Extract
Financial Year 2015

UNLESS OTHERWISE SPECIFIED, ALL AMOUNTS ARE EXPRESSED IN THOUSANDS OF EUROS.

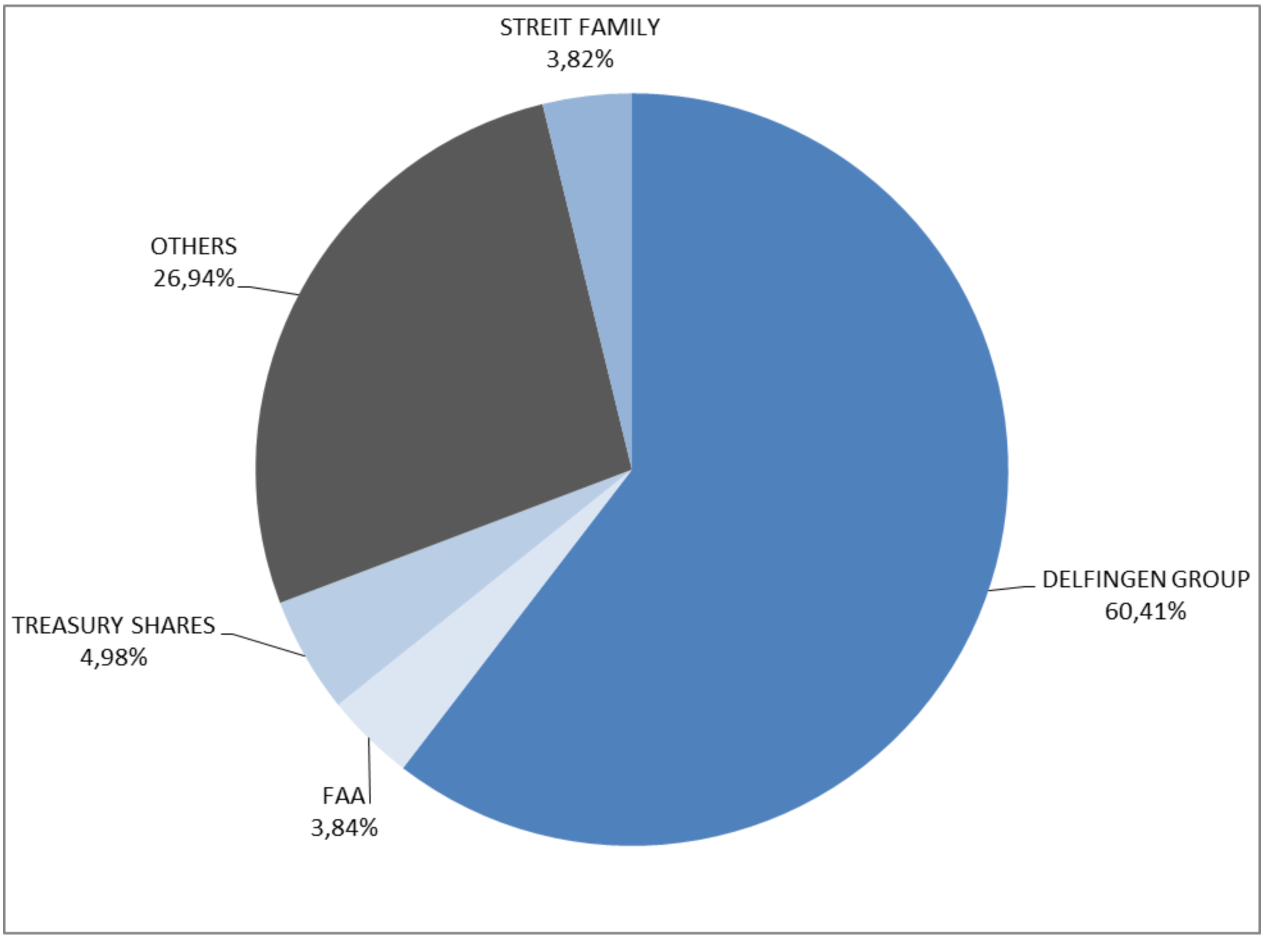
STOCK MARKET

DELFINGEN INDUSTRY STOCK AS ON DECEMBER 31, 2015

Net earnings per share [(1)]	Stock price	Market capitalization [(2)]
€ 2.65	€ 19.67	€ 48.1 M

(1) Diluted earnings, Net profit group share
(2) On number of shares on December,31st 2015: 2,443,944

