

Quantel

COMMUNIQUÉ DE PRESSE

Les Ulis, September 16, 2016

FIRST-HALF EARNINGS BREAKING EVEN

Quantel's Board of Directors has approved the accounts at June 30, 2016. Earnings for the period broke even, delivering a very significant improvement compared with previous years, driven by revenue growth, thanks in particular to a better distribution of key contracts (military and MegaJoule) over the year.

(€M)	H1 2015	H1 2016 ⁽¹⁾	Change
Revenues	24.8	31.3	+26%
Of which			
<i>Industrial and Scientific</i>	<i>12.2</i>	<i>15.0</i>	<i>+22%</i>
<i>Medical / Ophthalmology</i>	<i>12.6</i>	<i>16.3</i>	<i>+30%</i>
Operating income	(1.3)	0.2	ns
Financial income / expenses	(0.4)	(0.2)	ns
Pre-tax income	(1.7)	0	ns
Net income	(1.7)	0	ns

(1) Audited data (report currently being issued) extracted from the half-year financial statements at June 30, 2016 by the Board of Directors on September 15, 2016

Half-year highlights for each business line:

Industrial and Scientific Division

The Industrial and Scientific Division achieved 22% revenue growth for the first half of 2016 compared with the first half of 2015. With the orders received in 2015, the major contracts - MegaJoule and military - are now generating regular billing and account for the majority of growth in business over this half-year period.

Ophthalmology Division

The Ophthalmology Division's sales benefited from the billing recorded in January 2016 following the major tender won in India in 2015 for photocoagulation lasers and accessories for a total of €2.9 million. Sales are up 30% from the first half of 2015. Excluding the revenues generated by this key contract, half-year sales growth came to 7%, thanks in particular to sales of diagnostic devices, which are making strong progress in China. In addition, at the ESCRS show in Copenhagen on September 6, 2016, QUANTEL MEDICAL presented a new photocoagulation laser – EASYRET – which uses a fiber laser developed by the team in Lannion, France.

Earnings

Operating income shows a significant increase, up to €0.2 million, compared with a €1.3 million loss the previous year, despite the lower margins on the Indian tender. This is the first time in five years that the Group has more than broken even for the first half of the year.

After factoring in -€0.2 million of financial expenses (versus -€0.4 million for the first half of 2015) and a tax expense of virtually zero, half-year net income broke even.

Financial structure

The Group's net financial debt at June 30, 2016 came to €10.9 million (€11.7 million of gross debt and €0.8 million of cash), compared with €9.6 million at December 31, 2015 and €14.7 million at June 30, 2015.

At June 30, 2016, the research tax credit receivable from the French state totaled €4.3 million.

Outlook

In view of its seasonal trends, which usually benefit second-half earnings, and its solid order book midway through September, the Group is confirming its full-year targets for revenue growth and improved profitability.

Next date: Third-quarter revenues on October 27, 2016.

Founded in 1970, Quantel is one of the world's leading specialists in laser technology for scientific (laboratories and universities), industrial (material processing, process analytics, marking) and medical (ophthalmology) markets. With design and manufacturing facilities in France and the US, the Quantel Group achieved in 2015 a turnover of 62 M€, with close to 70% worldwide, divided into scientific and industrial laser applications (56%) and medical applications (44%).

Quantel shares are listed on the Euronext Paris C Compartment. FR0000038242 – QUA www.quantel.fr

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