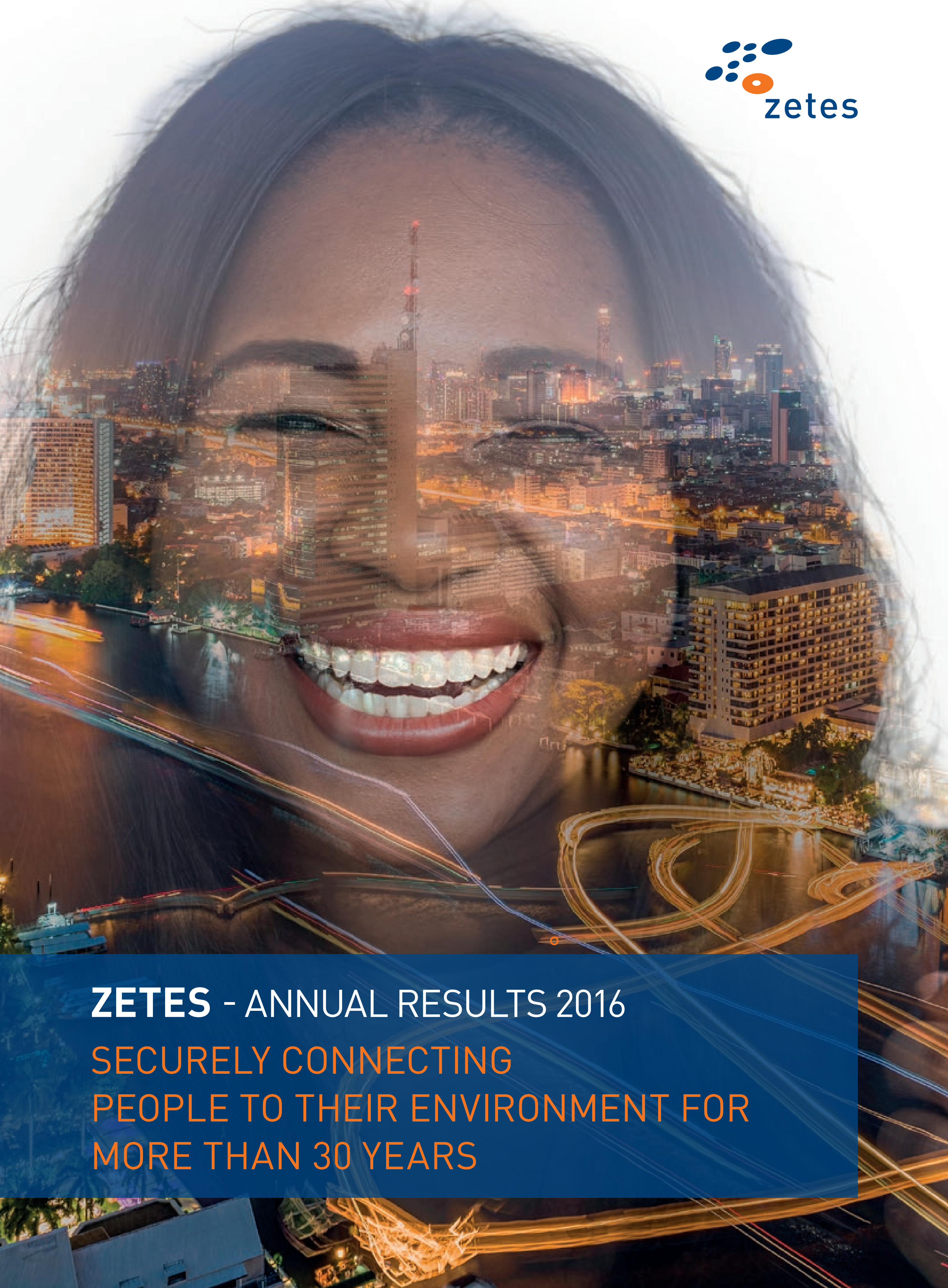


ZETES - ANNUAL RESULTS 2016

SECURELY CONNECTING PEOPLE TO THEIR ENVIRONMENT FOR MORE THAN 30 YEARS

Net result of € 11.5 million
+6.9% on 2015

CONTENTS

GROUP

High profitability in both divisions

Group current EBITDA up to € 26.5 million, supported by the record performance of the Goods ID division

Net result of € 11.5 million, up 6.9% on 2015.

GOODS ID

Stable revenues and further improved profitability

Sales of € 205.0 million buoyed by a strong second half growth

Current EBITDA of € 15.9 million (+8.7% on 2015)

PEOPLE ID

Key role of long-term contracts with high added value

Sales of € 48.4 million (-10.3% on 2015)

Current EBITDA of € 14.2 million (-8.4% on 2015)

After the strong sales growth in 2015, associated in particular with a major project in the Goods ID division, the challenge for 2016 was to repeat the 2015 performance without relying on a similar major contract. Finally, sales for the year amounted to € 253.4 million, down just 1.9% from 2015, with current EBITDA stabilizing at € 26.5 million (€ 26.7 million in 2015).

This decline in sales reflects the lower turnover of the People ID division (-10.3%), supported solely by long-term contracts, while the turnover of the Goods ID Division was stable (+0.4% on 2015), despite the negative impact of exchange rates.

The gross margin ended up at € 114.8 million, close to the 2015 record (-0.6%). In relative terms it represented 45.3% of sales, which is higher than 2015 (44.8%), influenced essentially by the product mix of the People ID division and the constant improving margins in Goods ID.

