

The background of the slide features a series of overlapping, wavy, grey lines that create a sense of depth and movement, resembling a stylized landscape or a series of concentric ripples.

lisi

LINK SOLUTIONS FOR INDUSTRY

# HALF-YEARLY RESULTS

30<sup>th</sup> June 2017

## **PRESS RELEASE**

### **The LISI Group announces a further increase in results for H1 2017, in line with targets**

- Good overall business, year-on-year organic growth of 6.1% in the first half year
- Improved performance indicators:
  - Current operating income up +17.6%, with operating margin up 0.9 point to 11.3%
  - Positive Free Cash Flow at € 27.5M with sustained investment pace

Belfort, July 26, 2017 - LISI today announced its results for the first six months ended June 30, 2017, presented to the Board of Directors held today.

Six months ended June 30,		<b>H1 2017</b>	H1 2016	Change
<b>Key elements of the income statement</b>				
Sales	€M	861.7	794.2	+8.5%
EBITDA	€M	140.0	121.6	+15.1%
EBIT	€M	97.5	83.0	+17.6%
Current operating margin	%	11.3	10.4	+0.9 pts
Income for the period attributable to holders of the company's shareholders' equity	€M	58.2	59.1	- 1.5%
Diluted earnings per share	€	1.10	1.12	
<b>Key elements of the cash flow statements</b>				
Operating cash flow	€M	104.7	98.6	+ €6.1 M
Net Capital expenditure	€M	67.1	60.7	+ €6.4 M
Free Cash Flow <sup>1</sup>	€M	27.5	24.9	+ €2.6 M
<b>Main elements of the financial situation</b>				
Net debt	€M	207.1	261.3	- €54.2 M
Ratio of net debt to equity	%	22.9	31.6	-8.7 pts

#### **First-half highlights**

- Rebalancing of divisions' contribution to Group performance
- Disposal of Précimétal as at January 31, 2017

<sup>1</sup> Free Cash Flow: operating cash flow minus net capital expenditure and changes in working capital requirements

### Business review and results for the half year

<i>Sales in €M</i>	<b>2017</b>	<b>2016</b>	<b>2017/2016</b>	<b>On a constant consolidation scope and exchange rate basis</b>
Q1	444.3	388.0	+14.5%	+9.9%
Q2	417.4	406.2	+2.8%	+2.5%
<i>Six months ended June 30,</i>	<b>861.7</b>	<b>794.2</b>	<b>+8.5%</b>	<b>+6.1%</b>

At € 861.7 million, consolidated sales for the first half of 2017 increased by +8.5%, with all divisions contributing.

Organic growth stood at +6.1% in the first half of 2017, confirming the acceleration recorded in 2016 (+3.6% in the first half and +5.6% in the second half). The slower increase in the second quarter (+2.5%) compared with the first (+9.9%) is mainly explained by the effect of a number of working days that is not comparable with 2016 (-5 days in France, i.e. -8%) and a high basis of comparison in 2016.

With respect to the income statement, the consumption costs increased in the same proportion as production (+8.0%). Other variable costs were down (-0.7 point) thanks to productivity gains resulting from the LISI Excellence Achievement Program (LEAP) improvement plans. Fixed costs, particularly for the structuring of activities under development, remain well under control and fall by 0.3 point in relative terms.

Given these factors, gross operating income (EBITDA) rose sharply (+15.1%) to € 140.0 million (16.2% of revenue), compared to € 121.6 million (15.3%) in the first half of 2016.

Depreciation and amortization increased by € 5.0 million due to the significant investments made in recent years but remained stable in relative terms (+0.2 point). Provision reversals increased by € 1.2 million, with no impact on EBIT (offsetting operating expenses).

Current operating income (EBIT) reached € 97.5 million, an increase of € 14.5 million or 17.6% compared to the first half of 2016. At 11.3%, the operating margin improved by 0.9 point compared to the same period last year.

Non-current operating income and expenses (-€ 1.6 million) mainly related to the disposal costs of Précimétal.

The financial loss amounted to -€ 10.5 million (+€6.5 million in the first half of 2016). The deterioration can be explained by the following:

- The difference between foreign exchange profits and losses for approximately -€ 18.6 million (+€ 6.9 million in 2016),
- The change in fair value of foreign exchange hedging instruments, which had a favorable impact of +€ 9.7 million (+€ 2.6 million in the first half of 2016),
- Lower interest rates, resulting in lower financing costs and a favorable impact of € 1.4 million compared to the first half of 2016.

