

# **2016 Interim Report**

1 January – 30 June

Business & Decision  
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# Contents

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<b>General Business &amp; Decision presentation</b>	<b>4</b>
<b>Interim activity report</b>	<b>5</b>
H1 key figures	
H1 highlights	
Transactions between associated parties	
Events that have occurred since 1 July 2016	
2016 H2 prospects	
Risks and uncertainties analysis	
<b>Condensed consolidated Half-year statements at 30 June 2016</b>	<b>8</b>
Statement of comprehensive income	
Statement of financial position	
Consolidated cash flow statement	
Changes in shareholders' equity	
<b>Notes to the consolidated Half-year statements</b>	<b>12</b>
Highlights	
Post 30 June 2016 events	
Consolidation scope	
Accounting principles, rules and methods	
Other notes	
Notes on off-balance sheet commitments	
Other information	
<b>Statutory auditors' report on the 2016 Half-year financial information</b>	<b>29</b>
<b>Statement of the person responsible for the interim financial statements</b>	<b>31</b>

# General Group presentation

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**Business & Decision, international Consulting and Systems and Solutions Integration Group, is a leader in Business Intelligence (BI) and CRM, and a key player in e-Business.** The Group assists companies in the successful implementation of high value added projects and helps customers meet innovation challenges such as Big Data and Digital transformation. Its functional and technological expertise is recognised by all of the market's key software vendors, with whom it has managed to forge partnerships. With a unique level of expertise in its areas of specialisation, Business & Decision provides solutions that are specific to activity sectors and business departments. Business & Decision operates across 15 countries and currently employs over 2,500 people in France and worldwide.

Coté sur **Euronext C** Paris depuis 2001

Eligible **PEA PME**

**Partenaire des éditeurs**  
généralistes et spécialisés



Founded in 1992, the Group:

- ✓ Boasts amongst its customers approximately 3,000 big corporations and large- and medium-sized companies
- ✓ Operates in 30 activity sectors
- ✓ Reported for the 2015 financial period a consolidated turnover of 224.2 million euros

## RELEVANT SERVICES

Business & Decision has acquired sector-specific expertise, namely in fields such as banking, insurance, life sciences, manufacturing, energy and services.

In each of its expertise areas, Business & Decision provides its customers with relevant and flexible services that will help them successfully carry out projects from end to end: consulting, integration, change management, training, maintenance and support, hosting and outsourcing. A global, adaptable *delivery* model, including near and offshore dedicated or shared service centres, is available to customers.

## DEVELOPMENT FOCUSES

To consolidate its specialisation strategy, the Group has two major development focuses: Data Management which includes Business & Decision's core Business Intelligence activity, as well as all Big Data-related technologies and Customer experience which includes all the life-cycle stages of customer/company relationships. The digital dimension is thus fully integrated into all developed, implemented and rolled out information systems.

To provide its customers with the most innovative solutions and to bring to them the latest technological breakthroughs, Business & Decision helps its customers harness technological developments by deploying adapted services, namely in the areas of Cloud Computing and Mobility.

## REFERENCE

Through all its activities, in France and abroad, Business & Decision is known and trusted by some prestigious customers, amongst whom: AccorHotels.com, Adecco, BMW, BNP Paribas, Coca Cola, Mc Donald's, Société Générale, Canal +, the IOC, BPCE Group, Axa, Clarins, La Poste, Rocher Group, PSA Group, *Pôle emploi* (national employment agency), GSK, Klesia, Crédit Agricole, Maif, Keystone, Sanofi, Sncd, Harmonie Mutuelle, Sidetrade and Thalys,.

# INTERIM ACTIVITY REPORT

## 2016 H1 key figures

The Group's consolidated turnover amounts to €117.0M for the first 2016 Half-year, up 3.2% on 2015's figures for the same period. At constant exchange rate and consolidation scope, the Group's turnover grew by 5.7%.

(€M)	2016 H1	Published 2015 H1	Var.	Var. (constant rate and scope)
<b>Turnover</b>	<b>117.0</b>	113.3	<b>3.2%</b>	<b>5.7%</b>

Growth is driven by successful big projects carried out in the field of Data Management, thanks to major investments made during the past months and years.

### Half-year turnover per geographical area

For the Half-year, Business & Decision's turnover in France, amounts to €70.6M, i.e. 60% of Group turnover. During the first Half-year, French entities' turnover increased by 5.9% as compared to the 2015 first Half-year.

Turnover from international operations is €46.4M and accounts for 40 % of Group activity. It is stable as compared to the turnover published for the 2015 H1 and shows the impact of the transfer of the ERP activity during 2016 Q2. At constant exchange rate, turnover from international operations rose by 5.3%. Operations in Belgium and Luxembourg have experienced a spurt in growth thanks to the signature of important project contracts.

### Half-year turnover by business activity

(% of turnover)	2016 H1	2015 H1
BI	<b>66%</b>	65%
CRM	<b>16%</b>	16%
e-Business	<b>18%</b>	19%

Business Intelligence, which accounts for 66% of the Group's turnover for the Half-year, is up 3.9% on 2015's first Half-year.

CRM turnover figures, which make up a stable 16% of the Group's turnover, are up 3.5% on 2015's first Half-year.

E-business activity, to which the remaining 18% of the Group's total turnover is attributable, increased by 0.7% as compared to the same period last year.

### A transitional Half-year

The first 2016 Half-year was marked significant changes in Group governance, following the death of the founding CEO. There was a need during this transitional period to perform an in-depth analysis of the company's and the market's situation in order to develop an action plan for the next three years.

(€M)	2016 H1 (*)	2015 H1
Turnover	117.0	113.3
Current operating results	-1.0	4.2
Operating results	-1.0	4.1
Financial results	-1.4	-0.7
Net results	-3.9	2.1
Net results (Group share)	-4.0	2.3

The Group's 2016 H1 results are down mainly due to structural losses incurred by a few identified entities whose activities are being discontinued, as well as short-term problems associated with some operational projects. This first Half-year also presents the full effect of the past months' investments and recruitments on operating expenses.

The -€1.0M current operating result is mainly attributable to losses from operations transferred during the Half-year, as well as project overruns recorded between May and June 2016.

Operating result amounts to €-1.0M. Restructuring costs recognised during the Half-year are offset by the capital gain on sale of the ERP activity in USA, finalised on 31 March 2016.

At -€1.4M, the financial result did not benefit, as was the case in 2015, from a favourable foreign exchange impact.

Net result stands at -€3.9M, as compared to €2.1M for the first 2015 Half-year. Net result (Group share) amounts to -€4.0M.

Average workforce at the end of the Half-year is 2,701 employees as compared to 2,400 for the previous year's first Half-year.

## 2016 H1 highlights

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### Governance

On 29 January 2016, the founder and Chairman and Managing Director, Patrick Bensabat, passed away. Acting in his capacity of Deputy Managing Director and member of the Board of Directors, Christophe Dumoulin managed the Group for an interim period.

At a shareholders' General Meeting, held on 22 March, a new Board of Directors was elected, which met on the same day and appointed Christophe Dumoulin as Chairman and Managing Director.

### Financing

The Group negotiated with its banks a restructuring of its medium-term debt as follows:

- ✓ the early repayment on 30 March 2016 of the remaining balance of the syndicated loan granted in May 2013 by a pool of banks
- ✓ and the setting up of several medium-term loans amounting to 8 million euros and maturing between 2020 and 2022, signed during the second 2016 Half-year.

Characteristics of the new financing arrangements are the following:

- ✓ 6.5 million euro-loan from a pool of three banks, to be repaid over 4 years, including a CAPEX line of 2.5 million euros for investments.
- ✓ 1.5 million euro-loan from a banking institution as a working capital loan to be repaid over 5 years.

These new loans are secured by a senior pledge of all the shares of the Business & Decision France subsidiary, *pari passu*, in favour of the involved banks.

## Restructuring and reorganisation operations

On 31 March 2016, Business & Decision NAPA sold the ERP activity. ERP was a near \$9M-turnover activity that mobilised some forty employees. It was sold for \$2.5M to be paid in instalments until 1 April 2019.

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### Transactions between associated parties

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All significant transactions between associated parties that took place during the first six months of the current financial period are detailed on page 24. Moreover, the description included in the 2015 financial period reference document regarding transactions between associated parties remains valid.

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### Events that have occurred since 1 July 2016

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None

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### Prospects

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2016 is generally expected to continue to be a growth year, especially for our regional offices in France and United Kingdom. The Group will carry on investing in recruitment in order to strengthen its expertise on its markets and streamlining its innovations and services portfolio for a sharper focus on its two major areas of development, i.e. Data Management and Customer experience.

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### Risks and uncertainties analysis

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Risk elements are already described in the 2015 period reference document, namely in the management report, available on the website [www.group.businessdecision.com](http://www.group.businessdecision.com).