Current EBITDA of the Group is € 26.5 million, which is stable compared with 2015, supported by a good performance in both divisions: € 15.9 million in Goods ID (+8.7%) and € 14.2 million in People ID (-8.4%).

The Goods ID division succeeded in maintaining sales at the 2015 level without any one major contract equivalent to the one carried out in the first half 2015. The Division is reaping the benefits of the 6 key solutions-based commercial strategy introduced in 2012, particularly in the retail, postal services and transport sectors. Its serialization solution (ZetesAtlas) used in production units is also growing strongly, even if its impact on the Division's sales figure remains right now more limited.

In People ID, sales are down: -10.3% compared with 2015. This reflects the decrease in short-term contracts. Business development efforts remained strong, but without translating into sales in 2016. The execution of the various long-term contracts enabled the Division to maintain a good profitability, with a current EBITDA of € 14.2 million (-8.4% compared to 2015).

Non-recurring expenses are up, mainly as a result of the - ongoing - transaction - of the purchase of Zetes Industries SA by Panasonic. The costs related to this transaction in 2016 amount to € 0.5 million.

ON-THE-ROAD IDENTIFICATION

DELIVERING ON PROMISE
IN TRANSPORT & LOGISTICS

+8.7% current EBITDA in Goods ID

I. INCOME STATEMENT

SEPARATE INCOME STATEMENT	2014	2015	2016	%
In '000 €				
Sales	**245,270**	**258,225**	**253,401**	***-1.9%***
Cogs	(141,690)	(142,646)	(138,557)	
Gross Margin	**103,579**	**115,579**	**114,844**	***-0.6%***
Gross Margin%	*42.2%*	*44.8%*	*45.3%*	
Employee Expenses	(57,516)	(61,732)	(62,462)	
Other operating expenses	(26,859)	(27,156)	(25,844)	
Total Operating expenses	**(84,374)**	**(88,888)**	**(88,306)**	
Current EBITDA (REBITDA) (1)	**19,205**	**26,691**	**26,538**	***-0.6%***
Non current costs	(1,015)	(439)	(746)	
EBITDA	**18,190**	**26,252**	**25,792**	***-1.8%***
Depreciation on fixed assets				
Amortization of development costs	(5,501)	(6,213)	(5,117)	
Write-downs on stock, receivables, prov., other	(2,324)	(2,378)	(2,647)	
Provisions, depreciation, amortisation, impairment losses	(582)	(994)	(1,165)	
Operating profit (EBIT)	**(8,407)**	**(9,586)**	**(8,929)**	
Result from the disposal of fixed assets	**9,783**	**16,666**	**16,864**	***1.2%***
Financial charges	30	2	16	
Financial income	(1,199)	(2,002)	(1,707)	
Result before taxes	633	1,223	1,157	
Income tax	**9,247**	**15,889**	**16,330**	***2.8%***
Profit of the period	(3,051)	(5,161)	(4,858)	
Non controlling interests	**6,196**	**10,728**	**11,471**	***6.9%***
Net profit of the Group	(41)	(317)	56	
Current EBIT (REBIT) (1)	6,237	11,045	11,415	*3.3%*
Net current result (1) (2)	**10,798**	**17,105**	**17,610**	***3.0%***
Résultat net courant (1) (2)	**6,917**	**11,342**	**11,990**	***5.7%***

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

Provisions, depreciation, amortization and impairment losses were down at € 8.9 million.

Financial charges are significantly down, while financial income remained stable. Foreign exchange losses amounted to € 1.0 million in 2016, vs. 1.4 million in 2015. In this way the net financial result for the year is a slight improvement on 2015: a net charge of € 0.5 million vs. € 0.8 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 reach € 4.9 million, or 29.8% of the pre-tax result. This is in line with the rate applicable in Belgium, where the Group has its operations centre.

The net result of the Group is € 11.5 million, up 6.9% on 2015.

Analysis by half-year

ZETES GROUP	1H 2016	2H 2016	2016
In '000 €			
Sales	121,457	131,944	253,401
Gross Margin	57,082	57,762	114,844
% Gross Margin / Sales	*47.0%*	*43.8%*	*45.3%*
Total Operating expenses	(44,580)	(43,725)	(88,306)
Current EBITDA	12,501	14,037	26,538
% Current EBITDA / Sales	*10.3%*	*10.6%*	*10.5%*
EBITDA	12,427	13,366	25,792

The second half confirmed the good performance of the first half with growing sales and EBITDA. The seasonality of sales was more pronounced than in 2015, and was in line with the historical trend in the Goods ID division.

The development by division is discussed below.

1. Goods ID

For the fourth consecutive year, the Goods ID Division improved its performance; sales stabilized at a record € 205.0 million, a slight increase of 0.4% compared to 2015. This evolution, organic in nature, is the result of the 6 key solutions strategy introduced in 2012. It was negatively impacted by changes in exchange rates, as explained below. The macroeconomic environment remained good in the various countries where Zetes operates, and almost all local entities contributed positively to Group earnings.

GOODS ID	2015	2016	%
In '000 €			
Sales	204,306	205,030	0.4%
Gross Margin	80,563	82,298	2.2%
% Gross Margin / Sales	*39.4%*	*40.1%*	
Total Operating expenses	(65,922)	(66,377)	0.7%
Current EBITDA	14,641	15,920	8.7%
% Current EBITDA / Sales	*7.2%*	*7.8%*	
EBITDA	14,203	15,818	11.4%
Provisions, depreciation, amortisation, impairment losses	(6,409)	(5,894)	-8.0%
Current EBIT	8,232	10,026	21.8%

The contribution of the 6 solutions to the results and in particular to the gross margin of the division is significant: it is these that made it possible to increase the gross margin as a percentage of sales (40.1% vs. 39.4% in 2015 and 39.2 % in 2014). With just a limited increase in sales, gross margin rose by € 1.7 million to € 82.3 million.