Income tax amounted to -€ 28.2 million, i.e. a stable effective tax rate of 33%.

After taking into account the negative financial result for the first half of the year, net income was € 58.2 million, i.e. 6.8% of sales (7.4% in the first half of 2016).

Cash flow from operations increased by 6.2% to € 104.7 million (€ 98.6 million in the first half of 2016). It allowed for a continuation of the robust investment program (€ 67.1 million; 7.8% of sales) in the first half of 2017, including:

- The deployment of the "robotization" plan across all divisions,
- The development of new products, notably in Marmande ("Extrusion"),
- The modernization of the sites of Parthenay and Bar-sur-Aube ("Forging").

Working capital requirements remained stable compared to December 31, 2016 at 76 days, despite the increase in activity. Inventories decreased from 1 day to 84 days.

The negative effect of the depreciation of the dollar at the end of the period (€ 12 million) did not prevent Free Cash Flow from rising by € 2.6 million to € 27.5 million.

The Group's development continues to benefit from a solid financial structure: net financial debt decreased by € 54.2 million compared to June 30, 2016 and now amounts to only 22.9% of shareholders' equity.

## **LISI AEROSPACE** (62% of total consolidated sales)

- Continued organic growth supported by a very dynamic European market with the ramp-up of new programs.
- First signs of recovery at Boeing began in the United States, though still at the level of 2015. Free Cash Flow was still highly positive at € 35.1 million, after a € 3.5 million increase in capital expenditure to € 45.7 million.

### Analysis of sales

<i>Sales in €M</i>	<b>2017</b>	<b>2016</b>	<b>2017 / 2016</b>	<b>On a constant consolidation scope and exchange rate basis</b>
Q1	277.5	248.5	+11.7%	+11.7%
Q2	258.3	254.1	+1.6%	+3.3%
<i>Six months ended June 30,</i>	<b>535.8</b>	<b>502.7</b>	<b>+6.6%</b>	<b>+7.4%</b>

## Aerospace market

Visibility on the commercial aircraft segment remains very strong. Other markets segments served by LISI AEROSPACE, including helicopters, military and business aircraft, as well as regional aircraft, are experiencing persistent difficulties.

Boeing was leading in the first half of the year in terms of both deliveries (352 vs 306 for Airbus) and order intake (381 vs. 203). Both aircraft manufacturers posted a sharp acceleration in shipments in June. As expected, the A320, A320neo, A350, B787 and B737 programs were the most dynamic ones.

## Business review and results for the half year

LISI AEROSPACE showed good momentum during the first half. Revenues amounted to € 535.8 million, an increase of +6.6% versus the prior year.

"Fasteners" sales in Europe (+8.4% in the second quarter and +14.2% in the first half of the year) continue to benefit from high Airbus production rates on the A350 program and the ramp-up of the A320neo program. In the United States, the "Fasteners" business continued to suffer from a lower level of activity than expected at Boeing, which LISI AEROSPACE's active repositioning in the distribution sector has yet to compensate for. The "Structural Components" business (+3.7% in the first half of the year) was driven by the ramp-up of new programs.

At a constant consolidation scope and currencies, organic growth stood at +7.4%. The slower increase in the second quarter (+3.3%) compared with the first (+11.7%) is mainly explained by the effect of the number of working days that is not comparable with 2016 (- 5 days in France) and a high basis of comparison in 2016.

## Highlights

- Acceleration of production for the LEAP engine (leading edges, blades, arms and OGV) at the sites of Marmande, Bologne, Parthenay in France and Sędziszów, Poland
- Construction of the new Polish site started in Rzeszow, with a view to replace that of Sędziszów

## Results

With a 10% increase compared to the first half of 2016, EBIT reached € 74 million, confirming the quality of the division's performance. The "Structural Components" business should gradually absorb the additional costs generated by the technical difficulties and the significant industrialization costs of the last two years, even though the rapid growth momentum in new programs currently exceeds expectations.

The operation of the production sites for the "Fasteners" segment benefits from a favorable volume effect in Europe, as well as from productivity gains achieved through the implementation of the LEAP Plan (LISI Excellence Achievement Program) and the initial deployment of robotized technologies. In the structural parts segment, the strong activity did not make it possible to take full advantage of the gains achieved with the cost savings initiatives.