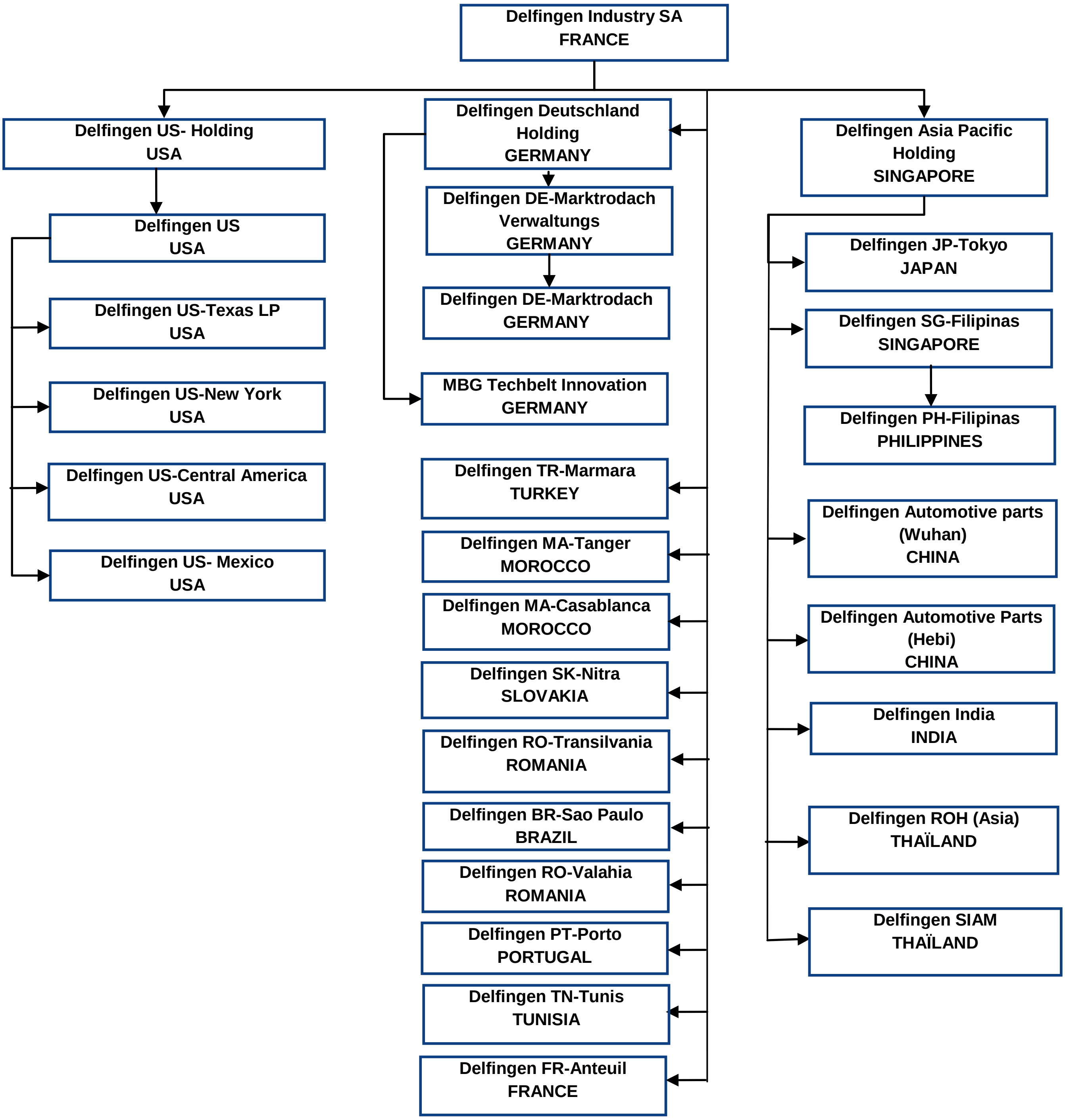
STRUCTURE OF SHAREHOLDERS ON DECEMBER 31, 2015



STOCK PRICE from January 5, to December 31, 2015

LEGAL ORGANIZATION CHART

DELFINGEN INDUSTRY MAIN SUBSIDIARIES ON DECEMBER 31, 2015



I - 1.- Consolidated Statement of Financial Position

ASSETS	2015	2014	2013	Corresponding notes
Non-current assets				
Goodwill	32,158	29,486	23,937	22
Intangible assets	1,543	1,433	1,003	22
Property, plant and equipment	29,954	25,529	17,824	23
Assets available for sale	-	-	-	
Other non-current financial assets	2,341	1,412	1,015	33-1
Deferred tax assets	1,742	1,915	1,454	
Total non-current assets	**67,738**	**59,775**	**45,233**	
Current assets				
Inventories	18,763	17,300	11,735	16-1
Trade and accounts receivables	27,754	25,011	21,675	16-2
Other net receivables	4,319	4,622	3,778	16-2
Current taxes	1,343	1,148	671	
Cash and cash equivalents	2,172	13,633	14,400	34
Assets held for sale	-	-	-	
Total current assets	**74,351**	**61,715**	**52,258**	
Total Assets	**142,089**	**121,490**	**97,491**	
€/USD exchange rate	***1.088700***	***1.214101***	***1.379099***	

Liabilities	2015	2014	2013	Corresponding notes
Group shareholder's equity				
Parent company capital	3,764	3,764	3,764	29
Capital-related reserves	12,641	12,630	12,598	29
Treasury shares	(2,199)	(451)	(478)	28
Consolidated reserves	28,557	26,348	23,809	
Foreign currency translation adjustments	3,833	(93)	(4,916)	
Consolidated net income Attribuable to Controlling Interest	6,160	4,740	3,100	
Total Controlling Interest	**52,756**	**46,939**	**37,876**	
Non-Controlling Interest				
Non-controlling interest on reserves	423	1,395	1,532	31
Consolidated Net Income Attribuable to Non-Controlling Interest in Subsidiary	1	152	307	
Total Non-Controlling Interest	**424**	**1,547**	**1,839**	
Total Equity	**53,180**	**48,486**	**39,715**	
Non-current liabilities				
Long and medium-term financial debt	43,738	29,708	22,280	35
Other financial liabilities	99	251	165	33-2
Employee benefits	1,202	874	646	18
Current provisions	1,050	1,640	1,150	26
Deferred tax liability	5,101	4,665	3,667	**40**
Total non-current liabilities	**51,189**	**37,138**	**27,907**	
Current liabilities				
Current portion of financial debt (1)	12,562	12,064	8,386	35
Trade payables	15,882	15,028	13,930	
Other current liabilities	8,710	8,392	7,147	16-4
Current provisions	0	0	0	
Current taxes liabilities	566	383	406	
Liabilities held for sale	-	-	-	
Total current liabilities	**37,720**	**35,865**	**29,869**	
Total Liabilities	**142,089**	**121,490**	**97,491**	
(1) Including Bank credit balances	4,213	3,040	132	
Including accrued interests	97	234	105	
€/USD exchange rate	***1.088700***	***1.214101***	***1.379099***	

