

Consolidated financial statements for the 6 month period ended September 30, 2013

Consolidated income statement

(in thousand Euros)	September 30, 2013	September 30, 2012
Sales	90 992	130 243
Cost of sales	(122 384)	(143 091)
Gross profit	(31 392)	(12 848)
Selling and marketing expenses	(8 700)	(8 154)
Research and development expenses	(15 254)	(28 831)
Solar project development costs	(1 136)	(1 592)
General and administrative expenses	(15 456)	(18 750)
Current operating loss	(71 939)	(70 175)
Other operating income	2 687	-
Other operating expenses	(71 977)	(56 260)
Operating loss	(141 230)	(126 435)
Financial income	13 520	8 598
Financial expense	(32 211)	(14 060)
Net financial expense	(18 691)	(5 462)
Loss before income tax	(159 921)	(131 897)
Income tax	(4)	-
Consolidated net loss for the period	(159 925)	(131 897)
Share of loss of associates	(305)	(441)
Net loss	(160 230)	(132 338)
Non-controlling interests	(194)	-
Net loss (Group share)	(160 037)	(132 338)
Basic net earnings per share in Euros	(1.06)	(1.08)
Diluted net earnings per share in Euros	(1.06)	(1.08)

Comprehensive income

(in thousand Euros)	September 30, 2013	September 30, 2012
Net loss	(160 230)	(132 338)
Exchange gains/(losses) on conversion of foreign operations	(8 808)	4 666
Items of total comprehensive income/ (loss) re-classifiable to the income statement	(8 808)	4 666
Actuarial gains/(losses) on pensions and other post-retirement benefits	-	-
Items of total comprehensive income/ (loss) not re-classifiable to the income statement	-	-
Income and expenses recognized directly in equity	(8 808)	4 666
Total comprehensive loss for the period	(169 039)	(127 672)
Non-controlling interests	(176)	-
Total comprehensive loss for the period (Group share)	(168 862)	(127 672)

Consolidated balance sheet

Assets (in thousand Euros)	September 30, 2013	March 31, 2013
Non-current assets :		
Goodwill and intangible assets	19 317	56 069
Capitalized development projects	2 782	2 968
Property, plant and equipment	310 634	340 583
Deferred project costs	12 421	16 284
Deferred tax assets	-	-
Investments in associates	-	14 150
Non-current financial assets	506	3 601
Other non-current assets	23 887	18 730
Total non-current assets	369 547	452 385
Current assets :		
Inventories	81 819	66 236
Trade receivables	27 026	42 414
Solar power projects	14 273	-
Other current assets	36 973	25 140
Current financial assets	86 323	2 937
Cash and cash equivalents	117 049	130 127
Total current assets	363 464	266 855
Total assets	733 013	719 240

Equity and liabilities (in thousand Euros)	September 30, 2013	March 31, 2013
Equity:		
Share capital	17 249	12 263
Share premium	704 326	641 233
Treasury shares	(478)	(478)
Retained earnings	(425 496)	(270 661)
Other reserves	4 585	8 736
Group equity	300 185	391 093
Non-controlling interests	(218)	(119)
Total equity	299 968	390 974
Non-current liabilities :		
Long-term financial debt	161 087	139 663
Deferred tax liabilities	-	-
Provisions and other non-current liabilities	14 199	13 133
Total non-current liabilities	175 286	152 796
Current liabilities :		
Short-term financial debt	156 733	56 999
Trade payables	48 729	57 593
Provisions and other current liabilities	52 297	60 879
Total current liabilities	257 759	175 470
Total liabilities	733 013	719 240

Statement of changes in equity

(in thousand Euros)	Number of shares	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves	Group equity	Non-controlling interests	Total equity
March 31, 2012	122 128 392	12 213	641 663	(478)	(67 120)	6 233	592 511	-	592 511
Exchange gains/(losses) on conversion of foreign operations	-	-	-	-	-	4 666	4 666	-	4 666
Actuarial gains/(losses) on pensions and other post-retirement benefits	-	-	-	-	-	-	-	-	-
Total income and expenses for the period directly recognized in equity	-	-	-	-	-	4 666	4 666	-	4 666
Loss for the period	-	-	-	-	(132 338)	-	(132 338)	-	(132 338)
Total comprehensive income/(loss) for the period	-	-	-	-	(132 338)	4 666	(127 672)	-	(127 672)
Stock options, warrants and free shares	184 451	18	-	-	(18)	-	-	-	-
ABSAAR transactions	-	-	(1 286)	-	-	-	(1 286)	-	(1 286)
Share-based payments	-	-	-	-	1 273	-	1 273	-	1 273
Other items	-	-	-	-	(39)	-	(39)	-	(39)
September 30, 2012	122 312 843	12 231	640 378	(478)	(198 242)	10 899	464 787	-	464 787

