



## **Half-Year Financial Report**

**Limited company with a capital of 2,662,782 Euros  
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## 1. HALF-YEAR MANAGEMENT REPORT

### 1.1. RESULTS FOR THE FIRST HALF 2015

The **Infotel** group registered an excellent first half of 2015 with a revenue of €86.4m, an increase of 13.9% on the first half of 2014. This growth is above Syntec Numérique's forecasts, which predicted a 1.8% increase for the year.

The **Services division** (95.2% of revenue) was up 13.7% to €82.3m. During the period, the Banking sector continued to grow with an increase in major service desks (Banque de France, BNP Paribas, Crédit Mutuel and BPCE). The banking sector (34% of Services activity) remains the leading contributor to revenue, ahead of the Industry sector. At the beginning of April, Infotel announced the opening of a new branch in the UK to assist major accounts in the British market. The group also opened a new agency in Strasbourg, offering greater proximity with local actors and enabling it to complete the strengthening of its geographical network.

The **Software division** (4.8% of turnover) grew with a revenue of €4.2m in the first half, up 18.5% compared to June 2014, thanks to a good level of sales and a positive effect of euro/dollar parity.

The **recurring operating income** for the first half 2015 was €9.2m (as opposed to €7.6m for H1 2014), with an operating margin of 10.6% as opposed to 10.0% in the first half of 2014. This 21.7% rise is the result of measures taken to increase profitability.

The **net profit** (Group share) of the consolidated accounts for the first half was €6m (as opposed to €4.9m in the first half 2014), with a net margin of 6.8% compared to 6.5% in H1 2014.

Net cash is considerable at €33.2m at June 30, 2015, increasing €6.4m as opposed to €26.8m at June 30, 2014, after the payment of dividends.

### 1.2. SUMMARY AND FORECASTS

Given this good first half and the solidness of the Group's financial model (almost 70% of the Services activity is performed under fixed-price service provision), **Infotel** is confident about its annual forecasts.

### **1.3. RISK MANAGEMENT AND ASSOCIATED PARTIES**

After having proceeded to review the risks associated with its activity, **Infotel** considers that there are no other significant risks other than those described on pages 15 to 19 of the 2014 Registration Document.

Information regarding associated parties is given in Note 2.5.7 of the notes annexed to the half-year financial statements.

## 2. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 2.1. FINANCIAL STATEMENT

<b>ASSETS</b> <i>(in thousands of Euros)</i>	<b>Notes</b>	<b>06/30/2015</b>	<b>06/30/2014</b>	<b>12/31/2014</b>
Goodwill	1	10,974	10,974	10,973
Intangible assets	2	6,016	5,864	5,860
Tangible assets	3	2,666	2,752	2,692
Other financial assets	4	586	658	629
Investments in entities accounted for using the equity method	5	38	17	42
Deferred taxes	8	917	849	1,176
<b>NON-CURRENT ASSETS</b>		<b>21,197</b>	<b>21,114</b>	<b>21,372</b>
Accounts receivable	6	52,982	41,008	46,422
Other receivables	6	3,707	3,845	4,408
Current tax assets	9	4,000	3,647	2,500
Cash and cash equivalents	7	33,239	26,753	38,243
<b>CURRENT ASSETS</b>		<b>93,928</b>	<b>75,253</b>	<b>91,573</b>
<b>TOTAL ASSETS</b>		<b>115,125</b>	<b>96,367</b>	<b>112,945</b>