In addition, the division has managed to preserve a positive Free Cash-Flow, while financing still a significant capital expenditure program. This performance is mainly attributable to a good level of cash flow generation and the strong management of working capital.

## LISI AUTOMOTIVE (29% of total consolidated sales)

- Good trend observed in 2016 confirmed.
- Organic growth in a well-oriented European market.
- Sustained activity in the " Safety Mechanical Components" and "Clipped Solutions" segments.

### Analysis of sales

<i>Sales in €M</i>	<b>2017</b>	<b>2016</b>	<b>2016/2015</b>	<b>On a constant consolidation scope and exchange rate basis</b>
Q1	128.9	120.9	+6.6%	+6.6%
Q2	123.7	122.8	+0.7%	+0.8%
<i>Six months ended June 30,</i>	<b>252.6</b>	<b>243.7</b>	<b>+3.6%</b>	<b>+3.7%</b>

### Automotive market

After a good first quarter (+5.5%), the world's automotive markets recorded slower growth (+1.1%) in the second quarter, due in particular to fewer selling days than in the first quarter. Over the first half, the increase was +2.8%. Although Europe remains below the level of the same period last year, it is still the largest contributor to this growth, +4.6%. The Chinese market ended this first half with a modest increase (+2.1%) as it was affected by the unfavorable trend of the second quarter (-1.1%). The United States has been in negative territory since the beginning of the year and ends the half-year at -2.2%. Japan (+9.4%) and Russia (+6.9%) recovered with positive trend effects between the first and second quarter.

Europe, the main market for LISI AUTOMOTIVE, confirmed robust growth (+4.6%) after the +6.5% recorded in 2016. Italy (+8.9%) and Spain (+7.1%) still lead the way. France, with +3.0%, stood below the European average. Britain experienced a sharp slowdown in the second quarter (-10.3%), which resulted in a decline of -1.3% compared to the first half of 2016.

Daimler (+7.3%), Renault-Dacia (+7.0%) and Nissan (+5.7%) were the most dynamic manufacturers. Ford (+3.1%) and VW (+3.0%) performed better than the global market. On the other hand, PSA (+2.2%) and BMW (+2.0%) under-performed. GM Opel was markedly lagging behind at -2.6%.

In addition, it should be mentioned manufacturers' inventories have declined due to lower European car production (-1.4% over the first half).

### Business review and results for the half year

Revenues for the first half totaled € 252.6 million, an increase of +3.6% compared to 2016. Growth in the second quarter was limited to +0.7% due to a lower number of working days (-5 days in France) and a significant decrease in activity for PSA in China. The division's market share gains are confirmed with above-market performance in both the first quarter and second quarters.

The general level of demand remains strong thanks to the LISI AUTOMOTIVE's exposure to European manufacturers. The division is benefiting from developments in new products in recent years, particularly in the area of "Clipped Solutions" and "Safety Mechanical Components" with OEM customers who are intensifying the industrialization of their new programs.

LISI AUTOMOTIVE's orders for new products continue to be encouraging (in particular in the "Safety Mechanical Components" activity) and represent more than 11% of sales, i.e. around € 29 million in the first half of the year.

### Highlights

- Confirmation of gradual return to targeted profitability levels for most sites
- Positive financial and operational indicators in Mexico from the first year of operations
- Beijing production site moved to Zhuozhou

### Results

"Clipped Solutions" and "Safety Mechanical Components" segment sites are operating in a satisfactory manner, which is reinforced by the confirmation of the recovery of most of the sites in the "Threaded Fasteners" segment and the material gains achieved with the LISI Excellence Achievement Program (LEAP).

As a result, LISI AUTOMOTIVE's operating margin increased again to 6.7% (5.4% in the first half of 2016), and is now close to the objectives set by the Group.

Most other management indicators also confirm the improvements achieved over the past several years. This is particularly the case in the divisions' logistics organization which remains very healthy. Teams will now focus on streamlining the production organization, implementing the LEAP plan and increasing productivity to further improve the return on investment.

Free Cash Flow was highly positive (€ 8.3 million) after a further increase in capital expenditure (€ 18.0 million compared to € 16.3 million in the first half of 2016). It benefited from the increase in cash flow (€ 4.1 million) and good control over working capital requirements.

### **LISI MEDICAL** (9% of total consolidated sales)

- Strong organic growth driven by a dynamic market and the ramp-up of new customer programs.
- Continued improvements in operating margin and Free Cash Flow.
- Full year effect of LISI MEDICAL Remmele.