The impact is particularly visible at the level of operating profitability: with operating expenses under control (+ 0.7% compared to 2015), the Division achieved an 8.7% rise in recurring EBITDA, up for the fourth consecutive year.

Zetes continues of course to refine its 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 rising R&D investments, up to € 2.9 million in Goods ID (€ 2.5 million in 2015) and also slightly increased amortization: € 2.6 million against € 2.3 million in 2015. Depreciation of other non-current assets amounted to € 2.4 million, which is significantly lower than in 2015. Other provisions, depreciation, amortization and impairment losses remained stable at € 0.9 million. In all, non-cash expenses were € 5.9 million, down € 8.0% on 2015.

As a result, the Division generated a current EBIT of € 10.0 million, up 21.8% on 2015 (€ 8.2 million).

€ 14.2 million EBITDA
du People ID

Analysis by half-year

GOODS ID	1H 2016	2H 2016	2016
In '000 €			
Sales	96,087	108,943	205,030
Gross Margin	39,983	42,315	82,298
% Gross Margin / Sales	*41.6%*	*38.8%*	*40.1%*
Total Operating expenses	(33,226)	(33,151)	(66,377)
Current EBITDA	6,757	9,163	15,920
% Current EBITDA / Sales	*7.0%*	*8.4%*	*7.8%*
EBITDA	6,683	9,136	15,818

Sales seasonality reverted to the normal pattern in 2016, with much higher sales in the second half. Gross margin as a percentage of sales moved in the right direction, with 41.6% in H1 2016 and 38.8% in H2 2016, vs. 40.5% in H1 2015 and 38.4% in H2 2015.

The increase in sales is small, but the division had set itself the objective of stabilizing its revenues in 2016 without the benefit of a roll-out like the one in H1 2015. The efforts to develop the recurrent portion of revenues made it possible to increase visibility on margins. Zetes continues to increase its recurring revenues and to win major contracts, especially in growth sectors such as postal services.

Evolving exchange rates impacted sales figures, but with a less marked effect on EBITDA. The change is due to the appreciation (vis-à-vis the euro) of the South African rand, offset by the depreciation of the pound sterling. At constant exchange rates, sales revenue and gross profit would have been 2.8% and 4.5% higher respectively. The negative impact of exchange rate changes on current EBITDA is € 0.4 million.

GOODS ID Excluding currency impact	2015	2016	%
In '000 €			
Sales	204,306	210,036	2.8%
Gross Margin	80,563	84,148	4.5%
% Gross Margin / Sales	*39.4%*	*40.1%*	
Total Operating expenses	(65,922)	(67,826)	2.9%
Current EBITDA	14,641	16,322	11.5%
% Current EBITDA / Sales	*7.2%*	*7.8%*	
EBITDA	14,203	16,220	14.2%

All the growth is internally generated, with the Goods ID division remaining focused on implementing its 6 key solutions strategy, which is generating internal growth.

2. People ID

In People ID, sales revenue dipped by 10.3%, but with margins behaving very well thanks to the product mix. Most revenue comes either from long-term contracts with high added value, or from small services-only contracts. The added value added of the software solutions lies in data security, flow management and traceability. This sets the Division aside and is also the main factor in improved margins.

In 2016 Zetes undertook development work in the authentication area, with € 0.3 million invested over and above specific equipment. This, combined with the development work in the Goods ID division, explains the higher amounts recorded in the balance sheet (see below).

Despite a drop in income, the Division's performance remains very satisfactory.

PEOPLE ID	2015	2016	%
In '000 €			
Sales	53,919	48,371	-10.3%
Gross Margin	35,016	32,546	-7.1%
% Gross Margin / Sales	*64.9%*	*67.3%*	
Total Operating expenses	(19,495)	(18,329)	-6.0%
Current EBITDA	15,521	14,217	-8.4%
% Current EBITDA / Sales	*28.8%*	*29.4%*	
EBITDA	15,520	14,217	-8.4%
Provisions, depreciation, amortisation, impairment losses	(3,130)	(3,046)	-2.7%
Current EBIT	12,391	11,171	-9.8%

In 2016, Build and Operate contracts contributed significantly to revenues and results,

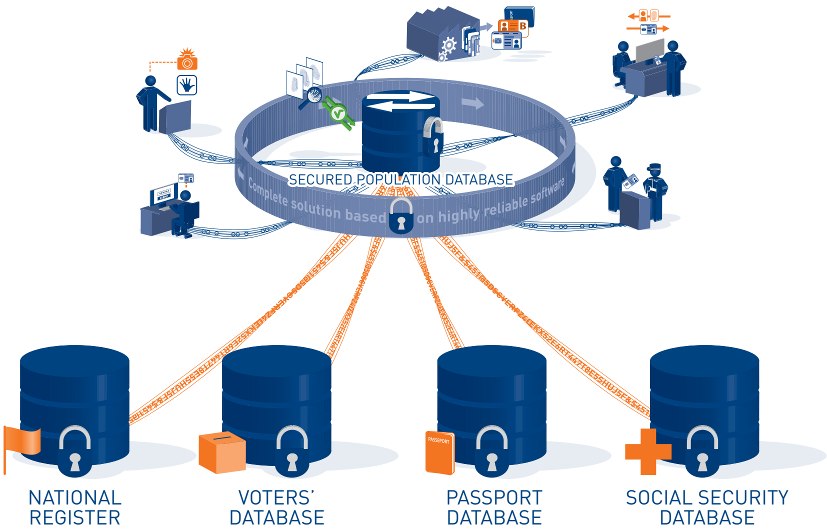
Identity and travel documents are at the centre of the security systems of all States. These documents must to be secure and non-forgeable. Moreover, in the present era of connectivity and mobile computing, these documents must be electronic to permit secure interconnection with the authorities' computer systems.