I – 2 Consolidated statement of comprehensive income

	2015	2014	2013	Corresponding notes
Net Sales	172,241	151,746	124,729	11
Other revenues	76	146	92	
Total Revenue	**172,316**	**151,892**	**124,821**	
Purchases consumed	(88,138)	(80,541)	(67,521)	12
Stored, Capitalized production	5,939	4,393	2,642	
Other purchases and external expenses	(29,636)	(25,559)	(20,154)	13
Taxes	(1,459)	(1,242)	(1,014)	
Payroll expenses	(41,755)	(36,218)	(26,439)	19
Net depreciation	(5,245)	(4,272)	(3,446)	24
Net charges to provisions and impairment losses	88	23	140	16-3 ; 24 ; 26-2
Other operating income	387	312	161	14
Other operating expenses	(666)	(255)	(385)	14
Total operating expenses	**(160,484)**	**(143,360)**	**(116,014)**	
Current operating income	**11,832**	**8,532**	**8,807**	
Other operational income	6	0	0	15
Other operational expenses	(70)	(661)	(1,497)	15
Operating income	**11,768**	**7,871**	**7,310**	
Income from cash and cash equivalents	17	16	1	
Gross cost of financial debt	(1,828)	(1,527)	(1,184)	37-2
Net cost of financial debt	**(1,811)**	**(1,512)**	**(1,183)**	
Other financial income	3,529	2,266	1,391	37-1
Other financial expenses	(3,388)	(1,911)	(1,632)	37-1
Income before income taxes	**10,097**	**6,714**	**5,887**	
Income tax expenses	(3,929)	(2,122)	(2,702)	39
Net income from continuing operations	**6,168**	**4,592**	**3,184**	
Net income from discontinued operations	(6)	301	222	8
Consolidated net income	**6,162**	**4,892**	**3,406**	
Consolidated net income attributable to non-controlling interest in subsidiary	1	152	307	
Consolidated net income attributable to controlling interest	**6,160**	**4,740**	**3,100**	
Income per share (in €)	2.65	1.91	1.53	32
Diluted income per share (in €)	2.65	1.91	1.53	32
Income per share from continuing operations (in €)	2.66	1.91	1.53	32
Average €/USD exchange rate for financial year	***1.109237***	***1.326369***	***1.327495***	

Statement of profit and loss and Other comprehensive income			
Net income (loss)	**6,162**	**4,892**	**3,406**
Other comprehensive income to be reclassified in Profit and Loss	**3,953**	**4,858**	**(1,898)**
Foreign currency translation adjustments	3,953	4,858	(1,898)
Other comprehensive income not to be reclassified in Profit and Loss	**(101)**	**(18)**	**(53)**
Net actuarial gains and losses	(101)	(18)	(53)
Total Other comprehensive income	**3,852**	**4,840**	**(1,951)**
Net income and Other comprehensive income	**10,014**	**9,732**	**1,455**
Including Controlling interest	9,985	9,545	1,171
Including Non-controlling interest	28	187	284

I - 3 Consolidated cash-flow statement

	2015	2014	2013	Corresponding notes
Net income (loss) from consolidated companies	**6,162**	**4,892**	**3,406**	
Elimination of non-cash items or items unrelated to operations				
Amortizations and provisions: allowances	5,745	5,181	3,982	24 ; 26-2
Amortizations and provisions: reversals	(1,029)	(840)	(734)	24 ; 26-2
Capital gains	264	(22)	154	14
Cash flow from operations after cost of net financial debt and tax	*11,142*	*9,211*	*6,808*	
Net cost of financial debt	1,811	1,512	1,183	
Current income tax expense	3,691	2,308	2,339	39-1
Changes in deferred income taxes	235	(35)	475	39-1 ; 40
Cash flow from operations before net cost of financial debt and tax (CAFICE)	*16,879*	*12,996*	*10,805*	42
Income tax paid	*(3,686)*	*(2,842)*	*(2,420)*	
Change in working capital	*(1,480)*	*(3,677)*	*1,237*	16-5
Net cash flow from operating activities	**11,713**	**6,477**	**9,622**	
Cash flow from investing activities				
Acquisitions of property, plant, equipment	(8,674)	(6,740)	(4,373)	23
Acquisitions of intangible assets	(559)	(662)	(221)	22-3
Acquisitions of long term investments (excluding consolidated companies)	(931)	(420)	(472)	
Disposals of fixed assets / Reimbursement of long term investments	150	58	242	
Changes in the scope of consolidation	(2,652)	(4,556)	(3,831)	7-2
Net cash flow from investing activities	**(12,666)**	**(12,320)**	**(8,654)**	
Cash flow from financing activities				
Dividends paid to parent company shareholders	(918)	(604)	(723)	30
Dividens paid to minority shareholders in subsidiaries	(0)	(180)	(12)	
Capital increase in cash	(0)	148	4,830	
Proceeds from debt	22,558	11,863	14,404	
Payment on debt	(10,131)	(8,377)	(8,967)	
Financial interests paid	(1,811)	(1,512)	(1,183)	
Derivative financial instruments	(153)	86	(259)	
Treasury shares	(1,750)	28	-	
Net cash flow from financing activities	**7,795**	**1,453**	**8,091**	
Variation Theoretical changes in cash flows	**6,843**	**(4,390)**	**9,059**	
Cash and cash equivalents – Opening balance	**10,594**	**14,268**	**5,498**	34-2
Effects on foreign exchange rate changes	523	716	(289)	
Cash and cash equivalents – Ending balance	**17,959**	**10,594**	**14,268**	34-2
Actual changes in cash flows	**6,843**	**(4,390)**	**9,059**	