### Analysis of sales revenue developments

<i>Sales in €M</i>	<b>2017</b>	<b>2016</b>	<b>2017/2016</b>	<b>On a constant consolidation scope and exchange rate basis</b>
Q1	37.9	18.7	+103.1%	+11.5%
Q2	35.6	29.4	+21.2%	+3.3%
<i>Six months ended June 30,</i>	<b>73.5</b>	<b>48.0</b>	<b>+53.0%</b>	<b>+7.1%</b>



### **Medical market**

The global orthopedic devices market has remained buoyant for several years with growth in line with the long-term trend (+4% to +5% per year). The growth dynamics (+6%) of the market for minimally invasive surgery (MIS) is confirmed, with many new projects in general surgery or specialty surgery.

LISI MEDICAL's customers respond to market constraints by consolidating their business portfolio with innovative technical approaches or by streamlining their older product lines.

### **Business review and results for the half year**

- Good level of orders and activity with all customers
- Improved management indicators across all sites

Revenues amounted to € 73.5 million (53.0%), representing organic growth of 7.1% compared to the first half of 2016. In line with expectations, the division has benefited from the consolidation since May 2016 of LISI MEDICAL Remmele (United States), which contributed €22.8 million in revenue over the period. In the second quarter, the increase was +21.2%, with organic growth at +3.3%.

Order intake is benefiting from the gradual increase in new programs in recent years.

The successful implementation of the industrial productivity initiatives allows for further improved operating margin, which stood at 9.1% (5.5% in the first half of 2016). All sites are showing and those of LISI MEDICAL Remmele are reaching performance levels in line with the objectives.

Capital expenditures (€ 2.8 million) were dedicated to the increase in capacity and the renewal of equipment. Improved results, coupled with a good control over working capital requirements, enabled the generation of an operating Free Cash Flow of approximately € 10 million.

## **2017-2018 OUTLOOK FOR THE LISI GROUP**

### **LISI AEROSPACE**

The aerospace market gives no signs of slowing down, especially regarding single-aisles and new programs (A350, B787, etc.), thus vindicating the division's positioning. In the short term, the pick-up of order book with Boeing and the trend of order intake with Airbus will be closely monitored. The first improvements observed since the beginning of the financial year with respect to the reduction of the additional costs of industrialization and compliance with delivery programs will remain an area of focus in the second part of the year in the "Structural Components" business.

In this context, the Group expects a comparable contribution from the results of the LISI AEROSPACE division in the second half of the year.



## **LISI AUTOMOTIVE**

The second half of the year should confirm the positive trend that is prevailing in the European market. The operating margin should remain at a good level despite the rising cost of raw materials (steel; plastic) and the costs of restarting the Beijing plant. At this stage, this level will have to be consolidated over the long term before re assessing the division's target EBIT.

## **LISI MEDICAL**

The division is continuing its structuring efforts while developing synergies between sites, thus strengthening its position as a supplier of choice to its customers.

LISI MEDICAL will benefit from the synergies with LISI MEDICAL Remmele, which opens up organic growth prospects with dynamic new markets and major global customers. The extension of the LISI MEDICAL Remmele site will be largely financed in the second half of 2017, thereby reducing the Division's contribution to the Group's Free Cash Flow.

## **LISI Consolidated**

After this very robust first half year, the Group confirms its objective to grow its business and increase its current operating income, as well as its Free Cash Flow for 2017, with a more balanced contribution from all divisions.

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# LISI Group consolidated income statement