<b>LIABILITIES</b> <i>(in thousands of Euros)</i>	<b>Notes</b>	<b>06/30/2015</b>	<b>06/30/2014</b>	<b>12/31/2014</b>
Capital	10	2,663	2,663	2,663
Retained earnings		7,581	7,581	7,581
Accumulated comprehensive income		48,098	41,388	47,365
Treasury stock	10	(126)	(121)	(104)
<b>GROUP EQUITY</b>	<b>10</b>	<b>58,216</b>	<b>51,511</b>	<b>57,505</b>
Non-controlling interests		282	228	301
<b>STOCKHOLDERS' EQUITY</b>		<b>58,498</b>	<b>51,739</b>	<b>57,806</b>
Financial debts		0	0	0
Provisions	11	3,048	2,478	3,120
Deferred taxes	8	197	371	236
<b>NON-CURRENT LIABILITIES</b>		<b>3,245</b>	<b>2,849</b>	<b>3,356</b>
Current liabilities		0	0	0
Accounts payable	12	14,725	12,890	15,602
Other debts	12	38,657	28,889	36,181
Current tax liabilities		0	0	0
<b>CURRENT LIABILITIES</b>		<b>53,382</b>	<b>41,779</b>	<b>51,783</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>115,125</b>	<b>96,367</b>	<b>112,945</b>

## 2.2. INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

### 2.2.1. Income Statement

<i>In thousands of Euros</i>	<b>Notes</b>	<b>06/30/2015</b>	<b>06/30/2014</b>	<b>12/31/2014</b>
<b>Revenue</b>		<b>86,434</b>	<b>75,887</b>	<b>157,030</b>
Purchases	13	(64)	(21)	(194)
Personnel costs	14	(39,631)	(35,189)	(71,450)
External costs	13	(34,523)	(30,546)	(63,330)
Taxes		(1,559)	(1,212)	(2,195)
Depreciation, Amortization		(1,516)	(1,358)	(2,815)
Provisions and write-backs		7	100	46
Other current income/expenses		(32)	6	(152)
<b>CURRENT OPERATING INCOME</b>		<b>9,116</b>	<b>7,667</b>	<b>16,940</b>
Other non-current income/expenses		82	(109)	(15)
<b>NET OPERATING INCOME</b>		<b>9,198</b>	<b>7,558</b>	<b>16,925</b>
Financial income	15	202	128	244
Financial expenses	15	(54)	(102)	(106)
<b>FINANCIAL INCOME</b>	15	<b>148</b>	<b>26</b>	<b>138</b>
Income tax	16	(3,314)	(2,561)	(5,792)
Share of profits of entities accounted for by the equity method		(4)	(41)	(16)
<b>NET INCOME before discontinued or transferred operations</b>		<b>6,028</b>	<b>4,982</b>	<b>11,255</b>
Net income from discontinued or transferred operations				
<b>NET INCOME FOR THE PERIOD</b>		<b>6,028</b>	<b>4,982</b>	<b>11,255</b>
Including Group share		5,986	4,921	11,119
Including non-controlling interests		42	61	136

Earnings per share - Group share	17	0.90	0.75	1.65
Diluted earnings per share - Group share	17	0.90	0.75	1.65

### 2.2.2. Statement of Comprehensive Income

<i>In thousands of Euros</i>	<b>06/30/2015</b>	<b>06/30/2014</b>	<b>12/31/2014</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>6,028</b>	<b>4,982</b>	<b>11,255</b>
Profit and loss accounted for directly in equity			(240)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>6,028</b>	<b>4,982</b>	<b>11,015</b>
Including Group share	5,986	4,921	10,880
Including non-controlling interests	42	61	135

