


ZETES ANNUAL RESULTS 2015
IN TRUST FOR THE FUTURE

A close-up, black and white photograph of a woman's eye, looking slightly to the right. The eye is framed by a blue line graphic that starts as a vertical line from the top, then turns right, then down, then right again, ending in a small orange circle. The background is a light, neutral color.

**THE WAY TO THE FUTURE IS
BUILT STEP BY STEP.
IDEA BY IDEA. SOLUTION BY
SOLUTION. SMILE BY SMILE.**

€ 26.7 million

current EBITDA at Group level

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GROUP

Group current EBITDA up to € 26.7 million, supported by record performances in both Divisions

Proposed dividend of € 0.80 per share (+27% on 2014)

GOODS ID

Third consecutive year of internal growth and improved profitability.

Sales of € 204.3 million driven by sharply improved first half (+7.2% on full year 2014)

Current EBITDA of € 14.6 million (+20.5% on 2014)

PEOPLE ID

Operating results up strongly, supported by high added value projects

Revenus à 53.9 millions € (-1.3% on 2014)

Current EBITDA of € 15.5 million (+47.1% on 2014)

STRONG PROFITABILITY GROWTH IN BOTH DIVISIONS



Sales in 2015 amounted to € 258.2 million (vs. € 245.3 million in 2014), with current EBITDA rising to a record € 26.7 million (€ 19.2 million in 2014).

Group sales were supported by growing sales revenues in Goods ID (+ 7.2% compared to 2014), with particularly strong growth in the first half. The People ID Division undertook a number of high added value projects. The fact that these were without major hardware deliveries explains the stable sales figure (-1.3% compared to 2014).

Group gross margin reached a record € 115.6 million (+11.6%). This represents 44.8% of sales (42.2% in 2014), a key factor here being the product mix of the People ID Division.

Group current EBITDA was € 26.7 million (+39.0%), supported by record performance in both Divisions: € 14.6 million in Goods ID (+20.5%) and € 15.5 million in People ID (+47.1%). With non-current items not significant, Group EBITDA also grew significantly to € 26.3 million (+44.3%).

The Goods ID Division enjoyed another year of growth, with internal sales growth and significantly increased profitability. Sales seasonality was less marked than in previous years, mainly because a number of large volume contracts were executed in the first half. The Division is benefiting from the key solutions commercial strategy it introduced in 2012, particularly in the retail, postal services and transport sectors. Its serialization solution (ZetesAtlas) for production units is also growing strongly, even if its impact on the Division's sales remains more limited.

In People ID, sales were stable, -1.3% compared to 2014. This evolution reflects the higher portion of services in the product mix. While a large batch of biometric registration kits was delivered to Uganda in 2014, no equivalent delivery took place in 2015. Compared to 2013, more similar in terms of product mix, growth was 33.8%. The execution of the various long and short term contracts enabled the division to significantly increase its profitability, with a record current EBITDA of € 15.5 million (+ 47.1% compared to 2014).

€ 258,2 million
Group revenue

I. INCOME STATEMENT

SEPARATE INCOME STATEMENT	2013	2014	2015	%
In '000 €				
Sales	211,472	245,270	258,225	5.3%
Cogs	(120,026)	(141,690)	(142,646)	
Gross Margin	91,446	103,579	115,579	11.6%
Gross Margin %	43.2%	42.2%	44.8%	
Employee Expenses	(54,250)	(57,516)	(61,732)	
Other operating expenses	(23,661)	(26,859)	(27,156)	
Total Operating expenses	(77,911)	(84,374)	(88,888)	
Current EBITDA ⁽¹⁾	13,535	19,205	26,691	39.0%
Non current costs	(820)	(1,015)	(439)	
EBITDA	12,715	18,190	26,252	44.3%
Depreciation on fixed assets	(4,927)	(5,501)	(6,213)	
Amortization of development costs	(1,748)	(2,324)	(2,378)	
Write-downs on stock, receivables, prov., other	(928)	(582)	(994)	
Provisions, depreciation, amortisation, impairment losses	(7,604)	(8,407)	(9,586)	
Operating profit (EBIT)	5,111	9,783	16,666	70.4%
Result from the disposal of fixed assets	(3)	30	2	
Financial charges	(1,355)	(1,199)	(2,002)	
Financial income	579	633	1,223	
Result before taxes	4,333	9,247	15,889	71.8%
Income tax	(935)	(3,051)	(5,161)	
Profit of the period	3,397	6,196	10,728	73.2%
Non controlling interests	12	(41)	(317)	
Net profit of the Group	3,385	6,237	11,045	77.1%
Current EBIT (REBIT) ⁽¹⁾	5,931	10,798	17,105	58.4%
Net current result ^{(1) (2)}	4,028	6,917	11,342	64.0%

(1) «Current» excludes restructuring expenses and non current income/costs
 (2) Attributable to equity holders of the parent company

Provisions, depreciation, amortization and impairment losses were higher at € 9.6 million. This increase was particularly marked in the People ID Division (see below).

Financial expenses and financial income both increased significantly, mainly owing to larger foreign exchange results. In 2015, foreign exchange losses amounted to € 1.4 million and gains to € 1.1 million. The financial result for the year (financial income less financial expenses), however, remained in line with 2014: € 0.8 million vs. € 0.6 million. This relatively low level reflects both the macro-economic environment with low interest rates and the good solvency of the Group (net cash). Finally, taxes remained high, at € 5.2 million, or 32.5% of the result before taxes. This rate is in line with the rate applicable in Belgium, the Group's operations centre.

The 5.3% increase in sales revenue between 2014 and 2015 converts, by a leverage effect, into a 73.2% rise in net profit € 10.7 million.