The Zetes People ID solutions provide strong authentication of a country's citizens, both in the individual's relationship with his document and in the linkage with the country's databases.

Zetes provides its customers with the capture of citizens' biographic and biometric data, sound population databases, issuance and distribution of identity documents and fixed and mobile control equipment.

The Build and Operate model, whereby a State entrusts Zetes with every stage of the process, is particularly attractive in enabling customers to provide their citizens with leading-edge security documents without upfront investment or risk of poor choice or supplier. It is also attractive for Zetes, as once the solution is deployed, the company has good visibility on the business for several years on out.

Solvability ratio
at 46.9%



GOVERNMENTAL SYSTEMS

The same software architecture can be deployed for multiple government applications. This limits the risk to clients since the solution is tested and developed according to the most advanced standards, including ISO 27001. Again, this provides good synergies for Zetes.

The very high added value of these solutions explains the division's current EBITDA performance of € 14.2 million (down 8.7%).

Analysis by half-year

PEOPLE ID	1H 2016	2H 2016	2016
In '000 €			
Sales	25,370	23,001	48,371
Gross Margin	17,099	15,448	32,546
% Gross Margin / Sales	*67.4%*	*67.2%*	67.3%
Total Operating expenses	(9,444)	(8,886)	(18,329)
Current EBITDA	7,655	6,562	14,217
% Current EBITDA / Sales	*30.2%*	*28.5%*	29.4%
EBITDA	7,655	6,562	14,217

The division's revenues and results display a considerable degree of stability. Indeed, income volatility comes mainly from short-term contracts with large hardware deliveries. There was no significant contract of this type in 2016.

3. Group

The costs of the Corporate Division amounted to € 3.6 million, in line with 2015 (+3.7%). The Corporate Division's missions remain strategy definition, financial control, marketing and acquisitions.

Over all three divisions together (Goods ID and People ID and Corporate), the company generated a current EBITDA of € 26.5 million. This is in line with the performance of 2015 which was the best ever recorded by Zetes (€ 26.7 million).

In terms of earnings per share, Zetes again exceeded € 2 per share.

EARNINGS PER SHARE (€ per share)	2014	2015	2016	%
Number of shares outstanding [1]	**5,162,665**	**5,175,140**	**5,233,337**	
Net result [2]	1.21	2.13	2.18	*2.2%*
Net current result [2] [3]	1.34	2.19	2.29	*4.5%*
Number of shares fully diluted [1]	**5,162,665**	**5,286,317**	**5,314,551**	
Net diluted result [2]	1.21	2.09	2.15	*2.8%*

(1) Calculated based on the weighted average number of shares outstanding
(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	2015	2016
In '000 €		
ASSETS		
Tangible assets	19,716	19,910
Intangible assets	6,354	6,621
Goodwill	40,602	40,602
Deferred tax assets	4,769	4,126
Non-current assets	**71,988**	**71,664**
Inventories	17,821	22,172
Current trade and other receivables	62,260	71,459
Current prepayments	13,743	13,376
Cash	22,267	19,909
TOTAL ASSETS	**188,680**	**199,095**

Non-current assets are very stable, the limited increase in tangible and intangible assets being offset by the decrease in deferred tax assets.

Investments in development, included in intangible assets, rose in 2016 to € 3.2 million (against € 2.6 million in 2015). This results, after depreciation for the year, in a € 0.5 million increase in R&D assets.

The € 0.6 million decrease in deferred tax assets reflects the good performance of subsidiaries, especially in the UK.

Inventory has grown significantly, as have receivables (trade and other current receivables). The higher inventories reflect preparations to deploy equipment at customers in two subsidiaries (+ € 4.3 million Goods ID Division). The increase in trade receivables at 31/12/2016 is offset by increased trade payables. This evolution reflects the substantial activity towards year-end. Zetes expects working capital to improve in 2017.

Cash and equivalents has evolved favourably, with a balance at 31/12/2016 of € 19.9 million. The impact of the 2016 performance on the Group's debt structure is limited due to the distribution, for the first time, of an interim dividend (December 2016). In total, € 8.4 million was distributed to shareholders in 2016. The net cash position remains strong at € 9.4 million (€ 9.6 million at the end 2015).

The total balance sheet is larger at € 199.1 million against € 188.7 million in 2015 (+ € 10.4 million). The net working capital needs followed the same trend, rising from € 14.1 million in 2015 to € 17.5 million.

Panasonic made an offer to integrate Zetes in his group

FINANCIAL POSITION	2015	2016
In '000 €		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	89,038	92,661
Non controlling interests	635	675
Total equity	**89,673**	**93,336**
Non current interests bearing borrowings	4,194	845
Deferred tax liabilities	2,960	2,740
Current interests bearing borrowings	8,841	9,960
Current trade and other payables	75,053	86,332
Current tax liabilities	5,274	3,649
Other current liabilities	1,149	899
TOTAL EQUITY AND LIABILITIES	**188,680**	**199,095**

With a very strong equity of € 93.3 million, up € 3.7 million on 2015, and a balance sheet total of € 199.1 million, the solvency ratio was 46.9% (47.5% in 2015). The increase in equity is substantial given the distribution in 2016 of both the dividend and the interim dividend mentioned above. The capital is determined after deducting treasury shares (€ 3.9 million), held primarily to cover the exercise of options by Company executives.