I – 4 Statement of change in equity

	Capital	Capital-related reserves	Treasury shares	Consolidated reserves and results	Gains and losses posted directly under equity (translation adjustments)	Shareholder's equity – Group part	Shareholder's equity – Minority interest's part	Total shareholders' equity
At 12/31/2013	**3,764**	**12,598**	**(479)**	**26,909**	**(4,916)**	**37,875**	**1,839**	**39,714**
Capital increase/Decrease	0	32	0	(32)	0	**0**	0	**0**
Net income or loss for the period	0	0	0	4,740	0	**4,740**	152	**4,892**
Dividends paid	0	0	0	(604)	0	**(604)**	(180)	**(784)**
Change in foreign currency translation adjustments	0	0	0	0	4,823	**4,823**	35	**4,858**
Change in consolidation scope	0	0	0	94	0	**94**	(299)	**(205)**
Actuarial gain or losses		0	0	0	(18)	0	**(18)**	0
Treasury shares	0	0	28	0	0	**28**	0	**28**
At 12/31/2014	**3,764**	**12,630**	**(451)**	**31,089**	**(94)**	**46,938**	**1,547**	**48,486**
Capital increase/Decrease	0	11	0	(11)	0	**0**	0	**0**
Net income or loss for the period	0	0	0	6,160	0	**6,160**	2	**6,162**
Dividends paid	0	0	0	(918)	0	**(918)**	0	**(918)**
Change in foreign currency translation adjustments	0	0	0	0	3,926	**3,926**	27	**3,953**
Change in consolidation scope	0	0	0	(1,501)	0	**(1,501)**	(1,151)	**(2,652)**
Actuarial gain or losses		0	0	(101)	0	**(101)**	0	**(101)**
Treasury shares	0	0	(1,748)	(1)	0	**(1,749)**	0	**(1,749)**
At 12/31/2015	**3,764**	**12,641**	**(2,199)**	**34,717**	**3,832**	**52,756**	**424**	**53,180**

A Reference used and evaluation methods

Note n°1 Reference used and new standards, amendments and estimates

1-1 Reference used

The financial statements are presented according to the IFRS reference standards (International Financial Reporting Standards) as adopted by the European Union, as on December 31, 2015 and available on the European Commission website[1].

The financial statements are presented in euro and rounded to closest thousand. They have been prepared according to the general principles of the IFRS standards:

- Accurate Image;
- Business as usual;
- Accounting principal: entries & reserves;
- Permanent and continuous method;
- Materiality and aggregation.

The group decided not to apply in advance, when the texts offer the possibility, the standards, updates and interpretations published but whose application is not mandatory for the financial year beginning January 1, 2015. The group does not think it will result in significant changes.

The accounting principles used to prepare the group financial statements are described in the following notes. Except any particular indication, they have been applied with homogeneity.

1-2 Standards, amendments and interpretations adopted by the European Union and with a mandatory or not mandatory application for opened accounting period starting on January 1, 2015

Standards, amendments and interpretations adopted by the European Union and effective for reporting periods beginning on or after January 1, 2015

European Union adopted, on June 14, 2014, the interpretation IFRIC 21 “Levies” whose application is mandatory for accounting periods opened as of June 17, 2014, so, for DELFINGEN Industry, it is applicable for accounting period beginning on January 1, 2015.
The application of this interpretation is done retrospectively.

This interpretation specifies that a tax liability has to be recognized when the event makes the tax due.
After review of the due dates of the group taxes, it appears that it concerns:

- The Social Solidarity Contribution for Companies (French tax: C3S) which was recognized before as and as the sales constituting the basis were carried out;
- The property tax which was before recognized prorata over the year while IFRC 21 requires its full recognition on January 1st of the year. This change has no impact on ending year consolidation financial statements.

Due to non-significant impact on comparatives periods (€60 K at the end of 2014), they have not been restated, the overall impact was recognized on 2015 period.

Standards, amendments and interpretations adopted by the European Union, the application is not mandatory for fiscal years beginning on or after January 1, 2015

Moreover DELFINGEN Industry has not early opted for the new accounting principles adopted by the European Union, but whose the application is not mandatory.

It concerns:

- IFRS 15 «Revenue from contracts with customers»;
- IFRS 9 «Financial instruments»;
- Amendments to IAS 16 and IAS 38 «Acceptable methods of depreciation and amortization»;
- Amendments to IFRS 11 «Acquisition of an interest in a joint operation»;
- Amendments to IAS 1 «Disclosure initiative»;

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[1] http://ec.europa.eu/internal_market/accounting/ias_fr/htm#adopted_commission

- Amendments to IAS 19 «Defined Benefit Plans: Employee Contributions»;
- Annual improvements, cycles 2010-2012 and 2012-2014.

The group does not think it will result in significant changes.

B – Information regarding the scope of consolidation

Note n° 4 Closing dates

Except Delfingen India Private Limited, which fiscal year ends on March 31, 2016, all companies included in the consolidation have a fiscal year ending at December 31, 2015.

On Delfingen India Private Limited, an intermediate situation was made on December 31, 2015 and approved by local auditors.

Note n° 5 Scope of consolidation

The group's consolidated statements include all subsidiaries, sub-branches and associated companies of DELFINGEN Industry.