<i>(in €'000)</i>	30/06/2017	30/06/2016	31/12/2016
<b>Pre-tax sales</b>	<b>861 694</b>	<b>794 162</b>	<b>1 571 104</b>
Changes in stock, finished products and production in progress	7 518	9 477	(1 519)
Total production	869 212	803 639	1 569 585
Other revenues *	12 654	11 753	23 777
<b>Total operating revenues</b>	<b>881 866</b>	<b>815 391</b>	<b>1 593 362</b>
Consumed goods	(229 176)	(216 598)	(414 436)
Other purchases and external expenses	(179 000)	(161 373)	(325 957)
<b>Value added</b>	<b>473 690</b>	<b>437 420</b>	<b>852 969</b>
Taxes and duties **	(8 777)	(8 234)	(11 353)
Personnel expenses (including temporary employees)***	(324 945)	(307 586)	(604 484)
<b>EBITDA</b>	<b>139 968</b>	<b>121 601</b>	<b>237 132</b>
Depreciation	(44 899)	(39 902)	(80 872)
Net provisions	2 474	1 277	1 200
<b>EBIT</b>	<b>97 543</b>	<b>82 976</b>	<b>157 460</b>
Non-recurring operating expenses	(4 597)	(4 038)	(12 950)
Non-recurring operating revenues	3 035	1 286	2 974
<b>Operating profit</b>	<b>95 981</b>	<b>80 224</b>	<b>147 483</b>
<b>Financing expenses and revenue on cash</b>	<b>(1 191)</b>	<b>(2 655)</b>	<b>(4 420)</b>
<i>Revenue on cash</i>	1 955	513	1 146
<i>Financing expenses</i>	(3 146)	(3 168)	(5 566)
<b>Other interest revenue and expenses</b>	<b>(9 306)</b>	<b>9 185</b>	<b>17 770</b>
<i>Other financial items</i>	37 488	34 823	55 409
<i>Other interest expenses</i>	(46 795)	(25 638)	(37 639)
Taxes (of which CVAE (Tax on Companies' Added Value)**)	(28 196)	(27 779)	(54 443)
Share of net income of companies accounted for by the equity method	0	0	0
<b>Profit (loss) for the period</b>	<b>57 288</b>	<b>58 973</b>	<b>106 390</b>
attributable as company shareholders' equity	58 216	59 083	107 008
Interest not granting control over the company	(928)	(110)	(619)
<b>Earnings per share (in €):</b>	<b>1,10</b>	<b>1,12</b>	<b>2,02</b>
<b>Diluted earnings per share (in €):</b>	<b>1,10</b>	<b>1,12</b>	<b>2,02</b>

## STATEMENT OF OVERALL EARNINGS

<i>(in €'000)</i>	30/06/2017	30/06/2016	31/12/2016
<b>Profit (loss) for the period</b>	<b>57 288</b>	<b>58 973</b>	<b>106 390</b>
<b>Other items of overall income applied to shareholders equity</b>			
Actuarial gains and losses out of employee benefits (gross element)	1 255	(3 682)	(4 359)
Actuarial gains and losses out of employee benefits (tax impact)	(432)	1 268	840
Restatements of treasury shares (gross element)	226	(17)	145
Restatements of treasury shares (tax impact)	(78)	6	(50)
Payment in shares (gross element)	1 903	1 185	2 447
Payment in shares (tax impact)	(655)	(408)	(843)
<b>Other items of overall income that will cause a reclassification of income</b>			
Exchange rate spreads resulting from foreign business	(17 214)	(10 196)	(2 874)
Hedging instruments (gross element)	20 743	(185)	(12 615)
Hedging instruments (tax impact)	(7 142)	64	3 587
<b>Other portions of global earnings, after taxes</b>	<b>(1 395)</b>	<b>(11 963)</b>	<b>(13 723)</b>
<b>Total overall income for the period</b>	<b>55 893</b>	<b>47 010</b>	<b>92 667</b>

# LISI Group consolidated balance sheet

## ASSETS

(in €'000)	30/06/2017	30/06/2016	31/12/2016
<b>LONG-TERM ASSETS</b>			
Goodwill	289 130	304 222	300 426
Other intangible assets	28 859	26 937	23 822
Tangible assets	582 178	533 061	570 877
Long-term financial assets	10 003	8 715	9 481
Deferred tax assets	12 399	17 273	19 075
Other long-term assets	944	1 004	950
<b>Total long-term assets</b>	<b>923 511</b>	<b>891 212</b>	<b>924 631</b>
<b>SHORT-TERM ASSETS</b>			
Inventories	341 839	354 939	338 986
Taxes – Claim on the state	17 547	6 383	6 772
Trade and other receivables	277 883	270 303	260 416
Cash and cash equivalents	212 871	98 891	141 719
<b>Total short-term assets</b>	<b>850 139</b>	<b>730 516</b>	<b>747 894</b>
<b>TOTAL ASSETS</b>	<b>1 773 650</b>	<b>1 621 728</b>	<b>1 672 525</b>