Which include namely, market risks, legal risks, industrial, technological and environmental risks as well as risks associated with human resources.

The nature of these risks has not undergone any significant change during the first Half-year of the 2016 financial period (see page 25).

# CONDENSED CONSOLIDATED HALF-YEAR STATEMENTS AT 30 JUNE 2016

## Statement of comprehensive income – Part 1

(€K)	Notes	30/06/2016	30/06/2015
Turnover		117,059	113,349
Other income	Note 1	377	481
<b>TOTAL CURRENT OPERATING INCOME</b>		<b>117,436</b>	<b>113,830</b>
External charges		29,999	26,397
Taxes other than income taxes		1,996	2,251
Payroll costs		83,828	78,279
Depreciation and amortisation expense		2,629	2,684
<b>TOTAL CURRENT OPERATING EXPENSES</b>	Note 2	<b>118,452</b>	<b>109,611</b>
Current operating results		<b>-1,016</b>	<b>4,219</b>
Percentage of turnover		-0.87%	3.72%
Goodwill depreciation	Note 3		
Restructuring costs	Note 3	-1,579	-128
Other (operating) income and expenses	Note 3	1,555	
<b>Operating results</b>		<b>-1,040</b>	<b>4,091</b>
Percentage of turnover		-0.89%	3.61%
Trading revenue (from cash instruments)		27	3
Net financial debt cost		-768	-1,288
Other (financial) income and expenses		-674	608
<b>Financial results</b>	Note 4	<b>-1,414</b>	<b>-677</b>
Related enterprises			
Tax expense	Note 5	-1,440	-1,278
<b>Net result from continued activities</b>		<b>-3,894</b>	<b>2,136</b>
<b>Net results</b>		<b>-3,894</b>	<b>2,136</b>
Of which:			
- Group Share		-3,980	2,282
- Non-controlling interests		86	-146
(in shares and euros)	Notes	6/30/2016	6/30/2015
<b>Net Income - Group share per share</b>	Note 6		
Weighted average number of shares		7,882,975	7,882,975
Net Income (Group share) per share – continued activities		-0.505	0.289
Net Income (Group share) per share – discontinued activities		N/A	N/A
Diluted weighted average number of shares		7,882,975	7,882,975
Diluted net income (Group share) per share – continued activities		-0.505	0.289
Diluted net income (Group share) per share – discontinued activities		N/A	N/A



Statement of comprehensive income – Part 2

€K	30/06/16	30/06/15
PERIOD NET RESULTS	-3,894	2,136
OTHER COMPREHENSIVE INCOME ITEMS		
Currency translation adjustments due to foreign operations	-295	2,230
Disposable financial assets		-49
Gains or losses on hedging instruments		
<b>TOTAL RECYCLED ITEMS</b>	<b>-295</b>	<b>2,181</b>
Actuarial losses and gains	-137	20
<b>TOTAL NON RECYCLED ITEMS</b>	<b>-137</b>	<b>20</b>
ATTRIBUTABLE TOTAL COMPREHENSIVE INCOME	-4,326	4,337
To parent company owners	-4,412	4,483
To minority shareholders	86	-146
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-4,326</b>	<b>4,337</b>

Statement of financial position

(€K)	Notes	30/06/2016	2015 period
<b>ASSETS</b>			
Goodwill	7	33,308	34,297
Intangible fixed assets	8	4,945	5,774
Tangible fixed assets	8	16,269	16,247
Non-current financial assets	8	3,732	3,750
Deferred tax assets	5	933	1,584
<b>Total non current assets</b>		<b>59,187</b>	<b>61,652</b>
Customers	9	72,256	75,419
Corporate & welfare-scheme receivables and Tax claims	9	12,993	14,414
Sundry debtors	9	7,213	5,207
Cash and cash equivalents	10	10,629	8,686
<b>Total current assets</b>		<b>103,091</b>	<b>103,726</b>
<b>TOTAL ASSETS</b>		<b>162,278</b>	<b>165,378</b>

(€K)			30/06/2016	2015 period
<b>LIABILITIES</b>	<i>Notes</i>			
Share capital	11		552	552
Share premiums	11		29,207	29,207
Consolidated reserves	11		31,261	31,187
Profit/loss for the financial year	11		-3,980	987
<b>Total shareholders' equity attr. to parent company owners</b>			<b>57,040</b>	<b>61,933</b>
Non-controlling interests			278	-172
<b>Following the acquisition of shares in Feedback &amp; Co, a change in scope of €54K was</b>			<b>57,318</b>	<b>61,761</b>
Provisions	12		4,152	3,888
Financial liabilities	13		16,510	12,994
Deferred tax liabilities	5		723	882
<b>Total non current liabilities</b>			<b>21,385</b>	<b>17,764</b>
Trade and accounts payables	14		13,290	12,764
Current taxes	14		915	1,497
Financial liabilities	13		5,587	4,688
Current bank loans	10		16,494	17,761
Other current liabilities	14		47,288	49,143
<b>Total current liabilities</b>			<b>83,574</b>	<b>85,853</b>
<b>TOTAL LIABILITIES</b>			<b>162,278</b>	<b>165,378</b>

#### Consolidated cash flow statement

(€K)	Note	30.06.2016 (6 months)	30.06.2015 (6 months)
<b><u>Cash flow from operating activities</u></b>			
Current Operating income		-1,013	4,219
Less non cash or non operating items		<b>2,488</b>	<b>2,873</b>
+/- Depreciation and provisions	2	3,250	2,473
+/- Financial income and expenses	4	-647	612
+/- Gains on disposal of fixed assets		-90	-84
+/- Gains on disposal of subsidiaries' fixed assets	3	1,554	
+/- other non-current expenses			
+/- Restructuring costs	3	-1,579	-128
<b>Cash flow</b>		<b>1,475</b>	<b>7,092</b>
- Paid taxes	5	-448	-688
<b>Change in working capital from operating activities</b>	<b>9/14</b>	<b>-1,307</b>	<b>-7,291</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>-279</b>	<b>-886</b>
<b><u>Cash flow from investment activities</u></b>			
Acquisition of fixed assets	8	-2,050	-3,293
Transfer of fixed assets	8	206	203
Transfer of subsidiaries, net of cash transferred		635	
Business combination, net of cash acquired			33
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>-1,210</b>	<b>-3,058</b>
<b><u>Cash flow from financing activities</u></b>			
Transfer of financial items			1
Increase in borrowings	13	8,804	2,504
Borrowings repayment	13	-4,356	-3,510
Net financial interests paid (including capital leases)	4	-767	-1,289
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>3,680</b>	<b>-2,295</b>
<i>Exchange rate effect</i>		213	-194
<b>CHANGE IN CASH AND CASH EQUIVALENT</b>		<b>2,407</b>	<b>-6,433</b>
<b><u>Cash and cash equivalents – beginning of year</u></b>			
Marketable securities	10	2,779	2,300
Cash and cash equivalents	10	5,907	9,869
Bank loans	10	-471	-129
<b><u>Cash and cash equivalents – end of year</u></b>		<b>10,622</b>	<b>5,604</b>
Marketable securities	10	2,775	2,300
Cash and cash equivalents	10	7,854	3,639
Bank loans (*)	10	-7	-335
<b>CHANGE IN CASH AND CASH EQUIVALENT</b>		<b>2,407</b>	<b>-6,433</b>

(\*) On-balance sheet receivables transferred to the factoring company and financed by the latter, amounting to €15,916K (as compared to €15,227K at 30 June 2015)

The cash flow statement shows a positive net change in cash flow of €2.4M, resulting namely from the positive impact of the issue of new borrowings.