Analysis by half-year

ZETES GROUP	1H 2015	2H 2015	2015
In '000 €			
Turnover	128,334	129,891	258,225
Gross Margin	58,066	57,513	115,579
<i>% Gross Margin / Sales</i>	45.2%	44.3%	44.8%
Total Operating expenses	(44,778)	(44,110)	(88,888)
Current EBITDA	13,289	13,402	26,691
<i>% Current EBITDA / Sales</i>	10.4%	10.3%	10.3%
EBITDA	13,067	13,185	26,252

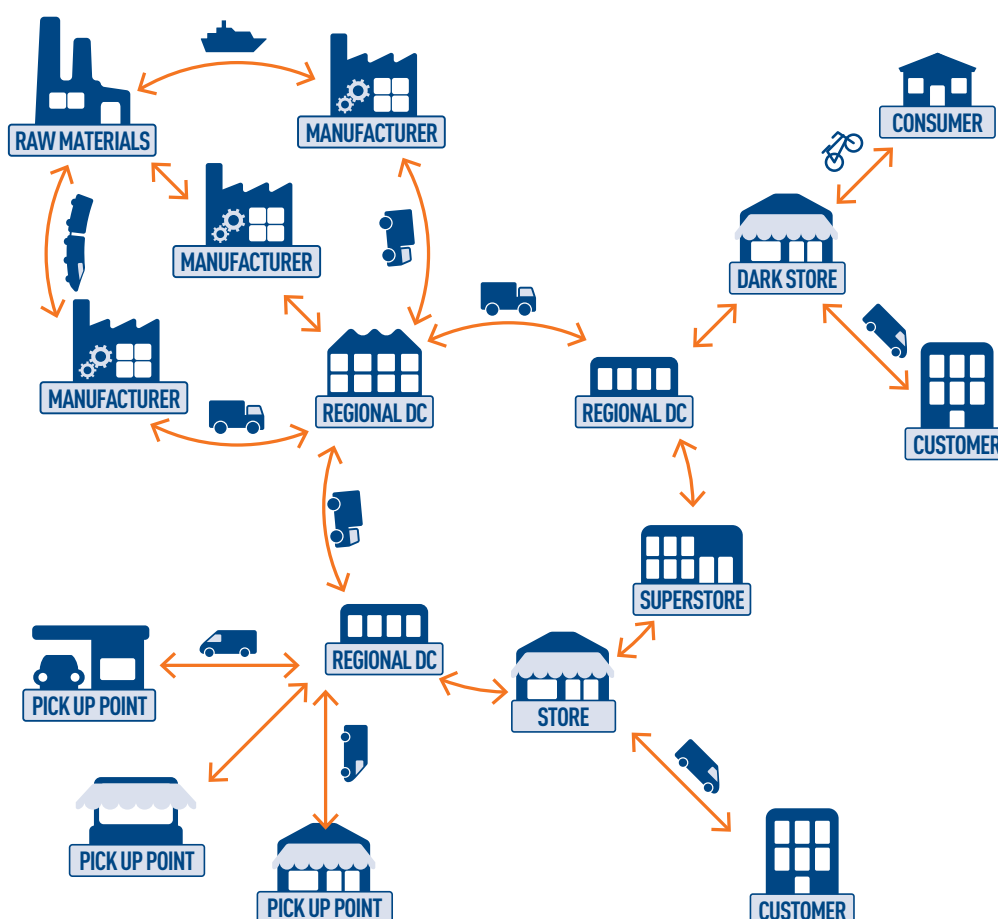
The second half confirmed the good performance of the first half, with a slight increase in turnover and in EBITDA. EBITDA for H2 2015 was also up 20.3% on H2 2014.

The development by Division is discussed below.

1. Goods ID

For the third year in a row, the Goods ID Division improved its performance, with sales up 7.2% to a historic record € 204.3 million. This performance is all the more remarkable for being internally generated. It is the fruit of the key solutions strategy introduced in 2012 which, year after year, is bearing fruit.

The trend remained good throughout the year, with high order intake and a marked interest in the Group's solutions.



€ 14.6 million current EBITDA in Goods ID

GOODS ID	2014	2015	%
In '000 €			
Turnover	190,639	204,306	7.2%
Gross Margin	74,760	80,563	7.8%
% Gross Margin / Sales	39.2%	39.4%	
Total Operating expenses	(62,613)	(65,922)	5.3%
Current EBITDA	12,147	14,641	20.5%
% Current EBITDA / Sales	6.4%	7.2%	
EBITDA	11,186	14,203	27.0%
Provisions, depreciation, amortisation, impairment losses	(5,930)	(6,409)	8.1%
Current EBIT	6,217	8,232	32.4%

The key solutions are making an important contribution to the results and in particular to the gross margin of the Division. Gross margin as a percentage of sales remained stable (39.4% vs. 39.2% in 2014) under the combined effect of declining margins on hardware and higher margins on solutions.

The impact is particularly sensitive in times of rising sales: maintaining the gross margin on sales enabled the Division to generate € 5.3 million of additional gross margin compared to 2014. With operating expenses under control, the Division increased its current EBITDA by 20.5%.

Zetes continues to refine its key solutions along with its mobility platform that allows sector-specific applications to be developed and implemented for mobile devices and communication protocols of every type. These development efforts translate into stable investments in R&D and slightly increasing depreciation and amortization: € 2.3 million in 2015, which is close to the R&D capitalization level for the year and compares with € 2.1 million in 2014. Depreciation of other non-current assets amounted to € 3.2 million. Other provisions, depreciation, amortization and impairment losses together totalled € 0.9 million. Half these amounts relate to stock write-downs, the other half to impairments on receivables. In all, non-cash expenses were EUR 6.4 million, up EUR 8.1% on 2014.

As a result, the Division generated a current EBIT of € 8.2 million, up 32.4% on 2014.