The companies included within the scope of consolidation of the group are the following:

		% held			
Corporate name	**Countries**	**2015**	**2014**	**2013**	**Method (*)**
Delfingen Industry	France	Parent company	Parent company	Parent company	GI
Delfingen FR-Anteuil	France	99.98	99.98	99.98	GI
Sofanou Ibérica	Spain	-	99.96	99.96	GI
Delfingen PT Porto SA	Portugal	99.50	99.50	99.50	GI
Delfingen TR-Marmara	Turkey	99.99	99.99	99.99	GI
Delfingen TN-Tunis	Tunisia	100.00	100.00	100.00	GI
Delfingen MA-Casablanca	Morocco	100.00	100.00	100.00	GI
Delfingen SK-Nitra	Slovakia	100.00	100.00	100.00	GI
Delfingen MA-Tanger	Morocco	100.00	100.00	100.00	GI
Delfingen RO-Transilvania	Romania	100.00	100.00	100.00	GI
Delfingen RO-Valahia	Romania	99.99	99.99	99.99	GI
Delfingen US-Holding	USA	100.00	100.00	100.00	GI
Delfingen US	USA	100.00	100.00	100.00	GI
Delfingen US-New York	USA	100.00	100.00	90.00	GI
Delfingen US-Texas LP	USA	-	-	100.00	GI
STX Holding LLC	USA	-	-	100.00	GI
Delfingen US-Texas Inc. (Sofanou Inc. of Texas)	USA	100.00	100.00	100.00	GI
Delfingen PH-Filipinas	Philippines	100.00	100.00	100.00	GI
Delfingen US-Central America	USA	100.00	100.00	100.00	GI
Delfingen HN-Cortes	Honduras	100.00	100.00	100.00	GI
Delfingen US-Mexico, Inc	USA	100.00	100.00	100.00	GI
Sofanou of Mexico LLC	USA	100.00	100.00	100.00	GI
Delfingen MX-Coahuila S de RL de CV	Mexico	100.00	100.00	100.00	GI
Compañeros en Excelencia en Extrusion S de RL de CV	Mexico	100.00	100.00	100.00	GI
SCI des Bottes	France	-	10.05	10.05	GI
Delfingen BR- Sao Paulo	Brazil	100.00	100.00	100.00	GI
Delfingen DE- Deutschland Holding	Germany	100.00	100.00	100.00	GI
Delfingen Asia Pacific Holding Pte	Singapore	100.00	100.00	100.00	GI

Corporate name	Countries	% held 2015	2014	2013	Method
Delfingen Automotive Parts (Wuhan) co.	China	100.00	100.00	100.00	GI
Delfingen SG-Filipinas	Singapore	100.00	100.00	100.00	GI
Delfingen JP-Tokyo	Japan	100.00	100.00	100.00	GI
Delfingen India Private Limited	India	100.00	100.00	100.00	GI
Delfingen (Hebi) Automotive Parts Co., Ltd	China	86.67	86.67	43.09	GI
Delfingen DE-Marktrodach Verwaltungs	Germany	100.00	100.00	100.00	GI
Delfingen DE-Marktrodach	Germany	100.00	100.00	-	GI
MBG Techbelt Innovation	Germany	100.00	100.00	-	GI
Delfingen FR-Anteuil SAS	France	100.00	100.00	-	GI
Delfingen Siam Co. Ltd	Thaïland	99.99	99.99	-	GI
Delfingen Asia ROH Co. Ltd	Thaïland	99.99	99.99	-	GI

(1) GI: Global Integration

Note n° 6 Correction of comparative financial statements 2013 and 2014

The financial statements presented for comparison of year 2015 were corrected primarily due to:

- The finding of leasing adjustments on German entities not recognized at 2014 year-end period;
- The correction of the goodwill allocated to Germany during the acquisition in 2014;
- A reclassification between inventories and fixed assets on DELFINGEN FR-Anteuil for a better appreciation of flows intended to be capitalized in other affiliates.

In accordance to IAS 8 standard, the financial statements of these periods were corrected retrospectively.

The impacts on consolidated statement of comprehensive income are the followings:

The 2014 comprehensive income is the only one concerned by this correction. It only concerns the adjustment of financial leases on Germany.

2014	Published	Correction	Corrected
Net sales	156,859	0	156,859
Current operating income	8,739	244	8,983
Operating income	**8,078**	**244**	**8,322**
Net cost of financial debt	-1,432	-79	-1,512
Other financial income and expenses	355	0	355
Income tax expenses	-2,224	-49	-2,273
Consolidated net income	**4,777**	**115**	**4,892**

The impacts on consolidated statements of financial position are the followings:

2014	Published	Correction	Corrected
Non-current assets	58,047	1,728	59,775
Inventories	17,940	-640	17,300
Trade and accounts receivables	25,011	0	25,011
Other net receivables and current tax	6,090	-319	5,771
Cash and cash equivalents	13,633	0	13,633
Assets held for sale	0	0	0
Total assets	**120,721**	**769**	**121,490**
Equity	48,371	115	48,486
Non-current liabilities	36,706	433	37,138
Current liabilities	35,644	221	35,865
Total Liabilities	**120,721**	**769**	**121,490**

For 2014 period, the correction is the capitalization of leasing on Germany entities for €769 K, a goodwill correction on Germany for €319 K and a reclassification from inventories to fixed assets for €640 K.

2013	Publshed	Correction	Corrected
Non-current assets	44,823	410	45,233
Inventories	12,145	-410	11,735
Trade and accounts receivables	21,675	0	21,675
Other net receivables and current tax	4,449	0	4,449
Cash and cash equivalents	14,400	0	14,400
Assets held for sale	0	0	0
Total assets	**97,491**	**0**	**97,491**
Equity	39,715	0	39,715
Non-current liabilities	27,907	0	27,907
Current liabilities	29,869	0	29,869
Total Liabilities	**97,491**	**0**	**97,491**

Regarding 2013 period, the correction is a reclassification from inventories to fixed assets for €410 K.

Note n° 7 Acquisition and sale of activities

DELFINGEN Industry acquired, for €2,652 K, 89.95 % of the shares of SCI des Bottes from DELFINGEN Group.

DELFINGEN Industry acquired, for €780 K, 30% of the shares of one of his machinery's suppliers.
In accordance with IAS 28 revised, DELFINGEN Industry has shown that it does not exercise a significant influence over the entity due primarily to that it is not represented on the Board and is not involved in management decisions. Therefore, the shares are accounted as non-consolidated securities in the statement of financial position.