## Consolidated changes in shareholders' equity

(€K)	Capital	Share premiums	Consolidated reserves	Profit/loss for the financial year	Treasury shares/SO	Currency translation adjustments	Total shareholders' equity - Group share	Non-controlling interests	TOTAL SHAREHOLDERS' EQUITY
<b>Shareholders' equity at 31/12/14*</b>	<b>552</b>	<b>29,207</b>	<b>26,251</b>	<b>3,878</b>	<b>-503</b>	<b>-419</b>	<b>58,966</b>	<b>525</b>	<b>59,492</b>
Consolidated profit/loss for the financial year				2,282			2,282	-146	2,136
Gains/Losses directly accounted for in shareholders' equity			-29			2,230	2,201	33	2,234
<b>Total global result</b>	<b>0</b>	<b>0</b>	<b>-29</b>	<b>2,282</b>	<b>0</b>	<b>2,230</b>	<b>4,483</b>	<b>-113</b>	<b>4,370</b>
Appropriation N-1*			3,878	-3,878			0		0
Transactions with minority interests							0		0
<b>Shareholders' equity at 30/06/15</b>	<b>552</b>	<b>29,207</b>	<b>30,100</b>	<b>2,282</b>	<b>-503</b>	<b>1,811</b>	<b>63,449</b>	<b>412</b>	<b>63,862</b>
Consolidated profit/loss for the financial year				-1,295			-1,295	-582	-1,877
Gains/Losses directly accounted for in shareholders' equity			29			22	51		51
PIDR actuarial gain/loss			-269				-269	-33	-302
<b>Total global result</b>	<b>0</b>	<b>0</b>	<b>-240</b>	<b>-1,295</b>	<b>0</b>	<b>22</b>	<b>-1,513</b>	<b>-615</b>	<b>-2,128</b>
Appropriation N-1							0		0
Transactions with minority interests							0	31	31
<b>Shareholders' equity at 31/12/15</b>	<b>552</b>	<b>29,207</b>	<b>29,860</b>	<b>987</b>	<b>-503</b>	<b>1,833</b>	<b>61,936</b>	<b>-172</b>	<b>61,764</b>
Consolidated profit/loss for the financial year				-3,980			-3,980	86	-3,894
Gains/Losses directly accounted for in shareholders' equity						-294	-294		-294
PIDR actuarial gain/loss			-137				-137		-137
<b>Total global result</b>	<b>0</b>	<b>0</b>	<b>-137</b>	<b>-3,980</b>	<b>0</b>	<b>-294</b>	<b>-4,411</b>	<b>86</b>	<b>-4,325</b>
Appropriation N-1			986	-987			-1		-1
Transactions with minority interests			-484				-484	364	-120
<b>Shareholders' equity at 30/06/16</b>	<b>552</b>	<b>29,207</b>	<b>30,226</b>	<b>-3,980</b>	<b>-503</b>	<b>1,539</b>	<b>57,041</b>	<b>277</b>	<b>57,318</b>

\* restated from the error correction made with regards to BD Latam

# NOTES TO THE FINANCIAL STATEMENTS

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I PERIOD HIGHLIGHTS

II POST 30 JUNE 2016 EVENTS

III CONSOLIDATION SCOPE

IV ACCOUNTING PRINCIPLES, RULES AND METHODS

V NOTES TO THE STATEMENTS

VI NOTES ON OFF-BALANCE SHEET COMMITMENTS

VII OTHER INFORMATION

## I- PERIOD HIGHLIGHTS

Increase in turnover and staff

The turnover rose from €113.3M at H1 2015 to €117.1M at 30 June 2016. At comparable exchange rate, consolidation scope and accounting method, this shows a 5.7 % increase when compared to H1 2015 figures.

Average workforce at the end of the Half-year is 2,701 employees as compared to 2,400 for the previous year's first Half-year.

Governance:

On 29 January 2016, the founder and Chairman and Managing Director, Patrick Bensabat, passed away. Acting in his capacity of Deputy Managing Director and member of the Board of Directors, Christophe Dumoulin managed the Group for an interim period.

At a shareholders' General Meeting, held on 22 March, a new Board of Directors was elected, which met on the same day and appointed Christophe Dumoulin as Chairman and Managing Director.

Financing:

The Group negotiated with its banks a restructuring of its medium-term debt as follows:

- the early repayment on 30 March 2016 of the remaining balance of the syndicated loan granted in May 2013 by a pool of banks
- and the setting up of several medium-term loans amounting to 8 million euros and maturing between 2020 and 2022, signed during the second 2016 Half-year.

Characteristics of the new financing arrangements are the following:

- 6.5 million euro-loan from a pool of three banks, to be repaid over 4 years, including a CAPEX line of 2.5 million euros for investments.
- 1.5 million euro-loan from a banking institution as a working capital loan to be repaid over 5 years.

These new loans are secured by a senior pledge of all the shares of the Business & Decision France subsidiary, *pari passu*, in favour of the involved banks.

Restructuring and reorganisation operations

On 31 March 2016, Business & Decision NAPA sold the ERP activity. ERP was a near \$9M-turnover activity that mobilised some forty employees. It was sold for \$2.5M to be paid in instalments until 1 April 2019.

## II- POST 30 JUNE 2016 EVENTS

None

## III- CONSOLIDATION SCOPE

### III.1 The Group's companies

**Parent company: SA BUSINESS & DECISION**

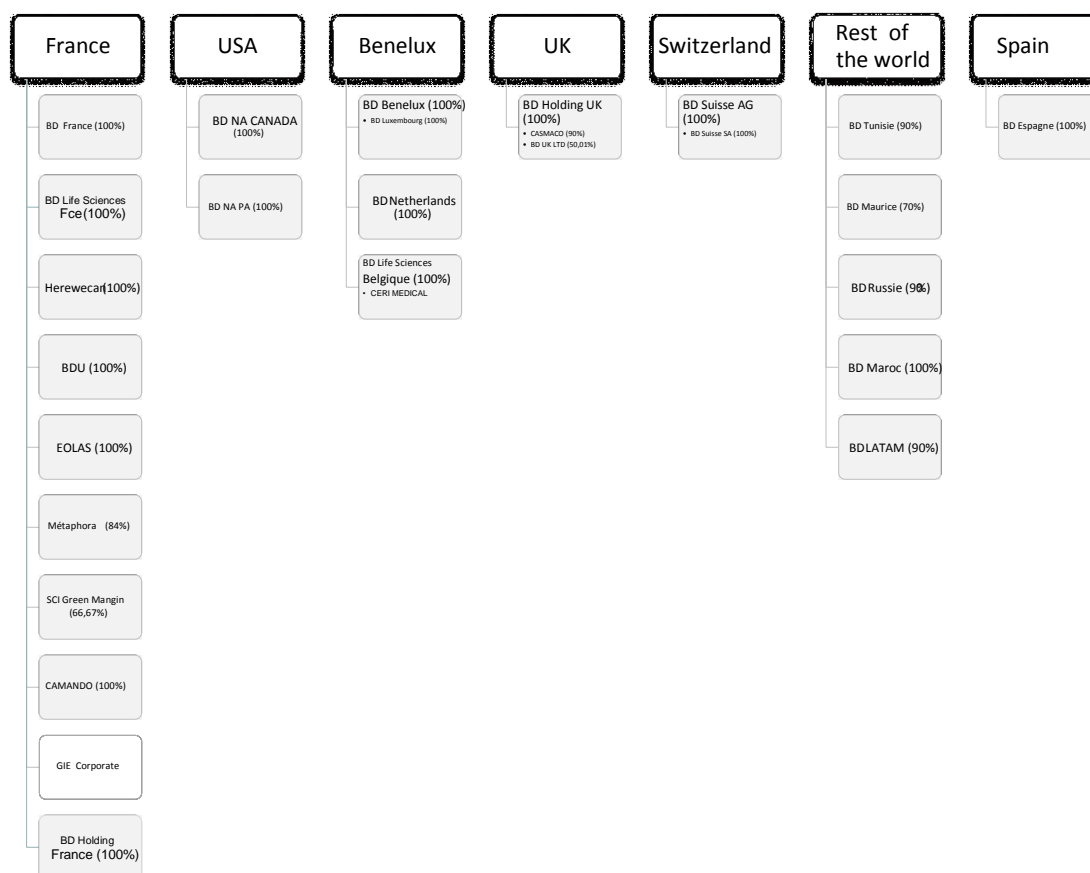
153, rue de Courcelles  
75817 PARIS Cedex 17

**SIRET number 384 518 114 00036**

- Business & Decision FRANCE 153, rue de Courcelles 75017 PARIS – SIREN number: 480 893 387
- Business & Decision INTERACTIVE EOLAS - 8, rue Voltaire 38000 GRENOBLE - SIREN number: 382 198 794
- Business & Decision Corporate Services - 153, rue de Courcelles 75017 PARIS – SIREN number: 520 079 252
- Business & Decision UNIVERSITY - 153, rue de Courcelles 75017 PARIS - SIREN number: 381 837 764
- Business & Decision Life Sciences - 153, rue de Courcelles 75017 PARIS – SIREN number: 790 953 384
- METAPHORA - 153, rue de Courcelles 75017 PARIS – SIREN number: 397 447 319
- Camondo Consulting – 40, rue de Chateaudun 75009 PARIS, SIREN number: 790 257 729
- Business & Decision Holding France - 153, rue de Courcelles 75017 PARIS – SIREN number: 790 212 351
- CERI Medical – 153, rue de Courcelles 75017 PARIS – SIREN number: 334 689 502