## 2.3. CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of Euros</i>	<b>06/30/2015</b>	<b>06/30/2014</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>6,028</b>	<b>4,982</b>
Net depreciation/amortization and transfer to provision	1,166	978
Net profit/loss on transfer		
Share of profits of entities accounted for using the equity method	4	41
<b>CASH FLOW AFTER NET BORROWING AND TAXES</b>	<b>7,199</b>	<b>6,001</b>
Net borrowing	(13)	(29)
Taxes (including deferred taxes)	3,314	2,562
<b>CASH FLOW BEFORE NET BORROWING AND TAXES</b>	<b>10,500</b>	<b>8,534</b>
Paid taxes	(4,713)	(2,524)
Variation in WCR associated with activity	(4,342)	874
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,445</b>	<b>6,884</b>
Tangible and intangible acquisitions	(1,370)	(1,720)
Tangible and intangible transfers	2	9
Long-term investments net of transfers	43	
Dividends received / EM entities		
Variation in loans and advances granted	200	(80)
Changes in scope of consolidation		
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>	<b>(1,125)</b>	<b>(1,791)</b>
Capital increase (including stock options)		
Treasury stock repurchase and resale	12	685
Dividends paid to stockholders of the parent company	(5,324)	(4,659)
Dividends paid to minority stockholders of subsidiaries	(62)	(50)
Net interest paid	13	29
Other cash used in financing operations		
Issuance of debt		
Repayment on debt		(19)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(5,361)</b>	<b>(4,014)</b>
Effect of exchange rate fluctuations	38	1
<b>Net change in cash</b>	<b>(5,003)</b>	<b>1,080</b>
<b>Cash at the beginning of the period</b>	<b>38,242</b>	<b>25,673</b>
<b>Cash at the end of the period</b>	<b>33,239</b>	<b>26,753</b>

## 2.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In thousands of Euros</i>	Capital	Retained earnings	Treasury stock	Accumulated other comprehensive income	Stockholder's equity - Group share	Non-controlling interests	Total stockholders' equity
<b>Equity at December 31, 2013</b>	<b>2,663</b>	<b>7,581</b>	<b>(268)</b>	<b>40,589</b>	<b>50,565</b>	<b>217</b>	<b>50,782</b>
Changes in capital stock and stock option plan							
Treasury stock operations			164	524	688		688
Dividends				(4,659)	(4,659)	(50)	(4,709)
Net income for year				11,000	11,000	135	11,135
Change in scope of consolidation				(240)	(240)		(240)
Translation adjustments				31	31		31
Others (IFRIC 21)				120	120		120
<b>Equity at December 31, 2014</b>	<b>2,663</b>	<b>7,581</b>	<b>(104)</b>	<b>47,365</b>	<b>57,505</b>	<b>301</b>	<b>57,806</b>
Treasury stock operations			(22)	34	12		12
Dividends				(5,324)	(5,324)	(61)	(5,385)
Net income for year				5,986	5,986	42	6,028
Translation adjustments				37	37		37
Others / Changes in scope							
<b>Equity at June 30, 2015</b>	<b>2,663</b>	<b>7,581</b>	<b>(126)</b>	<b>48,098</b>	<b>58,216</b>	<b>282</b>	<b>58,498</b>



## 2.5. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 2.5.1. General information

**Infotel SA** ("the Company") is a corporation with registered address in France.

**Infotel** primarily engages in software development and commercialization activities and the maintenance of this software through its subsidiaries: Infotel Corporation, Infotel GmbH, Insoft Software GmbH and Archive Data Software. Its Infotel Conseil, Infotel Monaco and Infotel Business Consulting subsidiaries are engaged in IT service provision.

The consolidated financial statements for the first half of 2015 include the Company and its subsidiaries (collectively called "the Group").

Unless otherwise stated, these statements are expressed in thousands of Euro, the Euro being the reporting currency of the Group.

The disclosures made in the annexes to the accounts are an integral part of the financial statements of **Infotel** at June 30, 2015, prepared by the Board of Directors on August 26, 2015.

### 2.5.2. Accounting principles and methods

The condensed consolidated interim financial statements of June 30, 2015 were prepared in accordance with IAS 34 "Interim Financial Reporting" and IFRS as adopted by the European Union at June 30, 2015 (available on the website: [http://ec.europa.eu/internal\\_market/accounting/ias\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias_en.htm)).