## TOTAL EQUITY AND LIABILITIES

(in €'000)	30/06/2017	30/06/2016	31/12/2016
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	21 610	21 610	21 610
Additional paid-in capital	72 584	72 584	72 584
Treasury shares	(14 400)	(14 809)	(14 610)
Consolidated reserves	744 577	664 264	659 375
Conversion reserves	10 515	20 502	27 742
Other income and expenses recorded directly as shareholders' equity	2 263	(4 403)	(13 452)
Profit (loss) for the period	58 216	59 083	107 008
<b>Total shareholders' equity - Group's share</b>	<b>895 366</b>	<b>818 832</b>	<b>860 258</b>
Minority interests	7 708	7 816	4 964
<b>Total shareholders' equity</b>	<b>903 076</b>	<b>826 650</b>	<b>865 222</b>
<b>LONG-TERM LIABILITIES</b>			
Long-term provisions	67 583	72 064	70 474
Non-current financial debts	277 774	308 995	253 856
Other long-term liabilities	10 619	10 582	12 392
Deferred tax liabilities	36 402	29 420	33 376
<b>Total long-term liabilities</b>	<b>392 378</b>	<b>421 061</b>	<b>370 098</b>
<b>SHORT-TERM LIABILITIES</b>			
Short-term provisions	18 827	18 508	23 174
Short-term borrowings*	142 177	51 235	106 037
Trade and other accounts payable	312 587	300 098	304 492
Taxes due	4 607	4 174	3 503
<b>Total short-term liabilities</b>	<b>478 198</b>	<b>374 015</b>	<b>437 206</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITY</b>	<b>1 773 650</b>	<b>1 621 728</b>	<b>1 672 525</b>
* Of which banking facilities	6 726	6 651	15 984

## LISI Group consolidated cash flow table

(in €'000)	30/06/2017	31/12/2016	30/06/2016
<b>Operating activities</b>			
<b>Net earnings</b>	<b>57 288</b>	<b>106 390</b>	<b>58 973</b>
<b>Elim. of the income of companies accounted for by the equity method</b>			
Elimination of net expenses not affecting cash flows:			
- Depreciation and non-recurrent financial provisions	44 737	81 232	39 866
- Changes in deferred taxes	3 628	6 059	334
- Income on disposals, provisions for liabilities and others	(1 718)	911	(110)
<b>Gross cash flow margin</b>	<b>103 935</b>	<b>194 592</b>	<b>99 063</b>
Net changes in provisions provided by or used for current operations	791	1 213	(475)
<b>Operating cash flow</b>	<b>104 725</b>	<b>195 805</b>	<b>98 590</b>
Income tax expense (revenue)	24 569	48 385	27 444
Elimination of net borrowing costs	3 029	5 782	2 834
Effect of changes in inventory on cash	(12 579)	2 504	(10 115)
Effect of changes in accounts receivable and accounts payable	12 228	(23 729)	(22 384)
<b>Net cash provided by or used for operations before tax</b>	<b>131 972</b>	<b>228 747</b>	<b>96 367</b>
Taxes paid	(34 256)	(29 807)	(7 947)
<b>Cash provided by or used for operations (A)</b>	<b>97 716</b>	<b>198 938</b>	<b>88 423</b>
<b>Investment activities</b>			
Acquisition of consolidated companies	(1)	(92 136)	(91 102)
Cash acquired		(1 973)	(1 973)
Acquisition of tangible and intangible fixed assets	(67 483)	(132 609)	(61 609)
Acquisition of financial assets			
Change in granted loans and advances	(373)	(746)	(473)
Investment subsidies received			
Dividends received			
<b>Total cash used for investment activities</b>	<b>(67 857)</b>	<b>(227 463)</b>	<b>(155 157)</b>
Divested cash	(5 701)	36	36
Disposal of consolidated companies	13 060		
Disposal of tangible and intangible fixed assets	342	12 995	913
Disposal of financial assets			
<b>Total cash from disposals</b>	<b>7 701</b>	<b>13 031</b>	<b>949</b>
<b>Cash provided by or used for investment activities (B)</b>	<b>(60 156)</b>	<b>(214 434)</b>	<b>(154 208)</b>
<b>Financing activities</b>			
Capital increase	1 997	32	
Net disposal (acquisition) of treasury shares			
Dividends paid to shareholders of the Group	(23 872)	(20 629)	(20 629)
Dividends paid to minority interests of consolidated companies			
<b>Total cash from equity operations</b>	<b>(21 875)</b>	<b>(20 598)</b>	<b>(20 629)</b>
Issue of long-term loans	45 759	88 376	77 674
Issue of short-term loans	51 935	52 028	13 349
Repayment of long-term loans	(197)	(35 309)	(2 730)
Repayment of short-term loans	(28 587)	(45 143)	(16 732)
Net interest expense paid	(3 028)	(5 782)	(2 833)
<b>Total cash from operations on loans and other financial liabilities</b>	<b>65 882</b>	<b>54 171</b>	<b>68 727</b>
<b>Cash provided by or used for financing activities (C)</b>	<b>44 007</b>	<b>33 573</b>	<b>48 098</b>
Effect of change in foreign exchange rates (D)	(1 367)	(8 149)	(6 582)
Effect of adjustments in treasury shares (D) *	210	(762)	(62)
<b>Changes in net cash (A+B+C+D)</b>	<b>80 410</b>	<b>9 166</b>	<b>(24 330)</b>
Cash at January 1st (E)	125 735	116 569	116 569
Cash at year end (A+B+C+D+E)	206 145	125 735	92 239
Cash and cash equivalents	212 871	141 719	98 890
Short-term banking facilities	(6 726)	(15 984)	(6 651)
<b>Closing cash position</b>	<b>206 145</b>	<b>125 735</b>	<b>92 239</b>