- HEREWECAN – 153, rue de Courcelles 75017 PARIS – SIREN number: 493 954 770
- SCI Green Mangin - Rue du general Mangin 38100 GRENOBLE – SIREN number: 515 280 980
- Business & Decision Benelux - 141 rue Saint Lambert - B1200 – BRUSSELS - BELGIUM
- Business & Decision Life Sciences - 141 rue Saint Lambert - B1200 – BRUSSELS - BELGIUM
- Business & Decision LUXEMBOURG - 10B, rue des Mérovingiens - L-8070 BERTRANGE - LUXEMBOURG
- Business & Decision NETHERLANDS – Arthur Van Schedelstraat 650, 3511 MJ Utrecht, NETHERLANDS
- Business & Decision Russia - Ulitsa Ibragimova - 31, build 50, office 303 - 105318 Moscow - RUSSIA
- Business & Decision (Suisse) SA - New Tech Center - Rue de Lyon 109-111 - P.O Box 328 - 1211 GENEVA 13 – SWITZERLAND
- Business & Decision Life Sciences AG C/O BDO Ag - Münchensteinerstrasse 43 - 4052 Basel, SWITZERLAND
- Business & Decision AG - Worblentalstrasse 99, CH-3063 Ittigen - SWITZERLAND
- CASMACO Ltd - Cobalt Business Exchange – Cobalt Business Park, Newcastle Upon, Tyne, NE27 0QJ – Great Britain
- Business & Decision NORTH AMERICA LLC - 955, St Jean - 301 Pointe Claire - QC H9R 5K4 CANADA
- Business & Decision NORTH AMERICA INC - Philadelphia Office - 900, West Valley Rd, Suite 900 - Wayne, PA 19087 – 1830 USA
- Business & Decision UK Holding Ltd - 7 Camberwell Way - Doxford International Business Park - SR3 3XN – Sunderland – Great Britain
- Business & Decision España - C/Marqués de Valdeiglesias 3,5° - 28004 MADRID – Spain N° M 283887
- Business & Decision LATAM S.A.C – Avenida la Encalada 1257, Piso 14 Santiago de Surco – Lima 33 Peru
- Business & Decision Maroc - 265 Bd Zerktoni 2ème étage N° 22 Casablanca - Morocco
- Business & Decision Mauritius - 2ième étage, Batiment BG Court, Route St Jean, Quatre Bornes - Mauritius
- Business & Decision Tunisie – rue du Lac Tanganyika, bloc H, résidence du Lac 1053, Berges du Lac - TUNIS – Tunisia
- Business & Decision UK Ltd, Cbx Central, Silver Fox Way, Newcastle Upon Tyne, NE27 0QJ, UK

### III.2 Consolidated companies' organisation chart at 30 June 2016



All Group companies are fully consolidated.

### **III.3 Exclusion from consolidation**

No company for which the controlling percentage exceeded 20% was excluded from the consolidation scope.

## **IV- ACCOUNTING PRINCIPLES, RULES AND METHODS**

The Half-year consolidated statements are drawn up and presented in a condensed manner in compliance with IAS 34, Interim financial reporting. So, the presented notes pertain to important events and transactions of the Half-year and must be read in conjunction with the consolidated financial statements of 31 December 2015.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the Interpretations thereof of the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Union at 30 June 2016 and displayed at:

[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

The accounting methods and valuation rules applied by the Group to draw up the condensed Half-year statements are identical to those used for the financial statements of 31 December 2015, except for those standards adopted by the European Union and with which compliance is compulsory as from 1 January 2016.

IFRS standards, amendments and IFRIC interpretations with which compliance is mandatory at 1 January 2016:

- Amendment to IAS 19 standard: Defined benefit plans: employee contributions, applicable to financial periods commencing on or after 1 February 2015
- Annual improvements (2010-2012) to IFRS, applicable to financial periods commencing on or after 1 February 2015
- Amendments to IAS 16 and IAS 38 standards: acceptable methods of depreciation and amortization, applicable to financial periods commencing on or after 1 January 2016
- Amendments to IAS 16 and IAS 41 standards: agriculture: bearer plants, applicable to financial periods commencing on or after 1 January 2016
- Amendment to IAS 1 standard: presentation of financial statements – disclosure initiative, applicable to financial periods commencing on or after 1 January 2016
- Amendment to IFRS 11 standard: partnerships: Accounting for acquisition of interests in joint operations, applicable to financial periods commencing on or after 1 January 2016
- Annual improvements (2012-2014) to IFRS, applicable to financial periods commencing on or after 1 January 2016

The Group has not observed any significant impact of the implementation of these standards, interpretations and amendments on its condensed Half-year statements.

The group has not opted for the early application of the following IFRS standards, amendments and IFRS interpretations with which compliance is compulsory after 30 June 2016:

- Amendments to IFRS 10 and IAS 28 standards: sales or contributions of assets between an investor and its associate/joint venture, applicable to financial periods commencing on or after 1 January 2016 (postponed by the European Union)
- Amendments to IFRS 10, IFRS 12 and IAS 28 standards: consolidation exception applicable to investment entities, applicable to financial periods commencing on or after 1 January 2016 (not adopted by the European Union)
- IFRS 14 standard: regulatory deferral accounts, applicable to financial periods commencing on or after 1 January 2016 (not adopted by the European Union)
- Amendment to IAS 7 standard: disclosure initiative, applicable to financial periods commencing on or after 1 January 2017 (not adopted by the European Union)
- Amendment to IAS 12 standard: recognition of deferred taxes for unrealised losses, applicable to financial periods commencing on or after 1 January 2017 (not adopted by the European Union)
- IFRS 15 standard: revenue from contracts with customers, applicable to financial periods commencing on or after 1 January 2018 (not adopted by the European Union)
- IFRS 9 standard: financial instruments, applicable to financial periods commencing on or after 1 January 2018 (not adopted by the European Union)
- Amendment to IFRS 2 standard: classification and measurement of share-based payment transactions, applicable to financial periods commencing on or after 1 January 2018 (not adopted by the European Union)
- IFRS 16 standard: leases, applicable to financial periods commencing on or after 1 January 2019 (not adopted by the European Union)

The impact of these standards is currently being analysed.



The preparation of the consolidated financial statements in compliance with the IFRS standards requires, on behalf of management, the use of judgements, estimates and assumptions likely to have an impact on the reported amounts of assets, liabilities, income and expenditure and on the financial information contained in the notes to the accounts pertaining to contingent assets and liabilities at the date of the financial statements.

The estimates and assumptions that may result in a significant adjustment to the carrying amounts of assets and liabilities are essentially related to:

- Estimates used for impairment tests and recognition of deferred taxes arising on loss carried forward
- Provisions and retirement commitments estimates
- Recognition of the turnover and related costs associated with long-term contracts whose production volumes are based on operational assumptions

These estimates are calculated on the assumption that the entity is a going concern and using information that is available at the time of preparation. Estimates can be revised if new elements need to be taken into consideration. Actual results might differ from these estimates.

#### Specifics of interim financial statements

- Group activities are not really subject to seasonal factors. However, interim results at 30 June 2016 are not necessarily indicative of the results that can be expected for the whole of the 2016 financial period.
- Within the context of the interim accounts, tax expense (current and deferred) is calculated for each fiscal entity by applying to the taxable income for the period, the annual average effective rate estimated for the year under review.
- In compliance with IAS 1, the Group separately presents in the statement of financial position current and non-current assets, and current and non-current liabilities. Considering the main Group activities, it was decided that the selected criteria for classification would be asset liquidation deadline or liability settlement deadline: current if this deadline is within 12 months and non-current if it exceeds 12 months.

## V- NOTES TO THE FINANCIAL STATEMENTS

### Note 1: Other current operating income

In thousand euros	30/06/2016	30/06/2015
Other miscellaneous income	377	481
<b>Other operating income</b>	<b>377</b>	<b>481</b>

Other income refers mainly to subsidies yet to be received.

### Note 2: Current operating expenses

In thousand euros	30/06/2016	Percentage of turnover	30/06/2015	Percentage of turnover
External charges	29,999	25.63%	26,397	23.29%
Taxes other than income taxes	1,996	1.71%	2,251	1.99%
Payroll costs (1)	83,828	71.61%	78,279	69.06%
Depreciation and amortisation expense (2)	2,629	2.25%	2,684	2.37%
<b>OPERATING EXPENSES</b>	<b>118,452</b>	<b>101.19%</b>	<b>109,611</b>	<b>96.70%</b>

At closing date, the staff comprises of 2,742 people as compared to 2,441 at 30 June 2015 and 2,578 at 31 December 2015.

At the end of these six months, the workforce is thus constituted:

	30/06/2016	30/06/2015
Partners	5	3
Directors	123	130
Project leaders/Managers/Experts	450	360
Consultants	1,842	1,642
Administration staff	154	156
Sales reps.	75	88
Assistants/Trainees	93	62
<b>Total</b>	<b>2,742</b>	<b>2,441</b>

(1) Payroll costs

In thousand euros	30/06/2016	30/06/2015
Wages and social security expenses	83,845	78,233
Profit-sharing scheme	-148	-32
Provisions for employee benefits and pensions	131	77
<b>Total payroll costs</b>	<b>83,828</b>	<b>78,279</b>

(2) Depreciation and amortisation expense

€K	30/06/2016	30/06/2015
Depreciation and amortisation of intangible fixed assets	839	843
Depreciation and amortisation of tangible fixed assets	1,614	1,703
Provisions for liabilities and charges	1,140	428
Provisions for doubtful debts	143	63
<b>Provisions total</b>	<b>3,736</b>	<b>3,037</b>
Write-back of provisions for liabilities and charges	1,039	197
Write-back of provisions for doubtful debts	68	156
<b>Write-back total</b>	<b>1,107</b>	<b>352</b>
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>2,629</b>	<b>2,684</b>

**Note 3: Other (operating) income and expenses**

In thousand euros	30/06/2016	30/06/2015
Capital gain on sale	1,555	
Restructuring costs *	-1,579	-128
<b>Total</b>	<b>-25</b>	<b>-128</b>

Gains on transfer of the ERP activity amount to €1,555K. The recognised selling price in the accounts is \$2.5M.

