

QUARTERLY ACTIVITY REPORT

Quarter 1

Financial Year 2016-2017

Slight decline in the First Quarter but LACROIX City back to growth

After the presentation of its Ambition 2020 plan last January 13th, during which the Group announced a further growth in revenue set at €525M and a recovery in profitability (€20M Profit from Operating Activities), the consolidated revenue of the 1st Quarter 2016-2017 decreased slightly (-3,4%).

The Group considers that the figures of Quarter 1 are not representative of annual trends and confirms its prospects of moderate revenue growth and more significant PFOA increase over the year. An encouraging sign: LACROIX City is back on the growth track, in line with forecast.

The consolidated revenue as of December 31st 2016 breaks down as follows:

<i>(in million Euros)</i>	Year 16/17	Year 15/16	Change N / N-1
LACROIX Electronics	70.6	74.3	- 5.0 %
LACROIX Sofrel	9.9	10.7	- 7.7 %
LACROIX City	25.6	24.8	+ 3.4 %
Total LACROIX	106.0	109.7	- 3.4 %

Highlights of the period:

- LACROIX Electronics' activity declined by -5,0 % mainly due to the decision in January 2016 by a major customer of the French site to insource its electronics manufacturing, to the re-scheduling of product introductions won in 2016 in Germany, and to a slower growth of the Polish site.
- LACROIX Sofrel posts a revenue down by -7,7 % compared with the activity of the First Quarter of 2016 which was particularly high. This decline is mainly affected by exports (-7,9%) and energy (- 17,3%) which is not very significant considering the average values of contracts in these business areas.
- LACROIX City is back to growth, reaching +3,4%. This growth is driven by the good performance (+28%) of LACROIX Sogexi (street lighting) which carried out a major export contract, and by the integration of NEAVIA Technologies (contributing by 0,4M€). The activity levels of LACROIX Signalisation and LACROIX Traffic have broadly stabilized and confidence has been restored.

The Group confirms prospects of moderate revenue growth and more significant PFOA increase over the financial year.

Moreover, the Group made a change to the draft resolutions for the General Meeting regarding the dividend payment date: the dividend will be paid on April 13th 2017.

Contact: Nicolas BEDOUIN Tel: +33 2 40 92 58 56 – info@lacroix.fr

Next release: Half-Year revenue on 05/15/2017 after trading hours.

Find this press release and further information about Lacroix on our website www.lacroix-group.com