LT debts decreased significantly (€ 3.4 million). These are loans for financing the building on balance sheet of the companies acquired in July 2015. These loans mature in H2 2017.

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

Cash flow statement

CASH FLOW STATEMENT	2015	2016
In '000 €		
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE (I)	**16,290**	**22,267**
CASH FLOWS FROM OPERATIONS of which :	**19,965**	**16,468**
Cash flows from the P&L	20,180	21,362
Working capital	(215)	(4,895)
CASH FLOWS RELATING TO INVESTING ACTIVITIES of which :	**(8,012)**	**(8,184)**
Fixed Assets	(4,558)	(5,185)
Subsidiaries, net of cash acquired	(1,113)	0
Developments	(2,602)	(3,211)
CASH FLOWS RELATING TO FINANCING ACTIVITIES of which :	**(6,442)**	**(10,741)**
Proceeds from finance lease/bank loans	2,250	1,557
Repayments of finance lease liabilities/bank loans	(3,908)	(1,943)
Bank overdrafts increase (decrease)	(3,769)	(1,857)
Dividends paid	(3,264)	(8,398)
Own shares	2,336	363
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	**22,267**	**19,909**

Operating activities generated a cash flow of € 16.5 million over the year. This breaks down into a P&L cash flow of € 21.4 million and a rising working capital requirement (€ -4.9 million). Zetes expects an at least partial improvement of the working capital situation in 2017.

€ 5.2 million was invested in non-current assets, which is more than in 2015 (€ 4.6 million). These break down into € 3.2 million for the Goods ID Division and € 2.0 million for the People ID division. Specific efforts were made in IT and in buildings upgrading and security.

Capitalized R&D expenses increased at € 3.2 million. These costs relate principally to the Goods ID division, divided as before 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 focused on the development and certification of a certificate issuance infrastructure that enables Zetes to gain access to issuer status.

Financing-wise, a net € 2.2 million could be repaid to banks (loans / leasing / overdrafts). Zetes also paid a dividend of € 4.2 million in June 2016 and an interim dividend of the same amount of € 4.2 million in December 2016.

III. ACQUISITIONS

Zetes examined several acquisition projects in 2016 without taking any of them further. Generally, the targets were insufficiently complementary with the Group's strategy and did not exhibit enough potential.

IV. OUTLOOK

In Goods ID, the 6 key solutions strategy continues to attract more and more customers, while the recurring income component linked to it increases the Division's visibility into the future.

The postal and parcel delivery sector is continuing to invest, with Zetes's range of products enabling it to win more and more customers. These represent huge investments for customers, who are equipping all their employees with mobile devices to enhance efficiency and service quality. Unique ID (serialization of products) also remains a very promising area, under the pressure of increasingly demanding regulations. The Atlas solution has been implemented in various fields such as pharmaceuticals, luxury goods and explosives. The generalization of this obligation of unit-by-unit traceability opens up prospects for the coming years.

In People ID, the current Build and Operate contracts are making a very significant contribution to sales and profitability. In 2017, the concessions will all contribute to the good performance of the Division. The business development efforts should allow Zetes to renew these contracts and add more short-term contracts. This team continues to grow and expand to bring it ever closer, both geographically and technically, to its potential customers.

Zetes' strategy of value-added solutions in its two divisions has attracted the attention of Panasonic, one of the world's largest companies.

As it announced on 22 December 2016, Panasonic intends, through the rapprochement with Zetes, to become a leading world supplier of logistics solutions and to extend the range and quality of the services it can offer to its customers. As of the date of this publication, this operation has not yet received the green light from all relevant merger control authorities.

In conclusion, the objective in 2016 of repeating the performance of 2015 (largely supported by a single major contract) was reached. The Group is now turning to the future with a strategy that confirms its relevance and which, under the umbrella of a global group, will potentially give it significant new prospects for growth.

V. RISKS AND UNCERTAINTIES

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

VI. TREASURY SHARES

In 2016, the Company acquired 69,216 shares (53,016 shares in the first half and 16,200 shares in the second). Zetes Industries also sold 84,497 shares in the context of the exercise of options and 34,017 shares under a staff benefit plan. At 31 December 2016, Zetes held 124.944 own shares (174.242 end of 2015), representing 2.32% of the issued shares These are intended primarily to respond to the exercise of options by Company executives.

VII. DIVIDEND

Following the Annual General Meeting in May 2016, Zetes increased its dividend by 27% to € 0.80 per share.

€ 8.4 million distributed
to shareholders

The second half of 2016 generated a very strong cash flow from operations. This allowed Zetes to pay in December 2016 an interim dividend of the same amount of € 0.80 per share.

There are no plans to pay additional dividend after the General Meeting on May 31st 2017.

VIII. DRAWING UP OF ACCOUNTS

The financial statements, the publication of which was approved by the Board of Directors on 15 March 2017 and which are presented below, constitute a summary of the annual report which will be available on 28 April 2017. They are drawn up in euros and are in conformity with IFRS standards as adopted by the European Union.