Restructuring costs are associated with directors' and managers' departures in France.

**Note 4: Financial Income/Loss**

In thousand euros	30/06/2016	30/06/2015
Bank loans and factoring interest charges	-456	-316
Trading revenue (from cash instruments)	27	
Interest on borrowings	-496	-640
Restated lease commitments interests	-272	-333
Currency exchange gains/losses	-203	574
Financial provisions		-28
Other (financial) income and expenses	-15	66
<b>Financial results</b>	<b>-1,414</b>	<b>-677</b>

## Note 5: Tax expense

The Half-year for the Group resulted in earnings before tax of -€2,454K. The corporate tax rate in France is 34.43 %.

	01/01/16	Reclassification	+ Increase / - decrease for the period	30/06/16
Deferred tax assets	1,584	0	-650	933
- Reportable losses	1,630		-800	830
- Temporary differences	-45		150	105
Deferred tax liabilities	-882		159	-723
<b>Net deferred taxes</b>	<b>702</b>	<b>0</b>	<b>-491</b>	<b>210</b>

Tax losses carried forward not recognised in France at 30 June 2016 amount to €26,207K.

## Note 6: Earnings per share

The Group applies the earnings per share calculation rules described in the Group's accounting principles.

		30/06/2016	30/06/2015
Net Income – Group Share in €K	(a)	-3,980	2,282
Weighted average number of shares outstanding	(b)	7,882,975	7,882,975
Dilutive instruments' impact	(c)		
Diluted weighted average number of shares	(d) = (c) + (b)	7,882,975	7,882,975
<b>Earnings per share in euros</b>	<b>(a)/(b)</b>	<b>-0.505</b>	<b>0.289</b>
<b>Diluted earnings per share in euros</b>	<b>(a)/(d)</b>	<b>-0.505</b>	<b>0.289</b>

## Note 7: Goodwill

### Changes in Goodwill - Goodwill depreciation

	Depreciation Goodwill 31/12/15	Currency translation adjustment	Provision	Depreciation Goodwill 30/06/16
BD France	776			776
HEREWECAN	213			213
BDU	125			125
EOLAS	26			26
BD BENELUX	704			704
BD Spain	100			100
BD SUISSE SA	667	-3		664
BD NA PA	1,893	-27		1,866
<b>TOTAL</b>	<b>4,504</b>	<b>-30</b>		<b>4,474</b>

Goodwill is assigned to the cash generating units of the operating legal entities to which it is associated.

The recoverable amount for a cash generating unit is calculated based on the value in use. Estimates of discounted future cash flows were measured using 5-year projections for each cash generating unit and a discount rate that is calculated according to geographical region and an infinite growth rate of 1.5%.

At 30 June 2016, the Group reviewed its material intangible assets to identify any impairment indices that could lead to impairment and depreciation testing.

At 30 June 2016, this analysis has shown that the BD NAPA cash generating unit was exposed to an impairment risk. The revision of future cash flows for this cash generating unit has confirmed that further depreciation was necessary.

The Group presents the sensitivity analysis of the key assumptions made regarding the discount rate, the infinite growth rate, the average annual turnover growth rate and the normalised EBIT rate for the BD NAPA cash generating unit. The table below shows Goodwill depreciation after this analysis has been carried out.

In thousand euros	Net Goodwill	Room for manoeuvre ****	Discount rate +1 point *	Perpetuity growth rate of 0.5% **	Turnover AAGR - points ***	Normative EBIT rate -1 point ***
BD NAPA	8,453	12,965				

- At constant growth rate
- \*\* At constant discount rate
- \*\*\* At constant growth and discount rate
- \*\*\*\* Room for manoeuvre = Value in use – Consolidation value of CGUs

## Note 8: Fixed Assets

### Intangible fixed assets

	Gross 31/12/15	Reclassific ation	Currency translation adjustment s	Acquisition	Decrease	Gross 30/06/16	Amort. 30/06/16	Net 30/06/16	Net 31/12/15
Software & Others* (**)	10,543	-	328	234	41	10,409	5,461	4,945	5,775
<b>TOTAL</b>	<b>10,543</b>	<b>0</b>	<b>-328</b>	<b>234</b>	<b>41</b>	<b>10,409</b>	<b>5,461</b>	<b>4,945</b>	<b>5,775</b>

\* Including €7,108K of development costs

\*\* Including leasing:

	Gross 31/12/15	Reclassific ation	Acquisition	Decrease	Gross 30/06/16	Amort. 30/06/16	Net 30/06/16	Net 31/12/15
Software & Others	728		37		765	509	256	285
<b>TOTAL</b>	<b>728</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>765</b>	<b>509</b>	<b>256</b>	<b>285</b>

### Tangible fixed assets

	Gross 31/12/15	Output	Currency translation adjustment	Acquisition	Decrease	Gross 30/06/16	Amort. 30/06/16	Net 30/06/16	Net 31/12/15
Land/Constructions*	9,518		-12	18		9,524	2,446	7,078	7,163
Fittings *	8,247	-11	-34	153		8,355	4,658	3,697	4,098
Vehicles	355		-35	391	99	612	156	456	217
Computer hardware*	18,944	-27	-151	1,756	561	19,961	15,317	4,644	4,331
Furniture	853	-6	-13	109	47	896	502	395	439
<b>TOTAL</b>	<b>37,917</b>	<b>-44</b>	<b>-245</b>	<b>2,426</b>	<b>707</b>	<b>39,347</b>	<b>23,079</b>	<b>16,269</b>	<b>16,248</b>

\*Including leasing

Fixed assets under finance lease agreements:

	Gross 31/12/15	Reclassification	Acquisition	Decrease	Gross 30/06/16	Amort. 30/06/16	Net 30/06/16	Net 31/12/15
Land/Constructions	5,344				5,344	1,380	3,964	3
Fittings	2,870				2,870	1,266	1,604	2,114
Furniture	506		47		553	245	308	198
Computer hardware	12,317		576		12,893	8,572	4,321	4,222
<b>TOTAL</b>	<b>21,037</b>	<b>0</b>	<b>623</b>	<b>0</b>	<b>21,660</b>	<b>11,463</b>	<b>10,197</b>	<b>6,537</b>

### Amortisation

Allowance distribution €K	Amortisation 12/31/2015	Reclassification	Change in scope	translation adjustments	Allowances	Write-backs	Amortisation 30/06/2016
Software & other intangible assets		4,768		-143	839		5,461
Including leasing		448			67		515
Tangible fixed assets	21,669		-22	-167	1,614	18	23,079
Including leasing	9,873				477		10,350
<b>Total</b>	<b>26,437</b>	<b>0</b>	<b>-22</b>	<b>-310</b>	<b>2,454</b>	<b>18</b>	<b>28,540</b>

### Non-current financial assets

In thousand euros	Gross 01/01/16	Reclassific ation	Currency translation adjustments	Acquisition	Decrease	Gross 30/06/16	Deprec. 30/06/16	Net 30/06/16	Net 31/12/15
Other financial assets	1,899		-11	27	30	1,885	69	1,816	1,829
Non consolidated participating interests & shares and related receivables	2,165		-4			2,161	244	1,917	1,924
<b>TOTAL</b>	<b>4,064</b>	<b>0</b>	<b>-15</b>	<b>27</b>	<b>30</b>	<b>4,045</b>	<b>313</b>	<b>3,732</b>	<b>3,753</b>

## Note 9: Trade and other receivables

In thousand euros	30/06/2016	31/12/2015
<b>Trade receivables</b>	72,256	75,419
<b>Tax claims – Corporation tax*</b>	12,993	14,414
<b>Other current assets</b>	7,213	5,207
<i>Pre-paid expenses</i>	2,814	2,831
<i>Corporate &amp; welfare-scheme receivables and Ta</i>	4,038	1,855
<i>Other receivables</i>	360	521
<b>Assets for sale</b>		
<b>TOTAL</b>	<b>92,462</b>	<b>95,040</b>

\*The corporate tax claims item includes €10.812K of research tax credit.

Since 2009, a factoring agreement has been agreed upon in France. The financing amount is of €22M since the second 2015 Half-year.