Analysis by half-year

GOODS ID	1H 2015	2H 2015	2015
In '000 €			
Turnover	100,867	103,439	204,306
Gross Margin	40,830	39,733	80,563
% Gross Margin / Sales	40.5%	38.4%	39.4%
Total Operating expenses	(32,954)	(32,968)	(65,922)
Current EBITDA	7,876	6,765	14,641
% Current EBITDA / Sales	7.8%	6.5%	7.2%
EBITDA	7,655	6,548	14,203

The seasonal pattern of sales in 2015 was unusual. Sales are traditionally much higher in the second half, but in H2 they were up just 2.6% on first half. This trend was expected, as several major contracts had been executed in the first half. Gross margin as a percentage of sales moved in the right direction, with 40.5% in H1 2015 and 38.4% H2 2015, vs. 40.4% in H1 2014 and 38.2% in H2 2014.

Revenue grew in 2015 much faster than the economy and business investment. Zetes owes this outperformance to its strategy which allows it both to continuously increase its recurring revenues and win important contracts in promising sectors like postal services.

Exchange rate fluctuations significantly impacted sales figures, but with a less marked effect on EBITDA. The main changes were the appreciation (vis-à-vis the euro) of the Swiss franc and the pound sterling, offset by the depreciation of the South African rand. At constant exchange rates, sales revenue and gross profit would have been 4.4% and 5.3% higher respectively. The positive impact of exchange rates on current EBITDA is € 0.5 million.

GOODS ID Excluding currency impact	2014	2015	%
In <000 €			
Turnover	190,639	199,057	4.4%
Gross Margin	74,760	78,689	5.3%
% Gross Margin / Sales	39.2%	39.5%	
Total Operating expenses	(62,613)	(64,595)	3.2%
Current EBITDA	12,147	14,094	16.0%
% Current EBITDA / Sales	6.4%	7.1%	
EBITDA	11,186	13,656	22.1%

All the growth is internally generated, with the Division remaining focused on pursuing its growth-generating key solutions strategy.

2. People ID

In People ID, sales revenue remained stable in 2015 (-1.3%) but margins were up sharply with a change in product mix. Compared to 2014, the hardware component of projects delivered in 2015 was low, with a greater percentage of Software and Services components. The added value of Zetes' software solutions not only differentiates it from the competition: it is also a major factor in the structural improvement of the Division's results.

This, together with good cost control, made possible a significant increase in the Division's profitability.

PEOPLE ID	2014	2015	%
In <000 €			
Turnover	54,630	53,919	-1.3%
Gross Margin	28,819	35,016	21.5%
% Gross Margin / Sales	52.8%	64.9%	
Total Operating expenses	(18,265)	(19,495)	6.7%
Current EBITDA	10,554	15,521	47.1%
% Current EBITDA / Sales	19.3%	28.8%	
EBITDA	10,552	15,520	47.1%
Provisions, depreciation, amortisation, impairment losses	(2,288)	(3,130)	36.8%
Current EBIT	8,266	12,391	49.9%

In 2015, long-term concessions contributed significantly to revenue and results, while the short-term contracts, such as electoral projects, featured a very significant software component.

Côte d'Ivoire has decided to introduce a social security system. For deploying it, the Ivorian Government has commissioned Zetes to develop the infrastructure for enrolment and for the biometric social security card. This represents a new and promising type of project, bearing in mind that United Nations is pushing all countries without them to set up social security systems that are accessible to all their citizens. Elsewhere, from 1 May 2015, the Senegalese government removed the requirement for biometric visas in order to support the tourism industry, and therefore terminated Zetes' technical concession. This decision necessitated the accelerated charging of the capitalized start-up charges (IAS 11, non-cash expenses), offset by a first tranche of compensation.

The People ID Division relies on its continuous business development efforts. The aim is to spread the message of Zetes' value proposition for biographical and biometric enrolment, the secure management of population databases, and for electronic and biometric identity documents. Business development is the key to good geographical diversification and a healthy balance between long and short-term contracts.

Overall, the Division's current EBITDA rose by no less than 47.1% to € 15.5 million (€ 10.6 million in 2014).

The increase in provisions, depreciation and amortization reflects mainly the accelerated charging of investment costs and stocks related to the Senegal visa contract (impact: € 0.5 million).

+47.1%

current EBITDA in People ID

Analysis by half year

PEOPLE ID	1H 2015	2H 2015	2015
In '000 €			
Turnover	27,467	26,452	53,919
Gross Margin	17,236	17,780	35,016
% Gross Margin / Sales	62.8%	67.2%	64.9%
Total Operating expenses	(10,055)	(9,440)	(19,495)
Current EBITDA	7,181	8,340	15,521
% Current EBITDA / Sales	26.1%	31.5%	28.8%
EBITDA	7,181	8,339	15,520

The breakdown by half-year shows the stability of the Division's sales revenues. Current EBITDA as a percentage of sales topped 30% in the second half (28.8% over the year), which is above the forecast 25%. Margins are of course influenced by the heavy investment required on long-term projects and the imperative need to present demanding certifications and relevant references. This growth in the second half illustrates the way margins can differ depending on the type of contract, including the relative proportion of software/services and hardware.

3. Group

The costs of the Corporate Division amounted to € 3.5 million, in line with the figures for 2014 (-0.7%). The Corporate Division's missions continue to be strategy definition, financial control, marketing and acquisitions.

All Divisions together, (Goods ID, People ID and Corporate), the company generated a current EBITDA of € 26.7 million, the best recorded performance to date.

In terms of earnings per share, Zetes for the first time exceeded € 2 per share.