The consolidated financial statements for the year 2014 were established according international accounting standards adopted by the European Union, available at: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The accounting principles and methods used in preparing the condensed interim financial statements are in line with those used year for the annual accounts for the year ended at December 31, 2014, except for standards, amendments and IFRS interpretations adopted by the European Union and applicable on a mandatory basis from January 1, 2015 and June 30, 2015 presented below:

- IFRIC 21 – Levies; this interpretation regarding the accounting of outflows in accordance with IAS 37 on the provisions specifies that the obligating event of the payment of the levy is the date of tax liability.
- Annual Improvements to IFRSs 2010–2012 Cycle (December 2013).

This interpretation resulted in non-significant changes in the presentation of the financial statements. However the figures for previous years have been restated for better reading.

The various changes made are summarized below:

	06/30/2014 published	IFRIC 21 correction	30/06/14 restated	31/12/31 published	IFRIC 21 correction	12/31/2014 restated
<b>Balance Sheet</b>						
Assets						
Deferred taxes	798	51	849	1.236	(60)	1.176
Liabilities						
Comprehensive income	41.488	(100)	41.388	47.245	120	47.365
Other debts	28.739	151	28.890	36.361	(180)	36.181
<b>Income Statement</b>						
Taxes	(1.061)	(151)	(1.212)	(2.375)	180	(2.195)
<b>Current operating income</b>	<b>7.818</b>	<b>(151)</b>	<b>7.667</b>	<b>16.760</b>	<b>180</b>	<b>16.940</b>
<b>Operating income</b>	<b>7.709</b>	<b>(151)</b>	<b>7.558</b>	<b>16.745</b>	<b>180</b>	<b>16.925</b>
Income tax	(2.612)	51	(2.561)	(5.732)	(60)	(5.792)
<b>Net income</b>	<b>5.082</b>	<b>(100)</b>	<b>4.982</b>	<b>11.135</b>	<b>120</b>	<b>11.255</b>
including Group share	5.021	(100)	4.921	11.000	119	11.119
including non-controlling interests	61	0	61	135	1	136

The Group does not anticipate any of the new standards and interpretations summarized, which are not mandatory at January 1, 2015.

Adopted standard:

- Amendment to IAS 19: Defined Benefit Plans: Employee Contributions.

Standards not adopted:

- IFRS 9 – Financial Instruments;
- IFRS 15 – Revenue from Contracts with Customers;
- Amendments to IAS 16 and IAS 38: Clarifications on acceptable depreciation and amortization methods;
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations;
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendment to IAS 1: Disclosure Initiative;
- Annual Improvements to IFRSs 2012–2014 (September 2014).

## **Use of estimates and assumptions**

The preparation of the consolidated financial statements in accordance with IFRS standards requires certain accounting estimates and assumptions to be made that may affect the carrying amount of assets and liabilities, income and expenses, and the disclosures given in the notes.

Management has been required to exercise its judgment during the application of the Group accounting methods. The areas for which assumptions and estimates may be significant as regards the consolidated financial statements are primarily the recognition of revenue associated with IBM royalties, and the activation of development costs.

## **Business combinations**

The business combination is accounted for by applying the acquisition method in accordance with IFRS 3 R. According to this method, the acquirer purchases the net assets and recognizes the assets acquired and liabilities assumed at their fair value.

Goodwill represents the difference between the acquisition cost of securities (including the expected price complements that are recognized and the amounts that can be reliably measured) and the non-controlling interest's share of the fair value of the assets and liabilities and assumed liabilities identified at the acquisition date.

**Infotel** has twelve months to complete the valuation of these assets and liabilities.

## **Separately acquired intangible assets**

These correspond to software packages acquired and recognized at acquisition cost and customer relationships assessed at fair value as part of the reallocation of acquisition prices of entities as part of a business combination provided they fulfill the conditions defined in IFRS 3 R.

### **2.5.3. Highlights and the scope of consolidation**

#### **Highlights**

- The Group is in the process of establishing a subsidiary that will be based in the UK.
- The companies Insoft Software GmbH and Infotel GmbH are currently undergoing merger. This merger will take place during the second half of 2015.