Considering the application of IAS 39 and after analysis of the factoring agreement, it is observed that client risks are not fully transferred.

Consequently:

- The factoring company's guarantee deposits and reserves have been restated as trade receivables for an amount of €1,455K.
- The share of receivables transferred to the factoring company, and financed by the latter but not yet settled, has been reinstated as trade receivables of €15,916K, in return for an increase in financial liability.

## Note 10: Cash and cash equivalents

### Cash assets

	Gross amount at 30/06/16	Provisions	Net book value at 30/06/16	Net book value at 31/12/15	Market value
Actions	36		36	36	36
Other marketable secur	2,740		2,740	2,779	2,740
Cash and cash equivak	7,854		7,854	5,871	
<b>Item total</b>	<b>10,629</b>	<b>0</b>	<b>10,629</b>	<b>8,686</b>	<b>2,776</b>

### Current bank loans

In thousand euros	Value at 30/06/16	Value at 31/12/2015
Short-term credit and factoring agreen	16,494	17,761
<b>Item total</b>	<b>16,494</b>	<b>17,761</b>

This item includes the receivables not yet matured transferred to the factoring company, i.e. €15.916K at 30 June 2016 as compared to €17,291K at 31 December 2015.

## Note 11: Shareholders' equity

At 30 June 2016, Business & Decision's capital was made up of 7,882,975 shares and amounted to €551,808.25.

	Number of shares	Nominal value (€)	Value (€)	Share premium in €K
Share capital and premiums at 30/06/2016	7,882,975	0.07	551,808	29,207
<b>TOTAL</b>	<b>7,882,975</b>	<b>0.07</b>	<b>551,808</b>	<b>29,207</b>

Number of treasury shares at 31/12/2015	736
Number of treasury shares purchased between 01/01/16 and 30/06/2016	0
Number of treasury shares cancelled between 01/01/16 and 30/06/2016	0
<b>Number of shares at 30/06/16</b>	<b>736</b>

The number of treasury shares held by Business & Decision at 30 June 2016 is 736.

### Non-controlling interests

The share of consolidated shareholders' equity attributable to non-controlling interests amounts to €278K.

### **Note 12: Provisions**

#### Non-current provisions

Provisions statement (in thousand euros)	Provisions at 01/01/16	Restatement or Currency translation adj.	Provision allowance	Write-back of provisions		Provisions at 30/06/16
				Used	Unused	
Provision for industrial disputes	526		602	203	50	875
Provision for business disputes						0
Other liability provisions	765	1	260			1,026
Provision for loss to completion	24		10		6	28
Provision for social security expenses	1,512		149		780	880
Provisions foll. associated undertaking						0
<b>TOTAL non-current provisions</b>	<b>2,828</b>	<b>1</b>	<b>1,021</b>	<b>203</b>	<b>836</b>	<b>2,812</b>

Provisions statement (in thousand euros)	Provisions at 01/01/16	Financial expenses	Reclassification	Allowances	Shareholder s' equity	Provisions at 30/06/16
PIDR	1,061	13		131	137	1,342
<b>TOTAL non-current provisions</b>	<b>1,061</b>	<b>13</b>	<b>0</b>	<b>131</b>	<b>137</b>	<b>1,342</b>

#### Retirement commitment details:

The estimate as regards employees is calculated, using the projected unit credit method, based on the following assumptions:

	30/06/2016	30/06/2015
Retirement age	67 yrs	67 yrs
Turnover rate	[16-34 yrs]: 19.9%; [35-44 yrs]: 16.7%; [45-54 yrs]: 20.7%; [over 55 yrs]: 0%	[16-34 yrs]: 19.9%; [35-44 yrs]: 16.7%; [45-54 yrs]: 20.7%; [over 55 yrs]: 2,0%
Discount rate	1.25%	2.00%
Salary progression rate	2%	2%
Rate of social charges	46%	46%

#### **Evolution of the obligations present value for defined services**

(EUR thousands)	30/06/2016	30/06/2015
obligations present value at 1 January	1,061	666
services rendered plan		
Restatements		-1
services rendered cost and financial cost	145	91
actuarial losses (gains)	137	-20
commitment at closing date	1,342	736

#### **Present value of plan's assets**

none none

#### **Expenses stated in the income statement**

(EUR thousands)	30/06/2016	30/06/2015
Services rendered costs	131	77
financial cost	13	13
Expected return from the plan's assets	none	none

### Current provisions

Provisions statement (in thousand euros)	Provisions at 01/01/16	Restatement or Currency translation adj.	Provision allowance	Write-back of provisions		Provisions at 30/06/16
				Used	Unused	
Provision for social security expenses			671			671
<b>TOTAL non-current provisions</b>	<b>0</b>	<b>0</b>	<b>671</b>	<b>0</b>	<b>0</b>	<b>671</b>

### **Note 13: Financial debts**

In thousand euros	Borrowings 31/12/15	Currency translation adjustments	Reclassification	Change in scope	Increase in borrowings	Borrowings repayment	Borrowings 30/06/16
Borrowings	17,660	-33			8,804	4,356	22,076
Deposits	21						21
<b>TOTAL</b>	<b>17,682</b>	<b>-33</b>	<b>0</b>	<b>0</b>	<b>8,804</b>	<b>4,356</b>	<b>22,097</b>

The Group negotiated with its banks a restructuring of its medium-term debt as follows:

- the early repayment on 30 March 2016 of the remaining balance of the syndicated loan granted in May 2013 by a pool of banks
- and the setting up of several medium-term loans amounting to 8 million euros and maturing between 2020 and 2022, signed during the second 2016 Half-year.

Characteristics of the new financing arrangements are the following:

- 6.5 million euro-loan from a pool of three banks, to be repaid over 4 years, including a CAPEX line of 2.5 million euros for investments.
- 1.5 million euro-loan from a banking institution as a working capital loan to be repaid over 5 years.

These new loans are secured by a senior pledge of all the shares of the Business & Decision France subsidiary, pari passu, in favour of the involved banks.

In thousand euros	TOTAL	Current (less than one year)	Non-current (1 to 5 yrs)
Lease and finance lease France	7,994	2,154	5,840
Bank borrowings	5,500	1,500	4,000
Micado bond loan	3,500		3,500
Borrowings for investments	5,102	1,933	3,170
<b>TOTAL</b>	<b>22,098</b>	<b>5,587</b>	<b>16,510</b>

The Group resorted to medium-term bank borrowings to co-finance its international expansion.

### **Note 14: Trade and other payables**

Payables statement (in thousand euros)	Current 30/06/16 (less than a year)	Non-current 30/06/16 (more than a year)	Current 31/12/15 (less than a year)	Non-current 31/12/15 (more than a year)
Trade payables	13,290		12,764	
Tax and social security payables	38,203		39,060	
Sundry creditors and other liabilities	1,413	-	765	-
Deferred income	7,671		10,815	
<b>General TOTAL</b>	<b>60,578</b>	<b>-</b>	<b>63,405</b>	<b>-</b>

## VI. NOTES ON OFF-BALANCE SHEET COMMITMENTS

### VII.1 Guarantees issued

These guarantees were only issued within the context of corporate financing.

#### Guarantees issued to banks

- **Within the context of the €6.5M loan (including €2.5M of CAPEX) from the 3 banks (21 April 2016):**

Senior pledge of 81,520 Business & Decision France shares as payment guarantee over the whole loan duration (48 months).

- **Overdraft facilities granted by the Société Générale.**

BD SA acted as a guarantor for the Société Générale to grant a GBP 65K overdraft facility to CASMACO and a USD 1 million overdraft facility to BD NAPA.

- **Loan granted by BNP Paribas**

BD SA stood surety for a €1,000,000 loan granted to its Business & Decision Interactive Eolas by the BNP within the context of an investment programme for the extension of its Grenoble-based Datacentre. The principal balance amounts to €373K at 30 June 2016.

- **Loan granted by the CIC**

BD SA stood surety for a €200,000 loan granted to the Business & Decision Interactive Eolas by the CIC Lyonnaise de Banque to finance the Research and Development programme. The principal balance amounts to €157K at 30 June 2016.

- **Loan granted by Caisse d'Epargne Rhône Alpes**

The Caisse d'Epargne Rhône Alpes granted two real-estate loans to SCI Green Mangin, a subsidiary in which Business & Decision SA owns 66.67% of shares, the principal balances of which amount to €1,633K and €305K respectively at 30 June 2016.

These loans are guaranteed respectively by a first-rank and second-rank mortgage on the Grenoble Datacentre building used by the Business & Decision Interactive Eolas subsidiary.

- **Foreign payment guarantee of USD150K**

Foreign payment guarantee of USD150K by CM-CIC Banques to Banco International del Peru in favour of BD Latam.