EARNINGS PER SHARE (€ per share)	2013	2014	2015	%
Number of shares outstanding ⁽¹⁾	5,156,750	5,162,665	5,175,140	
Net result ⁽²⁾	0.66	1.21	2.13	76.7%
Net current result ^{(2) (3)}	0.78	1.34	2.19	63.6%
Number of shares fully diluted ⁽¹⁾	5,156,750	5,162,665	5,286,317	
Net diluted result ⁽²⁾	0.66	1.21	2.09	76.7%

(1) Calculated based on the weighted average number outstanding shares

(2) Attributable to equity holders of the parent company

(3) "Current" means excluding restructuring charges and non-current income/costs

II. BALANCE SHEET, INVESTMENTS AND CASH FLOW STATEMENT

FINANCIAL POSITION	2014	2015
In '000 €		
ASSETS		
Tangible assets	16,386	19,716
Intangible assets	6,489	6,354
Goodwill	40,033	40,602
Deferred tax assets	4,885	4,769
Non-current assets	69,859	71,988
Inventories	17,146	17,821
Current trade and other receivables	67,623	62,260
Current prepayments	13,116	13,743
Cash	16,290	22,267
TOTAL ASSETS	184,474	188,680

Fixed assets rose sharply, mainly due to the consolidation - via the acquisition of companies - of a € 5.0 million building used for producing and personalizing secure documents in Belgium. The goodwill increase (€ 0.6 million) also relates to this transaction.

With investment (€ 2.6 million) running at the same level as amortization (€ 2.4 million), intangible assets – essentially capitalized R&D– barely changed.

Inventory was stable, while receivables (customers and other current receivables) were down € 5.3 million. Cash and equivalent increased very positively with a balance at 31/12/2015 of € 22.3 million.

The 2015 performance obviously positively impacted the Group's debt structure, with net cash increasing to € 9.6 million at year-end (€ 1.7 million at end-2014).

The total balance sheet grew slightly to € 188.7 million, against € 184.5 million in 2014 (+ € 4.2 million). Working capital too was up, to € 14.1 million from € 13.2 million. This latest development was limited due to a significant reduction of current assets and liabilities.

FINANCIAL POSITION	2014	2015
In '000 €		
Equity and liabilities		
Equity attributable to equity holders of the parent	78,731	89,038
Non controlling interests	808	635
Total equity	79,539	89,673
Non current interests bearing borrowings	792	4,194
Deferred tax liabilities	2,698	2,960
Current interests bearing borrowings	14,208	8,841
Current trade and other payables	81,346	75,053
Current tax liabilities	3,727	5,274
Other current liabilities	1,040	1,149
TOTAL EQUITY AND LIABILITIES	184,474	188,680

With a very strong equity of € 89.7 million, up € 10.1 million on 2014 and a balance sheet total of € 188.7 million, the solvency ratio was 47.5% (43.14% in 2014). The increase in equity is very large given the distribution in 2015 of a dividend of € 3.3 million. Equity has, however, benefited from the sale of € 2.3 million of treasury shares, among others to Zetes executives exercising share options.

LT debt increased significantly (+ € 3.4 million). The increase consists of debts for financing of the building, which were on the balance sheets of the companies acquired in July 2015 (see below).

€ 20.18 million cash flow from operations

Zetes is committed to maintaining a strong balance sheet structure. This allows it to bid for and, where successful, to manage very large deals, in which the income streams can follow well after the capital outlay (People ID concessions), and to inspire confidence to potential customers such as governments, with which it signs multi-year contracts.

CASH FLOW STATEMENT	2014	2015
In '000 €		
CASH ET ASSIMILÉ A L'OUVERTURE	10,585	16,290
CASH FLOWS FROM OPERATIONS of which:	17,070	19,965
Cash flows from the P&L	14,369	20,180
Working capital	2,701	-215
CASH FLOWS RELATING TO INVESTING ACTIVITIES of which:	-8,596	-8,012
Fixed Assets	-5,851	-4,558
Subsidiaries, net of cash acquired	-322	-1,113
Developments	-2,582	-2,602
CASH FLOWS RELATING TO FINANCING ACTIVITIES of which:	-2,909	-6,442
Proceeds from finance lease/bank loans	3,160	2,250
Repayments of finance lease liabilities/bank loans	-2,186	-3,908
Bank overdrafts increase (decrease)	116	-3,769
Dividends paid	-2,857	-3,264
Own shares	-931	2,336
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	16,290	22,267

Operating activities generated a cash flow of € 20.0 million over the year. This breaks down into significant cash flow from P&L, which rose significantly to € 20.2 million, reflecting the significant increase in operating income, and a stable working capital requirement (€ -0.2 million).

€ 4.6 million was invested in non-current assets, which is less than in 2014. The larger part of these investments relate to the Goods ID Division (€ 2.9 million), with the other € 1.7 million invested by the People ID Division.

Capitalized R&D expenses remained stable at € 2.6 million. These relate exclusively to the Goods ID Division, and are divided as always between the development of the MCL software and that of the application solutions, which form the basis of the new strategy. The R&D effort in People ID is also significant, but the cost is included in the investment in the new concession projects (building contracts) or charged directly.

In terms of financing, the year's results permitted a net repayment to banks (financing / leasing / overdrafts) of € 5.4 million. Zetes also paid a dividend (€ 3.3 million).

Together these movements increased cash and equivalents by € 5.5 million.

III. ACQUISITION

During the summer of 2015, Zetes completed the acquisition of two companies, which together hold a building rented by Zetes for its secure document production activities in Belgium. This acquisition, in the amount of € 1.1 million (cf. cashflows relating to investment activities), consists of an asset valued at € 5.0 million and bank debt of € 3.4 million. The consolidation of these subsidiaries generated goodwill of € 0.6 million.

Zetes remains attentive to acquisition opportunities, both geographical and technological. No potential acquisition of sufficient quality and meeting Zetes' criteria appeared in 2015.