## List of consolidated companies

Company name	Headquarters	SIREN No.	Consolidation method	% control	% interest	Country of activity
Infotel S.A.	Tour Gallieni II – 36 av. Général-de-Gaulle 93170 Bagnolet	317 480 135	Parent company - Head of the group			France
Infotel Conseil S.A.S.	6 rue des Gravieres 92200 Neuilly-sur-Seine	344 122 262	FC	100 %	100%	France
Infotel Business Consulting	6 rue des Gravieres 92200 Neuilly	530 823 020	FC	75 %	75 %	France
Archive Data Software	1, rue Claude Chappe 69370 Saint-Didier-au-Mont-d'Or	518 038 542	EM	33 %	33 %	France
Infotel GmbH	Walter – Kolb Straße 9 - 11 60594 – Frankfurt/Main	11957111445	FC	100 %	100 %	Germany
Insoft Software GmbH	Derendorfer Str.70 70 40479 Düsseldorf	10357360260	FC	100 %	100 %	Germany
Infotel Corporation	P.O Box 5158 Gulfport, FL 33737	592 644 116	FC	100 %	100 %	United States
Infotel Monaco	21 boulevard d'Italie Monaco	01 S 03972	FC	100 %	100 %	Monaco

## 2.5.4. Notes on the financial position

### *Note 1 – Goodwill*

<i>(in thousands of Euros)</i>	<b>12/31/2014</b>	<b>Increase</b>	<b>Decrease</b>	<b>06/30/2016</b>
Infotel Conseil	9,200			9,200
Insoft Software GmbH	1,003			1,003
Empeiria	770			770
<b>Total</b>	<b>10,973</b>			<b>10,973</b>

### *Note 2 – Other intangible assets*

<i>(in thousands of Euros)</i>	<b>12/31/2014</b>	<b>Increase</b>	<b>Decrease</b>	<b>06/30/2016</b>
<b>Assets</b>				
Customer relationships	2,489			2,489
Development costs	9,225	834		10,059
Patents and licenses	563	55		618
<b>Total</b>	<b>12,277</b>	<b>889</b>		<b>13,166</b>
<b>Amortizations, Depreciations</b>				
Customer relationships	1,775	119		1,894
Development costs	4,090	595		4,685
Patents and licenses	548	22		570
<b>Total</b>	<b>6,413</b>	<b>737</b>		<b>7,150</b>
<b>NET ASSETS</b>	<b>5,864</b>	<b>152</b>		<b>6,016</b>

The development costs recognized in the Group's assets during the financial year refer to the following projects: HPU, MP, HPU z/OS, Arcsys, Infoscope Sources, Infoscope Tests, Infoscope Oracle, Info Optimizer, Info Util, Info Recovery, JIRA, iDBA, Merge Backup, DB/IQ, Portail Web. They are amortized over the probable life span of the project, which is generally seven years.

*Note 3 – Tangible assets*

<i>(in thousands of Euros)</i>	<b>12/31/2014</b>	<b>Increase</b>	<b>Decrease</b>	<b>06/30/2015</b>
<b>Assets</b>				
Buildings	31			31
Other assets	8,985	477	20	9,442
<b>Total</b>	<b>9,016</b>	<b>477</b>	<b>20</b>	<b>9,473</b>
<b>Amortizations, Depreciations</b>				
Buildings	23	2		25
Other assets	6,301	499	18	6,782
<b>Total</b>	<b>6,324</b>	<b>501</b>	<b>18</b>	<b>6,807</b>
<b>NET ASSETS</b>	<b>2,692</b>	<b>(24)</b>	<b>2</b>	<b>2,666</b>

*Note 4 – Other financial assets*

This includes mainly guarantee deposits.