7-1 Impacts of acquisitions on consolidation statement of financial position

SCI des Bottes that already was consolidated by global integration, because considered as an ad hoc company, the impact of this acquisition on the group's equity is as follows:

Reclassification of non-controlling interests	1,151
Shares purchase price	-2,652
Total impact on group's equity	**-1,501**

7-2 Impacts of changes in scope of consolidation on consolidated cash-flow statement

Shares purchase price SCI des Bottes	**2,652**

7-3 Non-current Assets Held for Sale and Discontinued Operations

Due to an unfavorable market environment and its wish to focus on its strategic plan, DELFINGEN Industry has decided to stop its activity of pre-sleeving for construction and housing with effect from the end of first quarter 2015. The discontinuation of this activity was carried out without any job's destruction.
In accordance to IFRS 5 « Non-current Assets Held for sale and Discontinued Operations », the net income of this activity is shown on a separate line of the consolidated statement of comprehensive income. Comparative years have also been restated.

The detailed net income of pre-sleeving activity reclassified as "Net income from discontinued or held for sale" in the statement of comprehensive income is as follows:

	2015	2014	2013
Net Sales	(1,135)	(5,113)	(3,944)
Other revenues	-	-	-
Total Revenue	**(1,135)**	**(5,113)**	**(3,944)**
Purchases consumed	818	3,758	2,904
Stored, Capitalized production	-	-	-
Other purchases and external expenses	91	278	132
Taxes	3	5	19
Payroll expenses	220	605	535
Net depreciation	8	16	16
Net charges to provision and impairment losses	4	-	5
Other operating income	-	-	-
Other operating expenses	-	-	-
Total operating expenses	**1,144**	**4,662**	**3,611**
Current operating income	**9**	**(451)**	**(333)**
Other operational income	-	-	-
Other operational expenses	-	-	-
Operating income	**9**	**(451)**	**(333)**
Income from cash and cash equivalents	-	-	-
Gross cost of financial debt	-	-	-
Net cost of financial debt	**-**	**-**	**-**
Other financial income	-	-	-
Other financial expenses	-	-	-
Income before income taxes	**9**	**(451)**	**(333)**
Income taxes expenses	(3)	150	111
Net income	**6**	**(301)**	**(222)**

J – Financing and financial instruments

Note n°33 Financial assets and liabilities

33-1 Non-current financial assets

Are mainly classified in this category the security deposits paid under leases for premises where the group is not the owner, the non-consolidated participations and the deposits paid as security for bank loans.

The other non-current financial assets include non-consolidated participations for €830 K of gross value and €780 K of net booked value, and bank deposits for €312 K in guarantee of OSEO loans, €168 K in guarantee of GIAC bond loan and €312 K in guarantee of BPI France loans.

33-2 Financial liabilities

Borrowings and other financial liabilities are measured at amortized cost using the effective interest rate (EIR) and adjusted from related transaction costs.

The difference between cost and redemption value is recognized in the income statement and spread over the term of the financial liabilities.

33-3 Breakdown of assets and liabilities by category of financial instruments

	Breakdown by category of financial instruments					
	Ending balance	**Fair value by Profit and loss**	**Assets available for sale**	**Loans, receivables and other liabilities**	**Liabilities at amortized cost**	**Derivative instruments**
Other non-current financial assets	2,341	-	-	2,341	-	-
Trade receivables	27,754	-	-	27,754	-	-
Other debtors (excluding current taxes)	4,319	-	-	4,319	-	-
Cash equivalents	-	-	-	-	-	-
Cash	22,172	22,172	-	-	-	-
ASSETS	**56,586**	**22,172**	**-**	**34,414**	**-**	**-**
Financial liabilities	56,399	-	-	-	56,399	-
Other non-current financial liabilities	0	-	-	-	-	-
Trade payables	15,882	-	-	15,882	-	-
Other current liabilities	8,709	-	-	8,709	-	-
LIABILITIES	**80,991**	**-**	**-**	**24,592**	**56,399**	**-**

Note N°34 Cash and cash equivalents

Cash and cash equivalents include cash funds, bank current accounts and cash UCITS and negotiable debt securities which are liquidated or sold on very short term. All of these are measured at fair values, any adjustments are recognized in profit and loss.

34-1 Breakdown of Cash and cash equivalents position

	2015	**2014**	**2013**
Marketable securities	-	-	-
Cash assets	22,172	13,633	14,400
Total gross value	**22,172**	**13,633**	**14,400**
Provisions	-	-	-
Total net value	**22,172**	**13,633**	**14,400**

34-2 Cash presented in consolidated cash flow statement

	2015	2014	2013
Cash and cash equivalents	22,172	13,633	14,400
Bank overdraft	(4,213)	(3,040)	(132)
Cash presented in consolidated cash flow statement	**17,959**	**10,594**	**14,268**

Note n°35 Financial debt

35-1 Current and non-current financial debt

The bank finance agreements in place have contractual clauses referring to the consolidated financial position either for the group, or for NCA area (North and Central America) for Delfingen US-Holding loans. These “financial covenants” are fixed in consultation with the lenders. Their compliance is assessed at each annual closing date for loans in France and each quarter for loans in USA.

If the ratios are not met, the lender can demand total or partial repayment of the related loan.

35-2 Net financial debt

Net financial debt is defined as follows: it includes all long-term financial debt, short-term bank credit and overdrafts, less loans and other long-term financial assets and cash and cash equivalents.

	2015	2014	2013
Cash and cash equivalents	22,172	13,633	14,400
Long and medium-term financial debt	(43,738)	(29,708)	(22,280)
Current portion of financial debt	(12,562)	(12,064)	(8,386)
Net financial debt (NFD)	**(34,129)**	**(28,138)**	**(16,266)**

Current portion of financial debt includes overdraft and renewable credit facilities for €4,213 K.