- **Performance bond and account pledge**

Arizona State's Department of Corrections has chosen Business & decision and its technological platform, Mi-Case, to replace the information system dedicated to adult inmate management (Adult Inmate Management System, AIMS). Within this context, a \$16M Performance bond was issued in favour of Arizona State by an American insurance company on behalf of the Business & Decision North America subsidiary and for a time period ending on 30 November 2017. BNP Paribas, acting on behalf Business & Decision Group's bank pool, has issued a counter guarantee in the form of a standby letter of credit, providing for the payment of \$8M and for a period ending on the 30 November 2017, payable on first demand to the issuer of the "performance bond."

As a hedge for this operation, Business & Decision SA pledged, in favour of BNP Paribas still acting on behalf of the bank pool, a securities account as a guarantee for the principal sum of \$3M until 30 November 2017.

### **VI.2 Acquisitions and Equity investments contingent payments clauses**

#### CERI MEDICAL

The CERI MEDICAL company's acquisition deed provides for contingent payments calculated based on EBIT over four years: 2014, 2015, 2016 and 2017.

Provision was made for a maximum contingent payment of €225K to be equally spread over the four years.

At 30 June 2016, no contingent payment has been considered since performance objectives contractually agreed upon have not been met.



### **VI. 3 Transfers and Equity investments contingent payments clauses**

ERP activity

The ERP activity sales contract provides for the payment of a price supplement, based on the adjusted 2018 turnover, of a variable maximum amount of \$1.5M (payable in 2019).

### **VI.3 Other commitments**

- Pledging of a Business & Decision term account, amounting to €107K, by the CM-CIC in favour of the Bank of Central African States (CEMAC).

### **VI.4 Guarantees received**

None.

### **VI.5 Claw-back provision**

A debt write-off with a claw-back provision amounting to €1,271,994 in favour of the Business & Decision Israël company had been authorised by Business & Decision SA in 2011.

At 30 June 2016, the conditions set for debt write-off claw-back provisions are not met.

## **VII. OTHER INFORMATION**

### **VII.1. Affiliated companies transactions**

Transactions between Business & Decision and its subsidiaries that are affiliates of the Group have been excluded from consolidation and are not detailed in the present note.

**Transactions with non consolidated companies for which the director is linked to the Group:**

#### **Prestations de services avec la société BEEZEN (en K€)**

Nature	30-juin-16	30-juin-15
Charges de sous-traitance		17
Produits de refacturation de loyer		
Charges de gestion		12
Compte Créditeur		17
Compte Débiteur		

### **VII.2. Directors' remuneration**

#### **Executive Directors:**

Mr. Christophe DUMOULIN, Chairman and Managing Director  
Patrick BENSABAT

<i>In thousand euros</i>	30/06/2016	30/06/2015
Salaries and other short-term benefits	425	457
Retirement benefits		
Post-employment benefits	124	49
Share-based payments		
<b>TOTAL</b>	<b>549</b>	<b>505</b>

The remuneration amount allocated to directors is €317.6K (excluding social security and retirement commitments).

### **VII.3. Financial risk management**

Through its operations, the Group is exposed to different types of financial risks: liquidity risk, credit risk, currency risk and interest rate risk. Financial risk management is performed by the Group's treasury department and refers to minimising the potentially unfavourable effects of these risks on the Group's financial performance.

**Liquidity risk and credit risk:** Liquidity risk management involves maintaining sufficient cash and marketable securities and the availability of funding to meet the Group's needs through an adequate amount of credit facilities. Medium term credit facilities are subject to financial covenants (annual covenants calculated at each financial year-end).

The financial assets that could expose the Group to credit risk are trade receivables. At 30 June 2016, they amount to €72,256K as compared to €75,419K at 31 December 2015. At 30 June 2016, the Group's biggest client accounted for approximately 7% of the Group's due receivables. Exposure to credit risk due to other customers is limited because of high diversification.

The Group has no significant concentrations of credit risk. The client selection process and related credit risk analysis are fully integrated within the global risk assessment process that takes place throughout the life cycle of a contract.

In order to meet its short-term financing needs in France, the Group has set up a factoring agreement involving approximately 90% of its French portfolio.

Short-term authorisations and factoring agreement:

(EUR millions)	At 30/06/2016		At 30/06/2015	
	Authorised	Used-up	Authorised	Used-up
Short-term credit lines France	4.0		4.5	
Short-term credit lines International	1.5		1.5	
Factoring agreement	22.0	15.9	22.0	15.2

Cash transactions are limited to high-credit quality financial institutions. Currently, the Group's credit lines amount to approximately €22M.

**Currency risk**

The Group's financial performance is materially influenced by fluctuations in the exchange rate since a significant portion of business activities takes place outside of the euro zone. The main residual exposures are primarily in US dollars and Swiss Francs. The sensitivity of euro fluctuations of +/- 10% vis-à-vis the above-mentioned currencies does not impact in any significant way on the current operating income level at 30 June 2016.

Within the context of the BNP Paribas guarantee associated with the Arizona State contract, Business & Decision SA entered into a currency option for acquisitions; the total amount covered is 2 million dollars and the agreement expires on 28 November 2017.

Interest rate risk: Business & Decision Group's medium-term bank loan is at fixed rate. Indeed, the company has set up hedging arrangements for its medium-term loans to ensure a fixed rate. The outstanding credit amount involved is 2.8 million euros. Apart from these hedging arrangements, the Group has never resorted to derivative financial instruments.

#### VII.4. Segment reporting

The Group has a country-based organisation.

Transfers and transactions between the various segments take place under normal business conditions which are the same ones that would be applied if dealing with an unrelated third party.

##### Information per geographic sector

Information per geographic sector, on the situation as at 30 June 2016, is as follows:

Inter-segment flows have been kept but intra-segment flows have been excluded.

##### Income statement at 30 June 2016 (in €K)

	France	Switzerland	UK	BENELUX	US	Spain	REST OF THE WORLD	Elimin.	Total
Turnover	136,597	6,003	4,448	24,305	11,888	1,160	4,957	-72,298	117,059
<b>Total current operating expenses</b>	<b>137,608</b>	<b>6,056</b>	<b>4,888</b>	<b>22,833</b>	<b>13,576</b>	<b>1,122</b>	<b>4,705</b>	<b>-72,335</b>	<b>118,452</b>
Payroll costs	52,401	3,637	3,148	12,879	7,720	825	3,218		83,828
<b>Current operating results</b>	<b>-861</b>	<b>-50</b>	<b>-440</b>	<b>1,531</b>	<b>-1,539</b>	<b>37</b>	<b>270</b>	<b>36</b>	<b>-1,016</b>
	-0.63%	-0.83%	-9.89%	6.30%	-12.95%	3.19%	5.45%		-0.87%
Operating expenses	-1,533				1508				-25
<b>Operating results</b>	<b>-2,394</b>	<b>-50</b>	<b>-440</b>	<b>1,531</b>	<b>-31</b>	<b>37</b>	<b>270</b>	<b>36</b>	<b>-1,040</b>
							Financial results		-1,414
							Tax expense		-1,440
							<b>Net Income/Loss after taxes</b>		<b>-3,894</b>
							Related enterprises		
							<b>Net Income/Loss after discontinued operations and applied equity method</b>		<b>-3,894</b>
							- Group Share		-3,980
							- Non-controlling interests		86

##### Income statement at 30 June 2015 (in €K)

	France	Switzerland	UK	BENELUX	US	Spain	REST OF THE WORLD	Elimin.	Total
Turnover	124,919	6,043	1,468	22,461	16,174	1,193	5,068	-63,977	113,349
<b>Total current operating expenses</b>	<b>122,067</b>	<b>6,234</b>	<b>1,852</b>	<b>21,227</b>	<b>15,918</b>	<b>1,138</b>	<b>5,277</b>	<b>-64,103</b>	<b>109,609</b>
Payroll costs	47,997	4,058	864	11,636	9,645	872	3,208		78,280
<b>Current operating results</b>	<b>2,895</b>	<b>-191</b>	<b>-384</b>	<b>1,638</b>	<b>256</b>	<b>55</b>	<b>-175</b>	<b>126</b>	<b>4,219</b>
	2.32%	-3.16%	-26.16%	7.29%	1.58%	4.61%	-3.45%		3.72%
Operating expenses	-106		-15	-11		4			-128
<b>Operating results</b>	<b>2,789</b>	<b>-191</b>	<b>-399</b>	<b>1,627</b>	<b>256</b>	<b>59</b>	<b>-175</b>	<b>126</b>	<b>4,091</b>
							Financial results		-677
							Tax expense		-1,278
							<b>Net Income/Loss after taxes</b>		<b>2,136</b>
							Related enterprises		
							<b>Net Income/Loss after discontinued operations and applied equity method</b>		<b>2,136</b>
							- Group Share		2,282
							- Non-controlling interests		-146

No external customer single-handedly represents more than 7% of the consolidated turnover.