IV. OUTLOOK

In Goods ID, sales growth, which had been continuous since 2012, was boosted in the first half 2015 by a major project in Switzerland. The Division has set itself the objective to achieve in 2016 a revenue along the same lines without the benefit of a rollout similar to that of the first half of 2015. The H1/H2 distribution is expected to return to normal in 2016, that is the company expects to have a stronger second half than the first. Efforts to develop the recurrent part of revenues are gradually increasing visibility on margins. The Division continues to benefit from its key solutions commercial strategy. These solutions are proving highly successful, in particular in the postal services and transport sectors. The serialization solution (ZetesAtlas) deployed in production units is also growing strongly, generating limited sales revenues but attractive earnings.

Developing the recurring business model remains a cornerstone of the Division's strategy. It responds to customers' need for ongoing support, develops the ongoing relationships with them and increases the Division's financial visibility.

In People ID, the current Build and Operate contracts are making a very significant contribution to sales and profitability. In 2016, existing concessions will all contribute to the good performance of the Division. The business development efforts should feed the revenues from short-term contracts and from time to time generate new long-term contracts. The business development team continues to grow and expand in order to ever closer, both geographically and technically, to its potential customers.

In conclusion, the strategies introduced in both Divisions are bearing fruit and are permitting sustained and profitable internal growth, as evidenced by the figures for 2015. The Group is confident of achieving in 2016 a performance of the same order as that of 2015, with seasonality back in line with the historical pattern (the second half being expected to be better than the first).

V. RISKS AND UNCERTAINTIES

Investing in Zetes shares has risks attached. These risks are described in the annual report and continue to apply.

VI. ACTIONS PROPRES

In 2015, Zetes Industries divested 92,694 own shares, including 57,694 as part of the exercise of options (staff plan). In total, these transactions generated € 2.3 million of cash. At 31 December 2015, Zetes held 174,242 treasury shares (266,936 at end- 2014), representing 3.23% of the issued shares. These are intended primarily to respond to the exercise of options by Company executives.

VII. DIVIDEND

Given the strong cash flow generated by the Group in 2015 and confident in the future, the Board will propose to the Annual General Meeting that it declare a gross ordinary dividend per share of € 0.80, up 27% compared to the previous year.

VIII. DRAWING UP OF ACCOUNTS

The financial statements, the publication of which has been approved by the board of directors on 16 March 2016 and are presented below, are a summary of the annual report which will be available on 25 April 2016. They are drawn up in euros and are in conformity with IFRS standards as adopted by the European Union.

Dividend up
at **€ 0.80** per share

IX. WORK OF THE STATUTORY AUDITOR

The audit of the annual accounts is under way. The Statutory Auditor has confirmed that its audit procedures, which are substantially completed, have not revealed the need for any material correction to the accounting information contained in the press release.

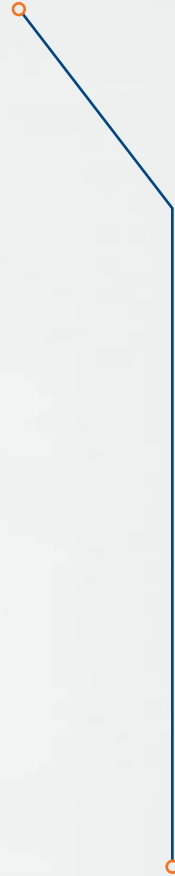
X. CALENDAR

Publication of the Annual Report: 25 April 2016
Ordinary General Meeting: 25 May 2016



BEING ALL EARS ALL DAY AND ALL NIGHT

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



Traceability is a must. More and more consumers demand certainty of origin, as is the case for example for luxury products or medicines. And many countries follow suit, with laws defending the consumer. Choose Zetes Traceability, and count on 100% certainty.

ZETES TRACEABILITY / IN TRUST FOR THE FUTURE

VIII. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SEPARATE INCOME STATEMENT	2013	2014	2015	%
In '000 €				
Sales	211,472	245,270	258,225	5.3%
Cogs	(120,026)	(141,690)	(142,646)	
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Other operating expenses	(23,661)	(26,859)	(27,156)	
Total Operating expenses	(77,911)	(84,374)	(88,888)	
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Non current costs	(820)	(1,015)	(439)	
EBITDA	12,715	18,190	26,252	44.3%
Depreciation on fixed assets	(4,927)	(5,501)	(6,213)	
Amortization of development costs	(1,748)	(2,324)	(2,378)	
Write-downs on stock, receivables, prov., other	(928)	(582)	(994)	
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Net current result ^{(1) (2)}	4,028	6,917	11,342	64.0%

TOTAL COMPREHENSIVE INCOME	2013	2014	2015	%
In '000 €				
Net profit of the Group	3,385	6,237	11,045	77.1%
Currency translation differences	(480)	142	240	
Net reevaluation of hedging instruments	(22)	95	(49)	
Other comprehensive income, net of related tax effects	(502)	237	191	
Total comprehensive income of the Group	2,883	6,474	11,236	73.6%

EARNINGS PER SHARE (€ per share)	2013	2014	2015	%
Number of shares outstanding ⁽¹⁾	5,156,750	5,162,665	5,175,140	
Net result ⁽²⁾	0.66	1.21	2.13	76.7%
Net current result ^{(2) (3)}	0.78	1.34	2.19	63.6%
Number of shares fully diluted ⁽¹⁾	5,156,750	5,162,665	5,286,317	
Net diluted result ⁽²⁾	0.66	1.21	2.09	73.0%