(in thousand Euros)	Number of shares	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves	Group equity	Non-controlling interests	Total equity
March 31, 2013	122 626 743	12 263	641 233	(478)	(270 661)	8 736	391 093	(119)	390 974
Exchange gains/(losses) on conversion of foreign operations	-	-	-	-	(4 673)	(4 152)	(8 825)	17	(8 808)
Actuarial gains/(losses) on pensions and other post-retirement benefits	-	-	-	-	-	-	-	-	-
Total income and expenses for the period directly recognized in equity	-	-	-	-	(4 673)	(4 152)	(8 825)	17	(8 808)
Loss for the period	-	-	-	-	(160 037)	-	(160 037)	(194)	(106 512)
Total comprehensive loss for the period	-	-	-	-	(164 710)	(4 152)	(168 862)	(176)	(169 038)
Stock options, warrants and free shares	582 040	58	-	-	(58)	-	-	-	-
Proceeds from share issue	49 283 512	4 928	66 533	-	-	-	71 461	-	71 461
Share capital increase expenses, net	-	-	(3 440)	-	-	-	(3 440)	-	(3 440)
Impact of early partial repurchase of 2014 OCEANE	-	-	-	-	(1 863)	-	(1 863)	-	(1 863)
Equity component of new compound financial instruments (2018 OCEANE)	-	-	-	-	13 208	-	13 208	-	13 208
Transactions with non-controlling interests	-	-	-	-	105	-	105	78	183
Share-based payments	-	-	-	-	(1 517)	-	(1 517)	-	(1 517)
September 30, 2013	172 492 295	17 250	704 326	(478)	(425 496)	4 584	300 185	(218)	299 968

Statement of cash flows

(in thousand Euros)	September 30, 2013	September 30, 2012
Consolidated net loss for the period	(160 230)	(132 338)
Elimination of non cash items :		
Share of profit /(loss) of associates	305	441
Impairment of shares accounted for under the equity method	13 211	-
Impairment of goodwill	30 668	-
Depreciation and amortization expenses	28 905	30 971
Impairment charges and write down of assets	17 756	55 620
Provisions, net	9 090	2 452
Provision for retirement indemnities	524	349
Profit/ (loss) on disposals of assets	103	(753)
Income tax charge	4	-
Cost of financial debt	18 689	5 461
Share-based payments	(1 517)	1 273
Total non cash items	117 738	95 814
Increase / (decrease) in cash in :		
Inventories	(18 813)	(5 787)
Solar power projects	(7 498)	-
Trade receivables	15 431	2 387
Other receivables	(13 019)	15 086
Trade payables	(11 212)	1 364
Other liabilities	(7 453)	(13 895)
Variation in working capital	(42 564)	(845)
Net cash generated by/ (used in) operating activities	(85 056)	(37 369)
Purchase of intangible assets	(1 807)	(8 459)
Capitalization of Solar project development costs	(1 631)	-
Purchase of tangible assets	(28 584)	(88 590)
Proceeds from sales of tangible and intangible assets	1 096	739
(Acquisition) and disposal of financial assets	(84 850)	2 921
Capital contribution in a subsidiary accounted for under the equity method (JV Reflexite Optical Technology)	(1 047)	(4 147)
Net cash generated by/ (used in) investing activities	(116 823)	(97 536)
Proceeds from share capital increases and exercise of stock options	68 022	1
Repurchase of ABSAARS	-	(1 286)
Issuance of bonds	172 580	-
Drawing on credit lines	26 015	20 001
Repayment of borrowings (including finance leases)	(65 356)	(5 503)
Interest received	4 537	2 351
Interest paid	(14 234)	(10 276)
Net cash generated by/ (used in) financing activities	191 564	5 288
Effects of exchange rate fluctuations	(2 762)	769
Change in net cash	(13 078)	(128 848)
Cash at beginning of the period	130 127	259 804
Cash at end of the period	117 049	130 956