*Note 5 – Investments in companies accounted for using the equity method*

<i>(in thousands of Euros)</i>	<b>Value at 12/31/2014</b>	<b>Changes in scope</b>	<b>Distribution of dividends</b>	<b>Income for the period</b>	<b>Value at 06/30/2015</b>
Archive Data Software	42			(4)	38
<b>Total</b>	<b>42</b>			<b>(4)</b>	<b>38</b>

*Note 6 – Accounts receivable and other receivables*

<i>(in thousands of Euros)</i>	<b>06/30/2015</b>	<b>12/31/2014</b>
Accounts receivable	37,373	43,974
Doubtful debts	7	8
Invoices to be issued	15,607	2,448
Depreciation/amortization	(5)	(8)
<b>Net value Accounts receivable</b>	<b>52,982</b>	<b>46,422</b>

<i>(in thousands of Euros)</i>	<b>06/30/2015</b>	<b>12/31/2014</b>
Tax and social security-related debts	2,263	2,775
Sundry debts	1	200
Prepaid expenses	1,443	1,433
Advances and advance payments	0	0
<b>Total Other receivables</b>	<b>3,707</b>	<b>4,408</b>
Tax assets (including research tax credits)	4,000	2,500

*Note 7 — Cash and cash equivalents*

<i>(in thousands of Euros)</i>	<b>06/30/2015</b>	<b>12/31/2014</b>
Marketable securities	12,115	12,065
Cash on hand	21,124	26,178
<b>Cash assets</b>	<b>33,239</b>	<b>38,243</b>
Bank overdraft	0	0
<b>Cash liabilities</b>	<b>0</b>	<b>0</b>
<b>Net cash</b>	<b>33,239</b>	<b>38,243</b>

*Note 8 – Deferred taxes*

<i>(in thousands of Euros)</i>	<b>12/31/2014</b>	<b>Changes in scope</b>	<b>Change for the period</b>	<b>06/30/2015</b>
<b>Deferred tax assets</b>				
associated with employee benefits	704		(16)	688
associated with profit sharing	451		(243)	208
associated with temporary differences	21			21
<b>Total</b>	<b>1,176</b>		<b>(259)</b>	<b>917</b>
<b>Deferred tax liabilities</b>				
associated with customer relationships	236		(39)	197
associated with temporary differences	0			
<b>Total</b>	<b>236</b>		<b>(39)</b>	<b>197</b>
<b>Net</b>	<b>940</b>		<b>(220)</b>	<b>720</b>

*Note 9 – Current taxes*

<i>(in thousands of Euros)</i>	<b>06/30/2015</b>	<b>12/31/2014</b>
Corporate income tax	2,649	(416)
CIR (Research tax credit)	250	885
CICE (Company competitiveness tax credit)	1,101	2,031
<b>Current tax assets</b>	<b>4,000</b>	<b>2,500</b>

The corporate income tax comprises an excess advance tax of €196k, the balance of €2,453k corresponds to overpayment for 2014.

*Note 10 – Stockholders' Equity*

At June 30, 2015, the Stockholders' Equity of €2,663k consists of 6,656,955 shares with a value of €0.40.

The General Stockholders Meeting of May 21, 2015 decided to approve the payment of a dividend of €0.80 per share, paid in June 2015. As a result of treasury stock, the settlement of dividends to third parties was €5,324k.

No free shares were granted during the period.

*Note 11 – Provisions for risks and expenses*

<i>(in thousands of Euros)</i>	<b>12/31/2014</b>	<b>Provisions</b>	<b>Use</b>	<b>Reversal</b>	<b>06/30/2015</b>
Wage disputes	184	25	48		161
Supplier disputes	287				287
Tax litigations	535				535
Retirement	1,666			64	1602
Length of service bonuses	448	15			463
Translation adjustment	0				
<b>Provisions for risks and expenses</b>	<b>3,120</b>	<b>40</b>	<b>48</b>	<b>64</b>	<b>3,048</b>

The provisions for retirement and length of service bonuses are calculated according to the same methods as those used for the year ended December 31, 2014.