(1) Calculated based on the weighted average number outstanding shares

(2) Attributable to equity holders of the parent company

(3) "Current" means excluding restructuring charges and non-current income/costs

FINANCIAL POSITION	2013	2014	2015
In '000 €			
ASSETS			
Tangible assets	15,873	16,386	19,716
Intangible assets	6,659	6,489	6,354
Goodwill	39,924	40,033	40,602
Deferred tax assets	4,385	4,885	4,769
Financial assets and other non current assets	2,705	2,066	548
Non-current assets	69,545	69,859	71,988
Inventories	14,302	17,146	17,821
Current trade and other receivables	57,986	67,623	62,260
Trade receivables	54,183	63,974	59,398
Construction contracts	2,356	2,065	1,292
Other receivables	1,446	1,584	1,570
Current tax assets	181	440	601
Current prepayments	10,588	13,116	13,743
Cash and cash equivalents	10,585	16,290	22,267
Current assets	93,642	114,614	116,692
TOTAL ASSETS	163,187	184,474	188,680
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	76,109	78,731	89,038
Issued capital	49,895	49,895	49,895
Reserves	26,332	27,032	31,105
Own shares	(3,502)	(4,433)	(3,007)
Profit of the period	3,385	6,237	11,045
Non controlling interests	963	808	635
Total equity	77,072	79,539	89,673
Non current interests bearing borrowings	2,921	792	4,194
Non current provisions	800	921	1,136
Non current obligations	192	179	177
Non current hedging instruments	0	0	71
Deferred tax liabilities	2,550	2,698	2,960
Non current liabilities	6,464	4,590	8,538
Current interests bearing borrowings	10,983	14,208	8,841
Current obligations	24	26	27
Current hedging instruments	47	0	125
Current trade and other payables	65,858	81,346	75,053
Trade payables	28,957	37,859	33,002
Advances received	22,758	28,513	26,718
Other payables	14,144	14,973	15,332
Current tax liabilities	1,288	3,727	5,274
Other current liabilities	1,450	1,040	1,149
Current liabilities	79,651	100,345	90,469
TOTAL EQUITY AND LIABILITIES	163,187	184,474	188,680

CASH FLOW STATEMENT	2013	2014	2015
In '000 €			
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE (I)	12,797	10,585	16,290
Cash flows from the P&L	10,337	14,369	20,180
Result before tax	4,333	9,247	15,889
Depreciation on fixed assets	4,927	5,501	6,213
Depreciation on development costs	1,748	2,324	2,378
Write-downs on stock & receivables	824	416	945
Write-downs on financial assets	44	1	11
Provisions	(200)	106	(19)
Net Financial charges	232	177	256
Income tax paid	(1,504)	(3,429)	(5,264)
Other increase (decrease)	(68)	27	(230)
Working capital	(6,311)	2,701	(215)
Decrease (increase) in assets	(2,796)	(14,126)	5,219
Increase (decrease) in liabilities	(3,514)	16,827	(5,433)
CASH FLOWS FROM OPERATIONS (II)	4,026	17,070	19,965
Acquisitions	(11,086)	(8,754)	(8,273)
Fixed Assets	(7,986)	(5,851)	(4,558)
Subsidiaries, net of cash acquired	(343)	(322)	(1,113)
Developments	(2,756)	(2,582)	(2,602)
Disposals	366	158	261
Fixed Assets	366	158	261
Interests received (+)	24	100	62
CASH FLOWS RELATING TO INVESTING ACTIVITIES (III)	(10,696)	(8,497)	(7,951)
Proceeds from cash flows from financing	8,053	1,055	(5,258)
Capital	2	0	105
Proceeds from finance lease/bank loans	3,947	3,160	2,250
Repayments of finance lease liabilities/bank loans	(2,108)	(2,186)	(3,908)
Bank overdrafts increase (decrease)	6,185	116	(3,769)
Cash restricted or pledged	28	(35)	65
Financial charges	(256)	(277)	(317)
Shareholders payments	(3,125)	(3,788)	(929)
Dividends paid	(2,875)	(2,857)	(3,264)
Own shares	(250)	(931)	2,336
CASH FLOWS RELATING TO FINANCING ACTIVITIES (IV)	4,672	(3,009)	(6,504)
NET INCREASE IN CASH AND CASH EQUIVALENTS (V)= (II)+(III)+(IV)	(1,998)	5,564	5,510
OTHER VARIATIONS (incl. effect of exchange rate) (VI)	(214)	141	466
CASH AND CASH EQUIVALENTS, CLOSING BALANCE (VII)=(I)+(V)+(VI)	10,585	16,290	22,267

CHANGES IN SHAREHOLDERS' EQUITY 2015

In '000 €	Issued capital	Reserves	Own shares	Currency translation reserves	Hedging reserves	Total	Non controlling interests	Total equity
Balance at 31 december 2014	49,895	33,780	(4,433)	(572)	60	78,731	808	79,539
Net result of the period		11,045				11,045	(317)	10,728
Result directly allocated to equity				240	(49)	191		191
Total comprehensive income		11,045		240	(49)	11,236	(317)	10,919
Capital increase						0	105	105
Dividends		(3,264)				(3,264)		(3,264)
Acquisition / sales of own shares		864	1,471			2,336		2,336
Other variations		45	(45)			(0)	39	39
Balance at 31 december 2015	49,895	42,471	(3,007)	(332)	12	89,038	635	89,673

CHANGES IN SHAREHOLDERS' EQUITY 2014

In '000 €	Issued capital	Reserves	Own shares	Currency translation reserves	Hedging reserves	Total	Non controlling interests	Total equity
Balance at 31 december 2013	49,895	30,465	(3,502)	(714)	(35)	76,109	963	77,072
Net result of the period		6,237				6,237	(41)	6,196
Result directly allocated to equity				142	95	237		237
Total comprehensive income		6,237		142	95	6,474	(41)	6,433
Share-based payment		34				34		34
Dividends		(2,857)				(2,857)		(2,857)
Acquisition / sales of own shares			(931)			(931)		(931)
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in change of control		(99)				(99)	(103)	(202)
Other variations		(0)				(0)	(11)	(11)
Balance at 31 december 2014	49,895	33,780	(4,433)	(572)	60	78,731	808	79,539