35-3 Gearing ratio

	2015	2014	2013
Net financial debt	34,129	28,138	16,266
Total shareholders’ equity	53,180	48,486	39,715
Debt ratio (%)	**64.2%**	**58.0%**	**41.0%**

35-4 Breakdown by nature

	2015	2014	2013
Non-current portion			
Bonds	19,971	5,418	5,257
Bank borrowings	23,051	23,132	17,004
Restatement of financial leases	716	450	3
Miscellaneous financial debts	0	707	16
Subtotal on non-current financial debts	**43,738**	**29,708**	**22,280**
Current portion			
Bank borrowings	7,864	7,480	6,952
Bank credit balances	4,213	3,040	132
Accrued interests	97	234	105
Restatement of financial leases	382	326	4
Miscellaneous financial debts	7	984	1,193
Subtotal on current financial debts	**12,562**	**12,064**	**8,386**
Total financial debts	**56,300**	**41,771**	**30,666**

The miscellaneous financial debts included in 2014 some debts related to factoring program (off balance sheet program) for €972 K in France. There are no more debts linked to factoring program at December 31, 2015.

The bank credit balances are the drawn portion of the short-term lines of bank credit.

35-5 Breakdown by maturity date

Breakdown of non-current liabilities by maturity date

	Total	2017	2018	2019	2020	> 5 years
Financial liabilities (*)	43,738	10,419	8,903	3,615	9,542	11,260

(*) included financial leases, annuities and other financial debts

Breakdown by maturity of financial debts, more than a year originally, subscribed from bank institutions

Subscription date	Total	2016	2017	2018	2019	2020	Beyond
Before 2015	28,676	6,825	5,668	7,835	2,670	1,845	3,833
2015	22,210	1,039	4,047	1,055	944	7,697	7,427
Total	**50,885**	**7,864**	**9,715**	**8,891**	**3,615**	**9,542**	**11,260**

The maturity of medium term debt is improving, mainly due to the establishment, in 2015:

- The last term of €5 M, in May 2015,of the second credit agreement signed with French banks in November 2013, amortized over a period of 5 years by constant maturity;
- A loan subscribed from BECM in January 2015 for € 3 M, with amortization in fine in December 2017;
- A bond issue for €15 M in the form of private placement and without public offering. This issuance was realized in 2 parts of €7.5 M each, one with a 5 years maturity (July 9, 2020) and the other one with 7 years maturity (July 9, 2022). This operation was subscribed by Tikehau Investments on behalf of NOVO 2 fund.

It evolves from 2.74 years before getting this new fundings, to 3.11 years at December 31, 2015.

35-6 Breakdown by currency

All bank borrowings are in Euros (€48.1 M), or in US Dollars (€2.8 M) for the American companies.

35-7 Breakdown by rate tape

The table below lists the most significant exposures of medium-term loans, broken down into locked rates and variable rates (in millions of euros).

Type of credit	Locked rate	Variable rate	Total lines of credit	Capital balance at 12/31/15	Maturities	Existence of hedges
Standard credit		E3M + margin	5.0	0.5	2016	Interest rate hedge
		E3M + margin	5.0	1.4	2017	Interest rate hedge
		E3M + margin	3.0	3.0	2017	
		E3M + margin	10.0	5.0	2018	Interest rate hedge
		E3M + margin	5.0	3.3	2019	Interest rate hedge
		E3M + margin	5.0	4.3	2020	
		E3M + margin	0.3	0.3	2027	
	L.rate		0.04	0.01	2018	
	L.rate		0.3	0.2	2019	
	L.rate		0.4	0.3	2021	
	L.rate		1.1	1.0	2027	
Participatory development agreement	5,00%		3.0	0.7	2017	Cash pledge
Participatory development agreement	2,68%		2.4	2.0	2020	Cash pledge
Bonds	6,50%		3.5	3.5	2018	
Bonds	4,50%		7.5	7.2	2020	
Bonds	4,50%		7.5	7.2	2022	
Borrowing agreement for innovation	0,00%		0.2	0.2	2020	
Export loan	3,30%		2.0	2.0	2021	Cash pledge
Future loan	4,86%		4.0	4.0	2024	Cash pledge
Bonds		E3M + margin	2.4	2.0	2022	
Standard credit		Libor USD 1 month + margin	1.9	1.6	2017	Interest rate hedge
Standard credit		Libor USD 1 month + margin	1.0	0.9	2019	
Standard credit		Libor USD 1 month + margin	0.3	0.3	2020	

In order to manage the risk of interest rates fluctuations on variable-rate loans, the group has signed CAP, CAP+FLOOR interest rates agreements, the specifications are described in note 36-3.

Note n°36 Financial risk management

36-1 Cash assets

Cash position

At December 31, 2015, DELFINGEN Industry's net cash position was €17,959 K (€10 594 K as of December 31, 2014).

Additional sources of cash assets in 2015 are as follows:

- Confirmed short term current account credit, ending on December 2016, equal to €5,000 K€, used for €3,820 K;
- Short term standard line of bank credit, equal to €1,804 K, used for €393 K;
- One medium-term line bank of credit, equal to €6,889 K, not used.

In 2015, DELFINGEN Industry has obtained from its European banks new medium-term loans for €23,000 K.

Factoring program

These programs are concerning Delfingen PT-Porto, Delfingen DE-Marktrodach (formerly Langendorf) and MBG.
The factoring program for Delfingen FR-Anteuil ended on March 31, 2015.

The factoring programs for Delfingen PT-Porto, Delfingen DE-Marktrodach and MBG are off balance sheet. The contracts are signed in line with IAS 39 standard (credit risk transfer, late payment risk and dilution).

For Delfingen PT-Porto, the invoices are sold to the factor with conventional subrogation without recourse up to 90% of the values sold. The credit facility is up to €4,500 K. The accounts receivables balance is decreased by €812 K at December 31, 2015.