## Balance sheet information at 30 June 2016 (in €K)

	TOTAL	France	Switzerland	UK	Benelux	US	Spain	Rest of the World
<b>Net change in Goodwill</b>	<b>-989</b>		<b>-29</b>			<b>-880</b>		<b>-80</b>
Increase in intangible fixed assets	234	231			3			
Decrease in intangible fixed assets	-41	-41						
Currency trans. adj./Reclass./Equ. Inv. variation	-185			-185				
Provisions/Reversals on amortisations	-838	-548		-252	-37		0	0
<b>Intangible fixed assets variation</b>	<b>-829</b>	<b>-357</b>	<b>0</b>	<b>-437</b>	<b>-34</b>	<b>0</b>	<b>0</b>	<b>0</b>
Increase in tangible fixed assets	2,425	1,296	56	15	243	508		308
Decrease in tangible fixed assets	-708	-603			-104			
Currency trans. adj./Reclass./Equ. Inv. variation	-101		0	-10		-28		-61
Provisions/Reversals on amortisations	-1,597	-865	-39	-23	-85	-503	-8	-74
<b>Tangible fixed assets variation</b>	<b>22</b>	<b>-172</b>	<b>16</b>	<b>-18</b>	<b>54</b>	<b>-24</b>	<b>-8</b>	<b>173</b>

## Balance sheet information at 30 June 2015 (in €K)

	TOTAL	France	Switzerland	UK	Benelux	US	Spain	Rest of the World
<b>Net change in Goodwill</b>	<b>2,193</b>		<b>1,323</b>			<b>800</b>		<b>69</b>
Increase in intangible fixed assets	979	488		126	364		1	
Decrease in intangible fixed assets	-25	-25						
Currency trans. adj./Reclass./Equ. Inv. variation	364			357		6		
Provisions/Reversals on amortisations	-843	-465		-265	-43	-69	-1	
<b>Intangible fixed assets variation</b>	<b>479</b>	<b>-2</b>	<b>0</b>	<b>219</b>	<b>321</b>	<b>-63</b>	<b>0</b>	<b>0</b>
Increase in tangible fixed assets	2,164	1,769	32	35	194	45	4	86
Decrease in tangible fixed assets	-837	-658			-77	-101		
Currency trans. adj./Reclass./Equ. Inv. variation	256		7	3	-7	240		14
Provisions/Reversals on amortisations	-1,569	-951	-12	-11	-76	-431	-8	-82
<b>Tangible fixed assets variation</b>	<b>15</b>	<b>160</b>	<b>27</b>	<b>28</b>	<b>34</b>	<b>-248</b>	<b>-4</b>	<b>18</b>

- Other information by business activity

The group operates in three main business areas:

- \* Business intelligence 66 %
- \* C.R.M. 16 %
- \* E-business 18 %

**Business intelligence:** Information systems that aim at providing clean, coherent and reliable data to all users in a company, which allows data analysis by business functions, products and customers and is supported by a common business repository.

**CRM:** Customer Relationship Management – tracks the whole customer relationship process, from new products creation to customer service optimisation.

**E-business:** Electronic commerce – using internet technology to market, sell and buy products.

The currently installed IT system does not allow for the exclusion of inter-segment figures: intra-group flows have been retained within each business segment.

Information on the income statement by sector at 30 June 2016 (in €K)

	BI	EBUS	CRM	INTERCO	TOTAL
Turnover	122,592	35,576	31,189	-72,298	117,059
<b>Total current operating expenses</b>	<b>122,904</b>	<b>35,386</b>	<b>32,496</b>	<b>-72,335</b>	<b>118,450</b>
Payroll costs	52,263	15,954	15,611		83,829
<b>Current operating results</b>	<b>-213</b>	<b>407</b>	<b>-1,247</b>	<b>36</b>	<b>-1,017</b>
<b>Other (operating) income and expenses</b>	<b>-816</b>	<b>472</b>	<b>319</b>		<b>-25</b>
<b>Operating results</b>	<b>-1,029</b>	<b>879</b>	<b>-928</b>	<b>36</b>	<b>-1,040</b>
				Financial results	-1,414
				Tax expense	-1,440
				<b>Net Income/Loss after taxes</b>	<b>-3,894</b>
				Related enterprises	
				<b>Net Income/Loss after discontinued operations and applied equity method</b>	<b>-3,894</b>
				- Group Share	-3,980
				- Non-controlling interests	86

Information on the income statement by sector at 30 June 2015 (in €K)

	BI	EBUS	CRM	INTERCO	TOTAL
Turnover	81,306	76,919	19,101	-63,977	113,349
<b>Total current operating expenses</b>	<b>80,534</b>	<b>73,403</b>	<b>19,776</b>	<b>-64,103</b>	<b>109,609</b>
Payroll costs	19,933	52,831	5,515		78,280
<b>Current operating results</b>	<b>1,209</b>	<b>3,560</b>	<b>-676</b>	<b>126</b>	<b>4,219</b>
<b>Other (operating) income and expenses</b>	<b>-7</b>	<b>-106</b>	<b>-15</b>		<b>-128</b>
<b>Operating results</b>	<b>1,202</b>	<b>3,454</b>	<b>-691</b>	<b>126</b>	<b>4,091</b>
				Financial results	-677
				Tax expense	-1,278
				<b>Net Income/Loss after taxes</b>	<b>2,136</b>
				Related enterprises	
				<b>Net Income/Loss after discontinued operations and applied equity method</b>	<b>2,136</b>
				- Group Share	2,442
				- Non-controlling interests	-146

# Statutory auditors' reports

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## BUSINESS & DECISION

Headquarters: 153 rue de Courcelles - 75817 Paris Cedex 17  
Public limited company with a capital of EUR 551,808.25  
Registered at RCS PARIS under number 384 518 114

Statutory auditors' report on the Half-year's financial information

1 January to 30 June 2016 period

### *ADN PARIS*

*HEADQUARTERS: 109, RUE DE COURCELLES - 75017 PARIS  
TEL: +33 (0) 1 45 53 16 57 - FAX: +33 (0) 1 45 53 16 67  
SARL  
CAPITAL OF 100,000 EUROS – REGISTERED AT RCS PARIS under number 428 911 275*

### *MAZARS*

*HEADQUARTERS: 61, RUE HENRI REGNAULT - 92400 COURBEVOIE  
TEL: +33 (0) 1 49 97 60 00 - FAX: +33 (0) 1 49 97 60 01  
ACCOUNTING AND AUDIT PUBLIC LIMITED COMPANY  
CAPITAL OF 8,320,000 EUROS – REGISTERED AT RCS NANTERRE under number B 784,824,153*

## Statutory auditors' report on the Half-year's financial information

1 January to 30 June 2016 period

To the shareholders,

In compliance with the assignment entrusted to us in your General Meetings and pursuant to the provisions of the Article L.451-1-2 III of the French monetary and financial code, we have carried out:

- A limited review of the condensed consolidated Half-year statements of the BUSINESS & DECISION company for the period ranging from 1 January to 30 June 2016, as included in this document
- An assessment of the data provided in the interim activity report

These condensed consolidated Half-year statements have been drawn under the supervision of your Board of Directors. Our role is to express an opinion on those accounts, based on our limited review.

### **I – Opinion on the accounts**

We conducted our limited review in accordance with the professional standards prevailing in France. A limited review mainly involves interviews with accounting and financial management and the setup of analytical procedures. These tasks are not as extensive as those required by an audit conducted in compliance with the professional standards prevailing in France. As a result, the assurance that the accounts, as a whole, are free from significant material misstatements within the context of a limited review report is merely moderate and is lower than assurance resulting from an audit.

Based on our limited review, we have not found any significant material misstatements that could call into question the compliance of the condensed consolidated interim statements with the IAS 34 standard – IFRS standard as adopted in the European Union regarding interim financial reporting.

### **II - Specific verification**

We have also assessed the data provided in the interim activity report which contains information about the condensed consolidated Half-year financial statements under review.

We do not have any comments on their fairness and consistency with these interim consolidated accounts.

Paris La Défense and Paris, 12 September 2016

The Statutory Auditors

MAZARS            Jean-Luc BARLET – Emilie LOREAL

ADN PARIS        Régis LAPOY

# Statement of the person responsible for the interim financial statements

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Person responsible for the interim financial statements

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**Christophe Dumoulin**, Business & Decision Chairman and Managing Director

Statement of the person responsible for the interim financial statements

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*"I certify, to the best of my knowledge that the condensed consolidated accounts for the past six months have been drawn in compliance with applicable accounting standards and give a true and fair view of holdings, financial position and results of the group formed by the companies included in the consolidation, and that the attached interim activity report gives a true and fair view of all the important events that have occurred during the first six months of the financial period, of their impact on the Half-year accounts, of the major transactions that have taken place between associated parties, as well as a description of the major risks and main uncertainties for the period's remaining six months." »*

**Christophe Dumoulin**  
**Business & Decision Chairman and Managing Director**

Paris, 12 September 2016