GOODS ID

SEGMENT REPORTING (P&L)	2013	2014	2015	%
In '000 €				
Sales	171,187	190,639	204,306	7.2%
Gross Margin	68,334	74,760	80,563	7.8%
Gross Margin %	39.9%	39.2%	39.4%	
Total Operating expenses	(59,226)	(62,613)	(65,922)	5.3%
Current EBITDA	9,108	12,147	14,641	
% Current EBITDA / Sales	5.3%	6.4%	7.2%	
Non current costs	(694)	(961)	(438)	
EBITDA	8,415	11,186	14,203	27.0%
% EBITDA / Sales	4.9%	5.9%	7.0%	
Depreciation on fixed assets	(3,424)	(3,347)	(3,178)	
Depreciation on development costs	(1,627)	(2,145)	(2,317)	
Write-downs on stock, receivables, prov., other	(857)	(438)	(914)	
Provisions, depreciation, amortisation, impairment losses	(5,907)	(5,930)	(6,409)	8.1%
Current EBIT	3,201	6,217	8,232	
% Current EBIT / Sales	1.9%	3.3%	4.0%	
EBIT	2,508	5,255	7,794	48.3%
% EBIT / Sales	1.5%	2.8%	3.8%	

PEOPLE ID

INFORMATION SECTORIELLE (P&L)	2013	2014	2015	%
En '000 €				
Ventes	40,285	54,630	53,919	-1.3%
Marge Brute	23,112	28,819	35,016	21.5%
Marge Totale en % des ventes	57.4%	52.8%	64.9%	
Total Charges opérationnelles	(15,433)	(18,265)	(19,495)	6.7%
EBITDA courant	7,679	10,554	15,521	
Total EBITDA courant en % des ventes	19.1%	19.3%	28.8%	
Charges non courantes	(127)	(3)	(1)	
EBITDA	7,552	10,552	15,520	47.1%
Total EBITDA courant en % des ventes	18.7%	19.3%	28.8%	
Amortissements sur actifs immobilisés	(1,388)	(2,031)	(2,989)	47.2%
Amortissements sur frais développement	(122)	(179)	(62)	
Dépréciations sur stocks / créances / prov. et autres pertes valeur	(9)	(78)	(80)	
Total Provisions, dépréciations et amortissements	(1,520)	(2,288)	(3,130)	
EBIT Courant	6,159	8,266	12,391	
En % des ventes	15.3%	15.1%	23.0%	
EBIT	6,033	8,264	12,390	49.9%
En % des ventes	15.0%	15.1%	23.0%	

SEGMENT RECONCILIATION

SEGMENT REPORTING (P&L)	2013	2014	2015	%
In '000 €				
Sales				
Goods ID	171,187	190,639	204,306	7.2%
People ID	40,285	54,630	53,919	-1.3%
Total sales	211,472	245,270	258,225	5.3%
Gross margin				
Goods ID	68,334	74,760	80,563	7.8%
In % of sales	39.9%	39.2%	39.4%	
People ID	23,112	28,819	35,016	21.5%
In % of sales	57.4%	52.8%	64.9%	
Total gross margin	91,446	103,579	115,579	11.6%
Total gross margin in % of sales	43.2%	42.2%	44.8%	
Operating expenses				
Goods ID	(59,226)	(62,613)	(65,922)	5.3%
People ID	(15,433)	(18,265)	(19,495)	6.7%
Corporate	(3,252)	(3,496)	(3,471)	-0.7%
Total operating expenses	(77,911)	(84,374)	(88,888)	5.3%
Current EBITDA				
Goods ID	9,108	12,147	14,641	20.5%
In % of sales	5.3%	6.4%	7.2%	
People ID	7,679	10,554	15,521	47.1%
In % of sales	19.1%	19.3%	28.8%	
Corporate	(3,252)	(3,496)	(3,471)	-0.7%
Total current EBITDA	13,535	19,205	26,691	39.0%
Total current EBITDA in % of sales	6.4%	7.8%	10.3%	
EBITDA				
Goods ID	8,415	11,186	14,203	27.0%
People ID	7,552	10,552	15,520	47.1%
Corporate	(3,251)	(3,547)	(3,471)	-2.1%
Total EBITDA	12,715	18,190	26,252	44.3%
Provisions, depreciation, amortisation, impairment losses				
Goods ID	(5,907)	(5,930)	(6,409)	8.1%
People ID	(1,520)	(2,288)	(3,130)	36.8%
Corporate	(177)	(189)	(47)	-75.3%
Total	(7,604)	(8,407)	(9,586)	14.0%
Current EBIT				
Goods ID	3,201	6,217	8,232	32.4%
In % of sales	1.9%	3.3%	4.0%	
People ID	6,159	8,266	12,391	49.9%
In % of sales	15.3%	15.1%	23.0%	
Corporate	(3,429)	(3,686)	(3,518)	-4.6%
Total current EBIT	5,931	10,798	17,105	58.4%
Total current EBIT in % of sales	2.8%	4.4%	6.6%	
EBIT				
Goods ID	2,508	5,255	7,794	48.3%
People ID	6,033	8,264	12,390	49.9%
Corporate	(3,429)	(3,736)	(3,518)	-5.9%
Total EBIT	5,111	9,783	16,666	70.4%

Comments

The Company is organized into two business units operating differently and, therefore, are reviewed separately: the Goods ID and the People ID.