The German companies, Delfingen DE-Marktrodach and MBG have also factoring programs with invoices sold to the factor with conventional subrogation without recourse up to 90% of the values sold. The credit facility is up to €1,000 K for Delfingen DE-Marktrodach and €1,500 K for MBG. The Accounts receivables trade balance is decreased by respectively €593 K and €553 K at December 31, 2015.

Loans to Delfingen US Holding

Huntington National Bank has confirmed its support to Delfingen US Holding, with a new medium term credit facility (equipment) for $2,354 K (€2,162 K).

DELFINGEN Industry manages the cash and cash equivalents at group level, therefore Delfingen US Holding has a limited exposure to cash risk.

Covenants:

	2015
Financial debt related to A covenants	35,490
Financial debt related to B covenants	2,764
Financial debt unrelated to covenants	12,631
Total gross financial debt	**50,885**

All loans and lines of credit subject to covenants, are subject to an early repayment clause:

For A covenants (calculated on DELFINGEN Industry consolidated data):

- At the NFD/current EBITDA, which must be under 3;
- At Free cash flow/Debt service ratio wich must be higher than 1.1 for 2015;
- At NFD/Shareholders' equity ratio which must be under 1.

For B covenants (calculated on Delfingen US Holding consolidated data):

- At minimum fixed charge coverage ratio (EBITDA (adjusted from dividends)/(Debt service+income tax paid+unfunded investments) which must be higher than 1.15;
- At Maximum cash flow leverage ratio (Total debt (adjusted by subordinated debt*)/EBITDA) ratio which must not exceed 2.25.

At year-end, DELFINGEN Industry has not fulfilled the Free cash flow/Debt Service ratio. However, the group obtained, before the closing date, the confirmation by the banks that they will not ask for the early repayment of the related financial debt. Thereby, the terms concerned are not reclassified to current liabilities in the consolidated financial statements.
The group plans to comply with the covenants over the next 12 months.

36-2 Foreign exchange risk

Foreign exchange hedges mainly concern the risks on cash advances made by DELFINGEN Industry to its subsidiaries in America and Asia.

At December 31, 2015, no currency hedging has taken out.

The group's net exposure is mainly focused on the dollar (excluding functional currency of the entities).

At December 31, 2015, the net receivables in dollar were at €6.7 M included €3.7 M less than one year term.

Sensitivity to dollar changes:

Impact of dollar changes on the basis of 2015 accounts:

	USD
Assumed variance in relation to Euro	***3%***
Impact on Income before tax	228
Impact on Shareholder's equity	1,288

36-3 Interest rates risk management

These hedges concern the risks of changes in interest rates on medium-term borrowings made by DELFINGEN Industry and Delfingen US Inc.

		1st maturity	**Last maturity**	**Thousands of euros at 12/31/15**
Delfingen Industry	Tunnel between 2.00 % and 5.00 % : 1.62 %	17/10/2011	17/07/2016	542
Delfingen Industry	Locked rate : 0.69% 3 months Euribor	18/01/2013	30/06/2017	1,451
Delfingen Industry	Locked rate : 0.75% 3 months Euribor	17/07/2013	29/03/2018	2,277
Delfingen Industry	Locked rate : 0.61% 3 months Euribor with knock-out barrier at 4%	01/04/2014	01/10/2018	2,750
Delfingen Industry	Locked rate : 0.2875% 3 months Euribor	30/12/2014	31/12/2017	1,625
Delfingen US Inc	LIBOR 1M locked rate 3.73%	01/10/2012	29/08/2017	482
	LIBOR 1M locked rate 3.65%	01/10/2012	29/08/2016	207

The interests related to bank liabilities are mainly indexed on three months Euribor or one month Libor. Only €28.3 M are at locked rates.

A 0.5 point change in interest rates would have an impact of + or - €207 K on financial interests expenses for the period.

36-4 Counterparties

DELFINGEN Industry is exposed to counterparty risk in its financing activities. However, this risk is limited as these financing activities are carried out with ten or so counterparties:

- In France: Banque Populaire de Franche-Comté, Crédit Agricole de Franche-Comté, BECM, CIC-Est, Société Générale, BNP Paribas/Fortis, HSBC, BPI France/OSEO, Caisse d'Epargne Bourgogne Franche- Comté, the Micado Fund, the GIAC and Tikehau investments;
- In the USA: Huntington National Bank;
- In Germany: Kulmbacher Bank.

Note n°37 Financial income and expenses

37-1 Other financial income and expenses

	2015	2014	2013
Foreign exchange rate gain	3,259	2,213	1,126
Other financial income	270	53	265
Total Other financial income	**3,529**	**2,266**	**1,391**
Allowance to provisions and impairment on financial assets	(50)	(0)	(0)
Foreign exchange rate losses	(2,961)	(1,625)	(1,379)
Other financial expenses	(377)	(287)	(253)
Total Other financial expenses	**(3,388)**	**(1,911)**	**(1,632)**

At December 31, 2015, the consolidated financial statements show a positive balance of exchange rate variance for €298 K.
The other financial expenses mainly concern the adjustment on loans regarding effective interest rate method.

37-2 Gross cost of financial debt

	2015	2014	2013
Financial interest expenses	1,828	1,527	1,184
Gross cost of financial debt	**1,828**	**1,527**	**1,184**

The average gross cost of financial debt is 4.04%.

Note n°43 Free cash flow

	2015	2014	2013
CAFICE	16,879	12,996	10,805
Change in working capital	(1,480)	(3,677)	1,237
Income tax paid	(3,686)	(2,842)	(2,420)
Free cash flow (before Investments)	***11,713***	***6,477***	***9,622***
Investments (net of disposals)	(9,234)	(7,763)	(4,823)
Net free cash flow (after Investissements)	**2,479**	**(1,286)**	**4,799**