At June 30, 2015, the unfunded amount, as it is covered by an insurance contract, is estimated at €175k (the value at December 31 was €172k).

Provisions and reversals related to personnel (disputes, retirement, length of service bonuses) are classified as personnel costs in the balance sheet.

Regarding provisions for tax litigations, no significant events occurred during the first half of 2015.



*Note 12 – Accounts payable and other current liabilities*

<i>(in thousands of Euros)</i>	<b>06/30/2015</b>	<b>12/31/2014</b>
Accounts payable	14,725	15,602
Fiscal and social security-related debts	25,885	25,049
Other debts	0	735
Unearned revenues	12,772	10,398
<b>Total</b>	<b>53,382</b>	<b>51,783</b>

**2.5.5. Notes on the consolidated income statement**

*Note 13 – Purchases and external expenses*

<i>(in thousands of Euros)</i>	<b>06/30/2015 (6 months)</b>	<b>06/30/2014 (6 months)</b>	<b>12/31/2014 (12 months)</b>
Sub-contracting	29,288	25,949	53,943
Other external expenses	5,235	4,597	9,388
Other purchases	64	21	194
<b>Total</b>	<b>34,587</b>	<b>30,567</b>	<b>63,525</b>

*Note 14 – Personnel and workforce costs*

<i>(in thousands of Euros)</i>	<b>06/30/2015 (6 months)</b>	<b>06/30/2014 (6 months)</b>	<b>12/31/2014 (12 months)</b>
Remuneration	28,351	25,625	53,357
CICE (Company competitiveness tax credit)	(1,100)	(957)	(2,031)
Social security costs	13,206	11,759	21,506
Profit sharing	625	358	1,447
Retirement bonuses	(49)	141	270
Provision for wage disputes	(23)	(148)	(98)
Capitalized development costs	(1,009)	(1,108)	(2,105)
CIR - Research tax credit for non-capitalized development projects	(75)	(200)	(314)
Amortization of research tax credit associated with development costs	(279)	(254)	(531)
CPAM and FAFIEC reimbursements	(16)	(27)	(51)
<b>Total Personnel Costs</b>	<b>39,631</b>	<b>35,189</b>	<b>71,450</b>

The average workforce of the Group for the half-year ending June 30, 2015 was 1,318 employees. For 2014, the average workforce for the Group was 1,233 employees at December 31, 2014.

Note 15 – Financial income

<i>(in thousands of Euros)</i>	<b>06/30/2015</b> <i>(6 months)</i>	<b>06/30/2014</b> <i>(6 months)</i>	<b>12/31/2014</b> <i>(12 months)</i>
Interest paid on term deposits	127	63	141
Net gains on disposal of trading securities	15	33	62
Interest on current accounts	(2)	(56)	(58)
<b>Cash and cash equivalents</b>	<b>140</b>	<b>40</b>	<b>145</b>
Foreign exchange gains	59	31	20
Foreign exchange losses	(32)	(45)	(27)
Cash discounts granted	(19)	0	0
<b>Other financial income/expenses</b>	<b>8</b>	<b>(14)</b>	<b>(7)</b>
<b>Financial result</b>	<b>148</b>	<b>26</b>	<b>138</b>

Note 16 – Income tax

<i>(in thousands of Euros)</i>	<b>06/30/2015</b> <i>(6 months)</i>	<b>06/30/2014</b> <i>(6 months)</i>	<b>12/31/2014</b> <i>(12 months)</i>
Tax payable for the year	2,282	1,676	4,476
Deferred taxes	220	170	(291)
CVAE	812	715	1,487
<b>Income tax</b>	<b>3,314</b>	<b>2,561</b>	<b>5,672</b>