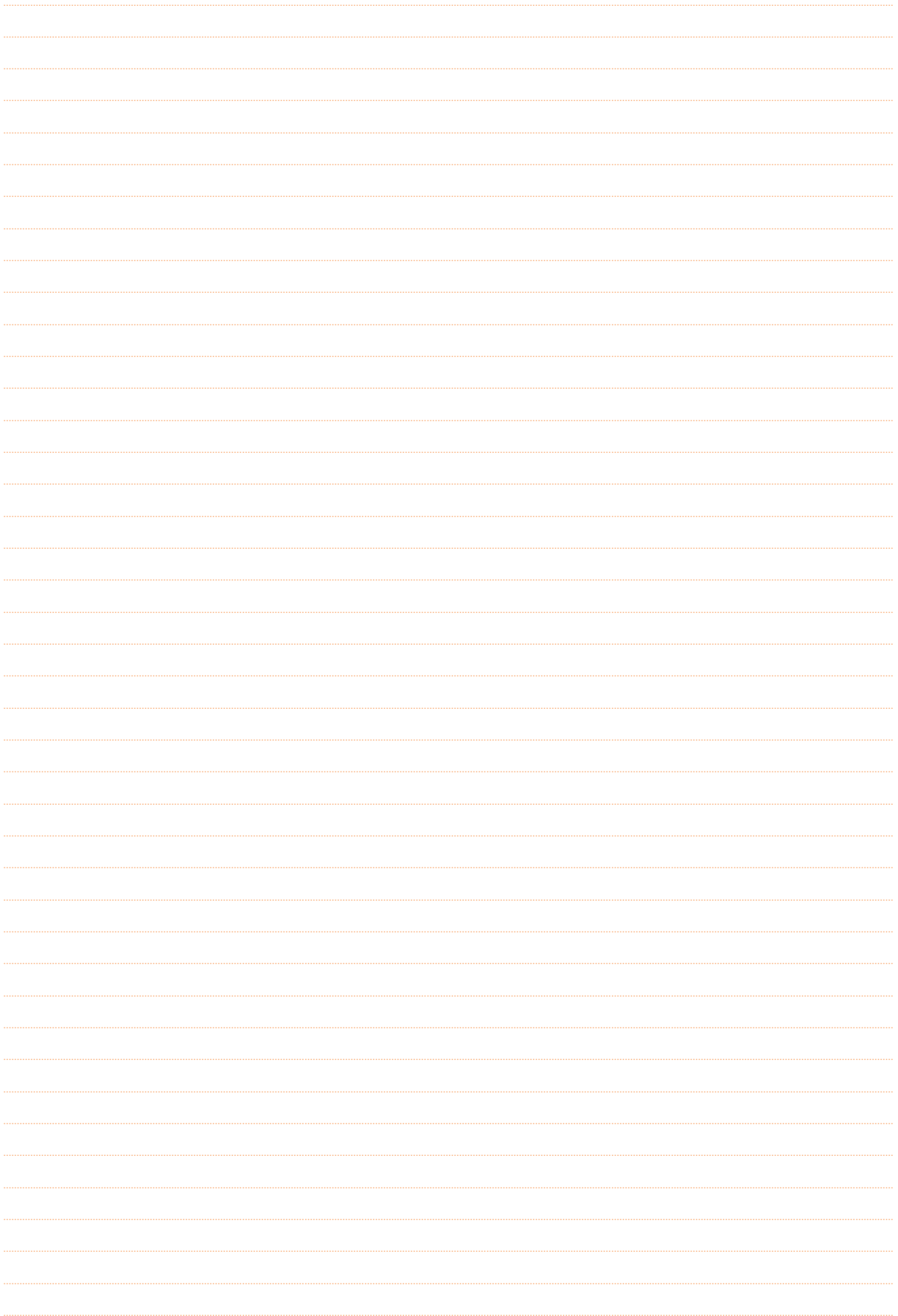
For the Goods ID, the company has built an international structure with physical infrastructures all over Europe, in Israel and in South Africa (15 countries).

To the opposite, the People ID business is strongly centralized.

The internal reporting for each business units is limited to the analysis of the sales, the gross margin, the operating expenses, the EBITDA and the depreciation.

Zetes Group has also a «corporate» structure whose expenses are reviewed separately.

SEGMENT REPORTING (BS)	2013	2014	2015	%
In '000 €				
Goodwill				
Goods ID	36,615	36,724	36,724	0.0%
People ID	3,309	3,309	3,878	17.2%
Total goodwill	39,924	40,033	40,602	1.4%
Fixed assets				
Goods ID	14,660	14,210	13,709	-3.5%
People ID	7,667	8,581	12,306	43.4%
Corporate	205	84	55	
Total fixed assets	22,531	22,875	26,070	14.0%
Inventories				
Goods ID	10,032	12,105	13,327	10.1%
People ID	4,269	5,041	4,494	-10.8%
Total inventories	14,302	17,146	17,821	3.9%
Current trade and other receivables				
Goods ID	56,975	66,053	66,535	0.7%
People ID	10,361	13,304	8,451	-36.5%
Corporate	99	313	143	
Total current trade and other receivables	67,434	79,670	75,129	-5.7%
Total ASSETS				
Goods ID	118,282	129,093	130,295	0.9%
People ID	25,605	30,235	29,129	-3.7%
Corporate and other non allocated assets	19,299	25,146	29,256	
Total ASSETS	163,187	184,474	188,680	2.3%
Current trade and other payables				
Goods ID	58,294	72,134	68,033	-5.7%
People ID	6,171	9,452	9,064	-4.1%
Corporate	769	1,403	1,304	
Total current trade and other payables	65,234	82,989	78,401	-5.5%
Total LIABILITIES				
Goods ID	58,294	72,134	68,033	-5.7%
People ID	6,171	9,452	9,064	-4.1%
Corporate and other non allocated liabilities	98,722	102,887	111,584	
Total LIABILITIES	163,187	184,474	188,680	2.3%
Capital expenditures excl. financial instruments				
Goods ID	5,827	5,091	5,425	6.6%
People ID	4,821	3,341	1,730	-48.2%
Corporate	95	0	6	
Total Capital expenditures	10,743	8,432	7,160	-15.1%



Publication

Zetes Corporate Marketing
& Communication

Executive editor

Pierre Lambert, CFO
Da Vinci Science Park
Rue du Strasbourg 3
B-1130 Brussels

Concept

choco cvba
www.choco.coop

Layout & production

www.visible.be

This report was written in French. The Dutch and English versions are provided for the convenience of the reader. Only the French version is legally binding.

