




ANNUAL REPORT 2017



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Etienne BARÈS
Chairman

Marie BARÈS GIRODOT
Chief Executive Officer of Lacroix Finances
Chief Financial Officer
Deputy CEO of Lacroix tous Artifices

Jean-Jacques BARÈS
Chief Executive Officer

The Stars Have Aligned

Strong growth and solid financial results are the direct result of an increased share of international business across our three main divisions.

WWith revenues of 170 million euros and a net profit exceeding 10% of revenues, the Etienne Lacroix Group reached a high point in 2017, demonstrating a sturdy momentum towards achieving its 2025 Strategic Plan (2025 BP) goals. For the first time in the Group's recent history, the growth of Etienne Lacroix finds itself underpinned by each of its BUs, which achieved earnings and revenues exceeding those of previous years and/or budgeting. This exceptional operating performance is both the fruit of the efforts undertaken by all involved as well as a positive indication to continue pursuing its refocusing policy launched 5 years ago on the three pillars of our strategic plan: Business growth abroad, Innovation and Operational excellence.

In 2017, **Lacroix's** activities succeeded in falling in line with budgeting as well as exceeding it. The dissemination of operational excellence guidelines and, notably, its successful customer commitment reflect its dedication to excellence. The naval countermeasures division was enhanced by the acquisition of Wallop's (UK) naval countermeasures business assets. Our commercial presence was expanded in the ASEAN region with the opening of a sales office in Kuala Lumpur.

Ruggieri attained the same level of revenues and earnings as in 2015 thanks to its successful organization of the World Exposition events in Astana, Khazakstan. As a full-fledged player in the events market, Ruggieri must act decisively to expand its business abroad. In keeping strictly with its strategic goals, a decrease in business scope in China made way for a sales office in Hanoi, Vietnam to cover the ASEAN region.

In a difficult context marked by an upturn in its activity, **Alsetex** surpassed its revenues and earnings targets and attained its goals regarding order intake for 2017. This achievement reflects

the extent of the personnel's dedication. As a result of the 2025 BP, all defense divisions with the exception of Self-protection will be consolidated at Alsetex, which is seeing its sales and business development departments expanding.

Cirra's significant increase in revenues and earnings was driven by the combination of investment in the packaging division and expanded international customer prospects and clientele for the supply of chaff.

For **MPM**, the year was marked by sustained activity with respect both to subcontracting and the development of proprietary products. In the course of the year, this division was strengthened by the addition of marketing operations and staff.

Piretecnica Zaragoza (ZRG): As no lots were found to rebuild the factory, the ZRG division was repositioned in the trade of fireworks and design and staging of fireworks shows. Following on the heels of the transformation of the original production facility into a logistics facility, the Group synergies will have to come into play to ensure sufficient economic equilibrium.

Unitive: No commercial activity was undertaken pending licensing approval.

ELL: Revenues surpassed targets with respect to external clients thanks to expansion in its carrier and freight forwarding business as well as the commercial efforts undertaken.

Though confident in its future, the Group must remain firmly focused on the main pillars of its Strategic Plan: further expansion of business abroad, innovation, customer commitment focus and continued succession planning.

KEY FIGURES

BALANCE SHEET

Amount in million €	2017	2016	2015	2014
FIXED ASSETS	40	39	33	31
CAPITAL RESERVES	99	83	72	64
LONG TERM DEBTS	10	11	12	6,4
TOTAL ASSETS & LIABILITIES	232	227	229	171

INCOME

Amount in million €	2017	2016	2015	2014
TOTAL TURNOVER	170	139	138	101
EXPORT	105	76	85	61
NET PROFIT	18,9	13,2	10,6	2,6

GROUP WORKFORCE

LACROIX	311
ALSETEX	128
MPM	74
RUGGIERI	57
SUPPORT SERVICES	57
ZARAGOZANA	28
CIRRA	20
ELL	8

IN SHORT

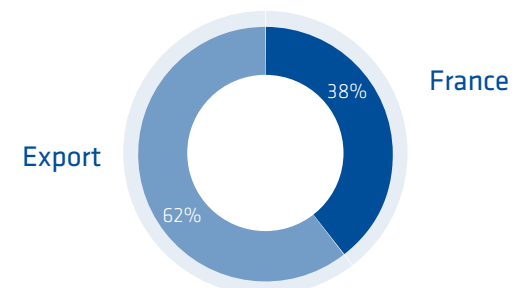
WORKFORCE
683
EMPLOYEES

REVENUES
170 M€

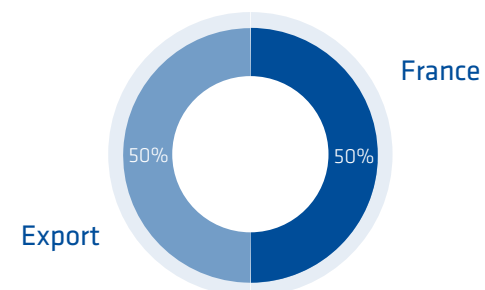
ORDER BOOK
264 M€

GROUP SALES

GROUP SALES



GROUP ORDER BOOK



ORGANIZATIONAL CHART



Etienne Lacroix Finances

Etienne Barès
Jean-Jacques Barès
Marie Barès Girodot

CEO
J.J. Barès

Support Services



ALSETEX

B. Sander



itive
Creating mission success

Eric Barès




MPM

N. Hackenberger



ZARAGOZANA
PROTECH

B. Houllier



Etienne Lacroix
LOGISTICS

R. Rubinelli



CIRRA

G. Lefrançois



Etienne Lacroix Tous Artifices SA

Deputy CEO
M. Barès Girodot



LACROIX

S. Bidan



RUGGIERI
SINCE 1739

J.M. Dambielle

SUPPORT SERVICES

CEO Lacroix Finances, CFO and Deputy CEO Etienne Lacroix tous ArtificesM. Barès Girodot

- General Counsel.....C. Raynaud
- Director of Accounting and Administration ..B. Thiery
- Financial ControllerF. Girodot
- Communications and Design Manager.....B. Grégoire
- IT ManagerJ.C. Chague

Human Resources ManagerC. Duflot
HSE DirectorJ. Gabilan
International Business Development ManagerF. Moulinier
Quality Systems ManagerF. Verleysen
Defense AdvisorB. Guillet
Security AdvisorR. Marion
ArchitectC. Madaule