## Change in LSI Group consolidated shareholders' equity

<i>(in €'000)</i>	Share capital	Capital-linked premiums	Consolidated own shares	Conversion reserves	Other income and expenses recorded directly as shareholders' equity	Profit for the period, group share	Group's share of shareholders' equity	Minority interests	Total shareholders' equity
<b>Shareholders' equity at January 1, 2016</b>	<b>21 610</b>	<b>72 584</b>	<b>(14 740)</b>	<b>603 092</b>	<b>(2 653)</b>	<b>81 764</b>	<b>792 256</b>	<b>1 189</b>	<b>793 446</b>
Profit (loss) for the period N (a)						59 083	59 083	(110)	58 973
Translation differential (b)				(10 096)			(10 096)	(99)	(10 195)
Payments in shares (c)					777		777		777
Capital increase							0	3 933	3 933
Restatements of treasury shares (d)			(69)		(11)		(80)		(80)
Restatements as per IAS19 (g)					(2 414)	(81 764)	(2 414)		(2 414)
Appropriation of N-1 earnings				81 764			0		0
Change in scope				(20 629)			0	2 921	2 921
Dividends distributed							(20 629)	0	(20 629)
Reclassification							0		0
Restatements of financial instruments (f)					(103)		(103)	(18)	(121)
Various (e)				37			37		37
<b>Shareholders' equity as at June 30, 2016</b>	<b>21 610</b>	<b>72 584</b>	<b>(14 809)</b>	<b>664 264</b>	<b>(4 403)</b>	<b>59 083</b>	<b>818 832</b>	<b>7 816</b>	<b>826 650</b>
<i>including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f)</i>				<i>(10 096)</i>	<i>(1 750)</i>	<i>59 083</i>	<i>47 237</i>	<i>(227)</i>	<i>47 010</i>
<b>Shareholders' equity as at January 1, 2017</b>	<b>21 610</b>	<b>72 584</b>	<b>(14 610)</b>	<b>659 375</b>	<b>(13 452)</b>	<b>107 008</b>	<b>860 258</b>	<b>4 964</b>	<b>865 222</b>
Profit (loss) for the period N (a)						58 216	58 216	(928)	57 288
Translation differential (b)				(17 227)			(17 227)	13	(17 214)
Payments in shares (c)					1 248		1 248		1 248
Capital increase	0	0					0	1 997	1 997
Restatements of treasury shares (d)			210		148		358		358
Restatements as per IAS19 (g)					823		823		823
Appropriation of N-1 earnings				107 008		(107 008)	0		0
Change in scope				(23 872)			0		1 559
Dividends distributed							(23 872)	0	(23 872)
Reclassification							0		0
Restatements of financial instruments (f)					13 497		13 497	104	13 601
Various (e)				2 066			2 066	1 558	2 066
<b>Shareholders' equity as at June 30, 2017</b>	<b>21 610</b>	<b>72 584</b>	<b>(14 400)</b>	<b>744 577</b>	<b>2 263</b>	<b>58 216</b>	<b>895 366</b>	<b>7 708</b>	<b>903 076</b>
<i>including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f) + (g)</i>				<i>(17 227)</i>	<i>15 715</i>	<i>58 216</i>	<i>56 704</i>	<i>(811)</i>	<i>55 893</i>