 17 - Explanation concerning turnover for the first half of 2016:**

The turnover is made up primarily of sales of goods which are accounted for as of delivery.

Distribution of turnover by geographical sector:

France €11,745,000 foreign sales: €12,668,000 included Thermador international €9,634,000.

**Note 18 – CICE (French tax credit for employment competitiveness)**

CICE was evaluated for 2016 year. For first half of 2016, €175,000 (154,000 on 30/06/2015) was deducted on personal charges in compliance with the ANC. This accounts for the half of annual estimated amount.

## 6) Information per business area– note 19 (in thousands of euros)

Units generating cash flow were defined according to business sector criteria for the primary level.

Given the organisation of the group and the split between the different professions, units generating cash flow chosen by the group have been made into legal entities: Jetly, Sferaco, Thermador, Dipra, Isocel, Pbtub, Sectoriel including Nuair France since 1/07/2015, Thermador International, Axelair, Aello, Mecafer since 1/07/2015 and, plus a separate resources unit made up of Thely, Opaline, Tagest and Thermador Groupe.

At 30/06/2015	Jetly	Sferaco	Thermador	PBtub	Dipra	Thermador International	Sectoriel		Isocel	Axelair		Other Structures	Eliminations	Total
Profit and loss account : Sales	24 272	27 859	18 564	14 473	12 110	9 693	7 985		2 526	494		3 188		121 164
Intercompany sales	-171	-5 014	-709	-204	-304		-1 324		-47	-1		-3 020		-10 794
Net sales	24 101	22 845	17 855	14 269	11 806	9 693	6 661		2 479	493		168		110 370
Profit before tax	5 409	4 335	2 989	1 544	228	938	996		215	-214		13 697	-14 140	15 997

  

At 30/06/2016	Jetly	Sferaco	Thermador	PBtub	Dipra	Thermador International	Sectoriel*	Mecafer **	Isocel	Axelair	Aello ***	Other Structures	Eliminations	Total
Profit and loss account: Sales	24 623	27 951	18 765	12 928	11 223	9 634	9 872	12 503	2 664	870	974	3 870		135 877
Intercompany sales	-191	-4 824	-832	-206	-303		-1 318	-69	-28	-1	-28	-3 664		-11 464
Net sales	24 432	23 127	17 933	12 722	10 920	9 634	8 554	12 434	2 636	869	946	206		124 413
Profit before tax	5 415	4 539	2 857	844	433	886	976	1 029	278	-238	-199	14 788	-15 493	16 115

(\*) With Nuair France acquisition since 1/07/2015

(\*\*)Mecafer acquisition since 1/07/2015

(\*\*\*) Aello, created in Decembre 2015

## 7) Employees – note 20

By category	30/06/2016	30/06/2015 (*)	31/12/2015
Employees	130	112	128
Supervisory staff	23	18	21
Management	166	149	165
Total	319	279	314

(\*) without employees of Mecafer and Nuair France.

By age	30/06/2016	30/06/2015	31/12/2015
From 20 to 29	26	21	27
From 30 to 39	97	85	92
From 40 to 49	117	97	112
Over 50	79	76	83
Total	319	279	314

## **VI.- Half yearly management Report at 30/06/2016**

### **1) Business**

Our activities linked to housing renovation and construction are producing mixed results, we expect an improvement when the impact of the almost 3% increase in building starts observed over the first 5 months of 2016 trickles down to the 'finishing works' building trades. For the moment, our customers' situation has not changed substantially, apart from a bright spot in May resulting from three additional days of invoicing.

The contributions of Mecafer and Nuair France mean we can report turnover growth of 12.7%, which should progressively recede given that we integrated those two companies on July 1, 2015. Excluding the effects of external growth, we report a slight decline in turnover of 0.3%.

Mecafer's and Nuair France's profits exceed the decline in PBtub's results, and are the main reason behind the 0.7% improvement in net profit. Over the same period, Axelair and Aello reported net losses of €238,000 and €199,000 respectively.

Internationally, we have taken the necessary steps to respond to the very aggressive position adopted by the competition. This should produce results during the second half of the year.

Aello closed its first four months of invoicing honourably, notwithstanding extremely unfavourable weather conditions for the swimming pool market. This suggests good prospects for 2017.

Axelair continues its good pace of growth.

On July 1, 2016, we physically and legally merged the companies Sectoriel and Nuair France, in an entirely renovated building. We are now going to be able to benefit from commercial and logistics synergies as we start to present a complete range for the production and distribution of compressed air.

Mecafer is keeping all its promises. We have finally decided to keep it in Valence: moving it to Saint-Quentin Fallavier would have undoubtedly resulted in the departure of most of the people who are today responsible for its success, and for its remarkable team spirit.

### **2) Main transactions with associated parties:**

The main transactions are detailed in note 10 of the notes to the half-yearly statements.

### **3) Main risks and uncertainties:**

The main risks are those inherent to the business environment: They have not changed over the first half year, and these risks are mentioned in the annual financial report for 2015.

### **4) Prospects for 2016**

The very good performances in the second half of 2015 in the watering pumps market further to an exceptionally hot summer will be difficult to repeat. We rely on product ranges for which our market shares are low in our subsidiaries to possibly make up the difference and eventually hold the business steady over the next six months. The predicted recovery of the 4th quarter in 'finishing works' building trades could also play favourably into our hands in this business.

Our net cash situation is €11m and our remaining commitment for the works on Sectoriel's building is under €1m. Without any debt to pay back, we can proceed with calm and be ready to profit from any opportunity or perhaps an economic recovery, however strong or weak it may be.

## **VII.- Certification of the author**

To my knowledge I certify that the condensed consolidated half yearly statements have been drawn up in compliance with prevailing accounting standards and reliably reflect the assets, financial situation and profits of the company and all the companies in the consolidated accounts, and the half yearly management report presents a reliable account of the business trends of the first six months of the year as well as a description of the main risks and uncertainties which those companies face for the six remaining months of the year.

Saint Quentin Fallavier, July 22, 2016  
Guillaume Robin  
Chairman

• **VIII.- Statutory auditors' report on the interim financial statements**

In accordance with our appointment as statutory auditors by your ordinary General Meeting, and in application of article L.451-1-2 III of the French monetary and financial code (Code monétaire et financier), we have performed:

- a limited review of the accompanying interim condensed consolidated financial statements of THERMADOR Groupe for the period from 01/01/2016 to 30/06/2016 ;
- Verifications on the information provided in the half-yearly management report.

These condensed interim consolidated financial statements were prepared under the responsibility of your Board of Directors. Our role is to express our conclusion on these financial statements, based on our limited review.

**1) Conclusion on the financial statements**

We have conducted our limited review in accordance with professional standards applicable in France.

A limited review mainly consists of interviewing management in charge of accounting and financial matters and applying analytical procedures. These procedures are less broad in scope than those required for an audit performed in accordance with French auditing standards. Accordingly, a limited review only provides moderate assurance, which is less assurance than that provided by an audit, that the financial statements taken as a whole are free of material misstatements.

Based on our limited review, we did not identify any material misstatements that would cause us to believe that the interim condensed consolidated financial statements did not comply with IAS 34, the IFRS standard relating to interim financial reporting adopted by the European Union.

**2) Specific verification**

We have also verified the information presented in the half-yearly management report commenting on the interim condensed consolidated financial statements that were the subject of our limited review.

We have nothing to report with respect to the fairness of such information and its consistency with the interim condensed consolidated financial statements.

Saint Etienne and Villeurbanne July, 22 2016

The Statutory Auditors:

Cabinet Royet  
Stéphane Guichard

Mazars  
Pierre Beluze