IX. WORK OF THE STATUTORY AUDITOR

The audit of the annual accounts is under way. The Statutory Auditor has confirmed that his 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: 28 April 2017

Ordinary General Meeting: 31 May 2017

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SECURING FAMILY BONDS

SAFELY REGISTERING AND MANAGING CITIZEN DATA IN CIVIL REGISTRIES

XI. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SEPARATE INCOME STATEMENT	2014	2015	2016	%
In '000 €				
Sales	**245,270**	**258,225**	**253,401**	***-1.9%***
Cogs	(141,690)	(142,646)	(138,557)	
Gross Margin	**103,579**	**115,579**	**114,844**	***-0.6%***
Gross Margin %	*42.2%*	*44.8%*	*45.3%*	
Employee Expenses	(57,516)	(61,732)	(62,462)	
Other operating expenses	(26,859)	(27,156)	(25,844)	
Total Operating expenses	**(84,374)**	**(88,888)**	**(88,306)**	
Current EBITDA (1)	**19,205**	**26,691**	**26,538**	***-0.6%***
Non current costs	(1,015)	(439)	(746)	
EBITDA	**18,190**	**26,252**	**25,792**	***-1.8%***
Depreciation on fixed assets	(5,501)	(6,213)	(5,117)	
Amortization of development costs	(2,324)	(2,378)	(2,647)	
Write-downs on stock, receivables, prov., other	(582)	(994)	(1,165)	
Provisions, depreciation, amortisation, impairment losses	**(8,407)**	**(9,586)**	**(8,929)**	
Operating profit (EBIT)	**9,783**	**16,666**	**16,864**	***1.2%***
Result from the disposal of fixed assets	30	2	16	
Financial charges	(1,199)	(2,002)	(1,707)	
Financial income	633	1,223	1,157	
Result before taxes	**9,247**	**15,889**	**16,330**	***2.8%***
Income tax	(3,051)	(5,161)	(4,858)	
Profit of the period	**6,196**	**10,728**	**11,471**	***6.9%***
Non controlling interests	(41)	(317)	56	
Net profit of the Group	6,237	11,045	11,415	3.3%
Current EBIT (REBIT) (1)	**10,798**	**17,105**	**17,610**	***3.0%***
Net current result (1) (2)	**6,917**	**11,342**	**11,990**	***5.7%***

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

TOTAL COMPREHENSIVE INCOME	2014	2015	2016	%
In '000 €				
Net profit of the Group	**6,237**	**11,045**	**11,415**	*3.3%*
Currency translation differences	142	240	141	
Net reevaluation of hedging instruments	95	(49)	(12)	
Other comprehensive income, net of related tax effect(*)s	**237**	**191**	**129**	
Total comprehensive income of the Grou(**)	**6,474**	**11,236**	**11,544**	*2.7%*

(*) «Other comprehensive income»
(**) «Total comprehensive income»

EARNINGS PER SHARE (€ per share)	2014	2015	2016	%
Number of shares outstanding (1)	5,162,665	5,175,140	5,233,337	
Net result (2)	1,21	2,13	2,18	*2.2%*
Net current result (2) (3)	1,34	2,19	2,29	*4.5%*
Number of shares fully diluted (1)	5,162,665	5,286,317	5,314,551	
Net diluted result (2)	1,21	2,09	2,15	*2.8%*

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

FINANCIAL POSITION	2014	2015	2016
In '000 €			
ASSETS			
Tangible assets	**16,386**	**19,716**	**19,910**
Intangible assets	**6,489**	**6,354**	**6,621**
Goodwill	**40,033**	**40,602**	**40,602**
Deferred tax assets	**4,885**	**4,769**	**4,126**
Financial assets and other non current assets	**2,066**	**548**	**405**
Non-current assets	**69,859**	**71,988**	**71,664**
Inventories	**17,146**	**17,821**	**22,172**
Current trade and other receivables	**67,623**	**62,260**	**71,459**
Trade receivables	63,974	59,398	69,112
Construction contracts	2,065	1,292	1,223
Other receivables	1,584	1,570	1,124
Current tax assets	**440**	**601**	**516**
Current prepayments	**13,116**	**13,743**	**13,376**
Cash and cash equivalents	**16,290**	**22,267**	**19,909**
Current assets	**114,614**	**116,692**	**127,431**
TOTAL ASSETS	**184,474**	**188,680**	**199,095**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	**78,731**	**89,038**	**92,661**
Issued capital	49,895	49,895	51,715
Reserves	27,032	31,105	33,444
Own shares	(4,433)	(3,007)	(3,913)
Profit of the period	6,237	11,045	11,415
Non controlling interests	**808**	**635**	**675**
Total equity	**79,539**	**89,673**	**93,336**
Non current interests bearing borrowings	**792**	**4,194**	**845**
Non current provisions	**921**	**1,136**	**1,024**
Non current obligations	**179**	**177**	**177**
Non current hedging instruments	**0**	**71**	**0**
Deferred tax liabilities	**2,698**	**2,960**	**2,740**
Non current liabilities	**4,590**	**8,538**	**4,787**
Current interests bearing borrowings	**14,208**	**8,841**	**9,960**
Current obligations	**26**	**27**	**26**
Current hedging instruments	**0**	**125**	**106**
Current trade and other payables	**81,346**	**75,053**	**86,332**
Trade payables	37,859	33,002	39,943
Advances received	28,513	26,718	29,639
Other payables	14,973	15,332	16,749
Current tax liabilities	**3,727**	**5,274**	**3,649**
Other current liabilities	**1,040**	**1,149**	**899**
Current liabilities	**100,345**	**90,469**	**100,971**
TOTAL EQUITY AND LIABILITIES	**184,474**	**188,680**	**199,095**