Note 17 – Earnings per share

<i>(in thousands of Euros)</i>	<b>06/30/2015</b> <i>(6 months)</i>	<b>06/30/2014</b> <i>(6 months)</i>	<b>12/31/2014</b> <i>(12 months)</i>
Net profit (Group share):	5,986	4,921	11,119
Number of shares comprising capital stock	6,656,955	6,656,955	6,656,955
- of which are treasury stock	4,503	6,031	5,267
Average weighted number of shares for the period	6,652,452	6,656,955	6,651,688
<b>Basic earnings per share</b>	<b>0.90</b>	<b>0.75</b>	<b>1.65</b>
Average number of potential outstanding stock options	0	0	0
Average number of outstanding free shares	0	0	0
Average number of diluted shares of capital stock	0	0	0
<b>Diluted earnings per share</b>	<b>0.90</b>	<b>0.75</b>	<b>1.65</b>

## 2.5.6. Segment reporting

### Net profit for the fiscal year by segment

<i>(in thousands of Euros)</i>	06/30/2015			06/30/2014			12/31/2014		
	Software	Services	Total	Software	Services	Total	Software	Services	Total
Revenue	4,157	82,277	86,434	3,509	72,377	75,887	7,248	149,782	157,030
Current Operating Income	2,114	7,084	9,198	1,339	6,219	7,558	3,467	13,458	16,925
Net profit	1,447	4,581	6,028	869	4,113	4,982	2,728	8,527	11,255

### Distribution of revenue by geographical region

<i>(in thousands of Euros)</i>	06/30/2015		06/30/2014		12/31/2014	
France	74,917	86.7%	66,503	87.6%	138,254	88.0%
Europe	8,566	9.9%	7,143	9.4%	14,234	9.1%
United States	2,951	3.4%	2,241	3.0%	4,542	2.9%
<b>Total</b>	<b>86,434</b>	<b>100%</b>	<b>75,887</b>	<b>100%</b>	<b>157,030</b>	<b>100%</b>

### **2.5.7. Supplementary information**

#### *Off-balance sheet commitments*

No significant changes affecting the off-balance sheet commitments have occurred since December 31, 2014.

#### *Subsequent events*

None

#### *Information on transactions with associated parties*

No significant changes affecting the transactions with associated parties have occurred since December 31, 2014.

### 3. DECLARATION OF RESPONSIBILITY FOR THE HALF-YEAR FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the half-year condensed consolidated financial statements have been established in accordance with the applicable account standards and give a true and fair view of the assets, financial situation and results of the Company and of all the companies within the consolidation scope, and that the half-year management report included herein presents a true picture of the significant events arising during the first six months of the financial year and of their impact on the half-year financial statements, the main associated party agreements as well as a description of the principal risks and uncertainties for the remaining six months of the financial year.

Bagnolet, August 26, 2015

Michel Koutchouk  
Vice President.

#### 4. STATUTORY AUDITORS' REPORT ON HALF-YEAR FINANCIAL STATEMENTS

To the stockholders,

Following our appointment as Statutory Auditors by your Annual General Meetings and in accordance with the requirements of Article L. 451-1-2- III of the French Monetary and Financial Code, we hereby report to you on:

- the review of the accompanying half-year condensed consolidated financial statements of INFOTEL for the period from January 1 to June 30, 2015, attached to this report;
- the verification of the information contained in the half-year management report.

These half-year condensed consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our review.

##### I- Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying half-year condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union applicable to interim financial statements.

##### II- Specific verifications and disclosures

We have also verified the information given in the half-year management report on the half-year condensed consolidated financial statements subject to our review.

We have no matters to report as to the fair presentation and consistency of the disclosures made with the half-year condensed consolidated financial statements.

Paris and Neuilly-sur-Seine, August 26, 2015

The Statutory Auditors

**AUDIT CONSULTANTS ASSOCIES**

**CONSTANTIN ASSOCIES**

***Member of Deloitte Touche Tohmatsu Limited***

Jacques RABINEAU

Jean Paul SEURET

Mireille BERTHELOT