CASH FLOW STATEMENT	2014	2015	2016
In '000 €			
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE (I)	**10,585**	**16,290**	**22,267**
Cash flows from the P&L	**14,369**	**20,180**	**21,362**
Result before tax	9,247	15,889	16,330
Depreciation on fixed assets	5,501	6,213	5,117
Depreciation on development costs	2,324	2,378	2,647
Write-downs on stock & receivables	416	945	1,288
Write-downs on financial assets	1	11	1
Provisions	106	(19)	(127)
Net Financial charges	177	256	478
Income tax paid	(3,429)	(5,264)	(4,342)
Other increase (decrease)	27	(230)	(29)
Working capital	**2,701**	**(215)**	**(4,895)**
Decrease (increase) in assets	(14,126)	5,219	(14,594)
Increase (decrease) in liabilities	16,827	(5,433)	9,699
CASH FLOWS FROM OPERATIONS (II)	**17,070**	**19,965**	**16,468**
Acquisitions	**(8,754)**	**(8,273)**	**(8,396)**
Fixed Assets	(5,851)	(4,558)	(5,185)
Subsidiaries, net of cash acquired	(322)	(1,113)	0
Developments	(2,582)	(2,602)	(3,211)
Disposals	**158**	**261**	**212**
Fixed Assets	**158**	**261**	**212**
Interests received (+)	**100**	**62**	**34**
CASH FLOWS RELATING TO INVESTING ACTIVITIES (III)	**(8,497)**	**(7,951)**	**(8,150)**
Proceeds from cash flows from financing	**1,055**	**(5,258)**	**(2,228)**
Capital	0	105	0
Proceeds from finance lease/bank loans	3,160	2,250	1,557
Repayments of finance lease liabilities/bank loans	(2,186)	(3,908)	(1,943)
Bank overdrafts increase (decrease)	116	(3,769)	(1,857)
Cash restricted or pledged	(35)	65	15
Financial charges	**(277)**	**(317)**	**(512)**
Shareholders payments	**(3,788)**	**(929)**	**(8,035)**
Dividends paid	(2,857)	(3,264)	(8,398)
Own shares	(931)	2,336	363
CASH FLOWS RELATING TO FINANCING ACTIVITIES (IV)	**(3,009)**	**(6,504)**	**(10,775)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (V)= (II)+(III)+(IV)	**5,564**	**5,510**	**(2,458)**
OTHER VARIATIONS (incl. effect of exchange rate) (VI)	**141**	**466**	**100**
CASH AND CASH EQUIVALENTS, CLOSING BALANCE (VII)=(I)+(V)+(VI)	**16,290**	**22,267**	**19,909**

CHANGES IN SHAREHOLDERS' EQUITY 2016

In '000 €	Issued capital	Reserves	Own shares	Currency translation reserves	Hedging reserves	Total	Non controlling interests	Total equity
Balance at 31 December 2015	**49,895**	**42,471**	**(3,007)**	**(332)**	**12**	**89,038**	**635**	**89,673**
Net result of the period		11,415				11,415	56	11,471
Result directly allocated to equity				141	(12)	129		129
Total comprehensive income		**11,415**		**141**	**(12)**	**11,544**	**56**	**11,601**
Dividends		(8,398)				(8,398)		(8,398)
Share-based payment		113						
Acquisition / sales of own shares		1,268	(906)			363		363
Other variations	1,820	(1,980)		160		0	(16)	(16)
Balance at 31 December 2016	**51,715**	**44,890**	**(3,913)**	**(31)**	**0**	**92,548**	**675**	**93,223**

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**

GOODS ID

INFORMATION SECTORIELLE (P&L)	2014	2015	2016	%
In '000 €				
Sales	**190,639**	**204,306**	**205,030**	***0.4%***
Gross Margin	74,760	80,563	82,298	*2.2%*
Gross Margin %	39.2%	39.4%	40.1%	
Total Operating expenses	**(62,613)**	**(65,922)**	**(66,377)**	***0.7%***
Current EBITDA	**12,147**	**14,641**	**15,920**	
% Current EBITDA / Sales	6.4%	7.2%	7.8%	
Non current costs	(961)	(438)	(102)	
EBITDA	**11,186**	**14,203**	**15,818**	***11.4%***
% EBITDA / Sales	5.9%	7.0%	7.7%	
Depreciation on fixed assets	(3,347)	(3,178)	(2,448)	
Depreciation on development costs	(2,145)	(2,317)	(2,566)	
Write-downs on stock, receivables, prov., other	(438)	(914)	(880)	
Provisions, depreciation, amortisation, impairment losses	**(5,930)**	**(6,409)**	**(5,894)**	***-8.0%***
Current EBIT	**6,217**	**8,232**	**10,026**	
% Current EBIT / Sales	3.3%	4.0%	4.9%	
EBIT	**5,255**	**7,794**	**9,924**	***27.3%***
% EBIT / Sales	2.8%	3.8%	4.8%	

PEOPLE ID

SEGMENT REPORTING (P&L)	2014	2015	2016	%
In '000 €				
Sales	**54,630**	**53,919**	**48,371**	***-10.3%***
Gross Margin	28,819	35,016	32,546	*-7.1%*
Gross Margin %	52.8%	64.9%	67.3%	
Total Operating expenses	**(18,265)**	**(19,495)**	**(18,329)**	***-6.0%***
Current EBITDA	**10,554**	**15,521**	**14,217**	
% Current EBITDA / Sales	19.3%	28.8%	29.4%	
Non current costs	(3)	(1)	0	
EBITDA	**10,552**	**15,520**	**14,217**	***-8.4%***
% EBITDA / Sales	19.3%	28.8%	29.4%	
Depreciation on fixed assets	(2,031)	(2,989)	(2,645)	*-11.5%*
Depreciation on development costs	(179)	(62)	(81)	
Write-downs on stock, receivables, prov., other	(78)	(80)	(320)	
Provisions, depreciation, amortisation, impairment losses	**(2,288)**	**(3,130)**	**(3,046)**	
Current EBIT	**8,266**	**12,391**	**11,171**	
% Current EBIT / Sales	15.1%	23.0%	23.1%	
EBIT	**8,264**	**12,390**	**11,171**	***-9.8%***
% EBIT / Sales	15.1%	23.0%	23.1%	

SEGMENT RECONCILIATION

SEGMENT REPORTING (P&L)	2014	2015	2016	%
In '000 €				
Sales				
Goods ID	190,639	204,306	205,030	*0.4%*
People ID	54,630	53,919	48,371	*-10.3%*
Total sales	**245,270**	**258,225**	**253,401**	***-1.9%***
Gross margin				
Goods ID	74,760	80,563	82,298	*2.2%*
In % of sales	39.2%	39.4%	40.1%	
People ID	28,819	35,016	32,546	*-7.1%*
In % of sales	52.8%	64.9%	67.3%	
Total gross margin	**103,579**	**115,579**	**114,844**	***-0.6%***
Total gross margin in % of sales	**42.2%**	**44.8%**	**45.3%**	
Operating expenses				
Goods ID	(62,613)	(65,922)	(66,377)	*0.7%*
People ID	(18,265)	(19,495)	(18,329)	*-6.0%*
Corporate	(3,496)	(3,471)	(3,599)	*3.7%*
Total operating expenses	**(84,374)**	**(88,888)**	**(88,306)**	***-0.7%***
Current EBITDA				
Goods ID	12,147	14,641	15,920	*8.7%*
In % of sales	6.4%	7.2%	7.8%	
People ID	10,554	15,521	14,217	*-8.4%*
In % of sales	19.3%	28.8%	29.4%	
Corporate	(3,496)	(3,471)	(3,599)	*3.7%*
Total current EBITDA	**19,205**	**26,691**	**26,538**	***-0.6%***
Total current EBITDA in % of sales	**7.8%**	**10.3%**	**10.5%**	
EBITDA				
Goods ID	11,186	14,203	15,818	*11.4%*
People ID	10,552	15,520	14,217	*-8.4%*
Corporate	(3,547)	(3,471)	(4,243)	*22.2%*
Total EBITDA	**18,190**	**26,252**	**25,792**	***-1.8%***
Provisions, depreciation, amortisation, impairment losses				
Goods ID	(5,930)	(6,409)	(5,894)	*-8.0%*
People ID	(2,288)	(3,130)	(3,046)	*-2.7%*
Corporate	(189)	(47)	12	*-124.8%*
Total	**(8,407)**	**(9,586)**	**(8,929)**	***-6.9%***
Current EBIT				
Goods ID	6,217	8,232	10,026	*21.8%*
In % of sales	3.3%	4.0%	4.9%	
People ID	8,266	12,391	11,171	*-9.8%*
In % of sales	15.1%	23.0%	23.1%	
Corporate	(3,686)	(3,518)	(3,587)	*2.0%*
Total current EBIT	**10,798**	**17,105**	**17,610**	***3.0%***
Total current EBIT in % of sales	**4.4%**	**6.6%**	**6.9%**	
EBIT				
Goods ID	5,255	7,794	9,924	*27.3%*
People ID	8,264	12,390	11,171	*-9.8%*
Corporate	(3,736)	(3,518)	(4,231)	*20.3%*
Total EBIT	**9,783**	**16,666**	**16,864**	***1.2%***

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)	2014	2015	2016	%
In '000 €				
Goodwill				
Goods ID	36,724	36,724	36,724	*0.0%*
People ID	3,309	3,878	3,878	*0.0%*
Total goodwill	**40,033**	**40,602**	**40,602**	***0.0%***
Fixed assets				
Goods ID	14,210	13,709	14,485	*5.7%*
People ID	8,581	12,306	12,021	*-2.3%*
Corporate	84	55	24	
Total fixed assets	**22,875**	**26,070**	**26,530**	***1.8%***
Inventories				
Goods ID	12,105	13,327	17,599	*32.1%*
People ID	5,041	4,494	4,572	*1.7%*
Total inventories	**17,146**	**17,821**	**22,172**	***24.4%***
Current trade and other receivables				
Goods ID	66,053	66,535	78,006	*17.2%*
People ID	13,304	8,451	6,482	*-23.3%*
Corporate	313	143	104	
Total current trade and other receivables	**79,670**	**75,129**	**84,593**	***12.6%***
Total ASSETS				
Goods ID	129,093	130,295	146,816	*12.7%*
People ID	30,235	29,129	26,953	*-7.5%*
Corporate and other non allocated assets	25,146	29,256	25,326	
Total ASSETS	**184,474**	**188,680**	**199,095**	**5.5%**
Current trade and other payables				
Goods ID	72,134	68,033	82,026	*20.6%*
People ID	9,452	9,064	4,740	*-47.7%*
Corporate	1,403	1,304	1,910	
Total current trade and other payables	**82,989**	**78,401**	**88,676**	***13.1%***
Total LIABILITIES				
Goods ID	72,134	68,033	82,026	*20.6%*
People ID	9,452	9,064	4,740	*-47.7%*
Corporate and other non allocated liabilities	102,887	111,584	112,329	
Total LIABILITIES	**184,474**	**188,680**	**199,095**	**5.5%**
Capital expenditures excl. financial investments				
Goods ID	5,091	5,425	6,100	*12.5%*
People ID	3,341	1,730	2,296	*32.7%*
Corporate	0	6	0	
Total Capital expenditures	**8,432**	**7,160**	**8,396**	**17.3%**

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