1. Trends in Schneider Electric's core markets

1.1 Industries and machine manufacturers

Industry market struggled throughout 2015, facing severe headwinds:

Falling commodity prices (mainly O&G, metals) have led a sharp drop in commodity sectors capex. This step down has generated strong negative impacts on global industry market: O&G sector is one of the first end-users in metals, construction engines, turbines, water treatment and professional services. Companies exposed to this O&G supply chain cut their own capex, opex and inventories to align them with lower demand.

Companies which benefited from lower energy costs were reluctant to invest, given the generally weak economic environment, overcapacities and high level of debt. Companies preferred to restore the balance sheet, or to reduce selling prices (due to increasing competitive pressure).

In China, industrial production and manufacturing investment have slowed markedly, depressed by deterioration in global trade, overcapacities and decrease in construction sector (which is the largest end-user of heavy industry).

In other new economies, industrial markets recorded a slowdown on the back of lower commodity prices, declining demand from China, capital outflow and a high level of debt.

1.2 Non residential and residential buildings

Non residential buildings

In the US, non residential market growth slowed down in 2015. Manufacturing buildings reported strong growth thanks to the chemicals and transportation equipment sectors. Construction in the office and retail sectors decelerated. Institutional buildings segments slightly rebounded in 2015, driven by the private sector component (mainly in healthcare facilities) as public spending remained under pressure.

In Western Europe, non residential construction remained sluggish in 2015. Manufacturing, office and commercial buildings suffered from the deteriorated global economic environment. Education and healthcare segments were constrained by public-sector austerity. Non residential construction declined in two major markets, Germany and France. Spain and Ireland increased, benefiting from economic reforms. In Italy, the market stabilized after several years of decline.

In China, non residential construction decreased further. The main reasons were the economic slowdown and new consumption patterns (e-commerce has a major negative impact on commercial buildings).

In Australia, non residential construction declined. Industrial, office and commercial buildings all fall as well as social & institutional buildings (marked by a sharp plunge in the Health segment).

In several new economies, non residential construction was hampered by several headwinds: lower demand from China, negative impact from lower oil and commodities prices on the revenues of commodity exporter countries, currency depreciation and capital outflow.

Non residential activity accelerated in in India thanks to improvement in the regulatory and financing environment.

Residential

Residential markets marginally decreased in 2015, with varied positions among major regional blocks.

In the US, residential construction increase, driven by multi-family market.

In Western Europe, market improved gently. France, Italy and Denmark recorded a decline. Germany and Great Britain grew slightly whereas Ireland and the Netherlands surged.

In China, residential construction continued to fall. At end of 2013, China's property sector had reached a turning point, due to strong construction oversupply and lower demand for property. Despite a gradual improvement in housing sales in 2015, developers have continued to reduce housing starts in order to reduce inventory.

In other new economies, residential market declined as a whole. Residential construction has dropped, notably in Russia, Ukraine, Brazil and Venezuela, hit by gloomy economic situation and weak consumer confidence. On the contrary, Asian new economies and Africa continued to grow in 2015.

1.3 Utilities and Infrastructures

Electrical Utilities

In generation, renewables continued their expansion in 2015, fuelled by on-going cost declines. Wind and solar rapid growth spread to new territories in emerging countries. At the end of the year, COP21 was the confirmation that electric utilities have to engage in a path to decarbonise their mix. Also that in this new energy world of energy efficiency they have to re-think their business models, strengthen their networks and digitize their operations.

In networks, investments were thus sustained and those in software and smart grids accelerated.

However pressure from regulators, investors and consumers did not relieve, driving operations and asset the optimisations projects across the board.

These trends will positively affect Schneider Electric, widening its market for grid modernization or asset and operations management solutions. For a given capacity of power generation, renewables, with their often distributed nature, offer a larger accessible market for Schneider Electric products and solutions. They also imply a transformation of the system as a whole, opening new realms, for example in demand management.

Oil and Gas

The year 2015 has seen a normal demand growth (around +1,2%), and supply growing and still higher than demand by about +1.5mb/d. As a consequence crude and refined products stocks are continuing to pile up. The North American unconventional production has further increased through most of the year, to eventually start a gradual decrease of 0,1mb/d per month. Increased productivity and cost cuttings and previous upstream investments have enabled many operators to continue producing, despite the low barrel prices. Saudi Arabia continues its race for market share. Iran now authorized back in the game may add half a million barrels per day (0,5% world production) could increase further tension on supply.

This surplus situation has led most upstream players to significantly cut their investment in 2015, in particular in exploration. Similar cuts have been announced for 2016. These two consecutive years of upstream spending cuts could be considered as a new normal to a new level around USD500 billion a year, after 4 years of hyper-inflation .

Midstream and Downstream markets somewhere benefits from low oil prices and show increased profits for integrated majors IOCs.

Schneider Electric Oil ,Gas and Petrochem sector with no exposure to the exploration, and historical position in midstream and downstream acquired through recent acquisitions shows good level of resilience. In addition, with a less affected opex , we experienced growth on Field Services and Software. We also benefited from our customer intimacy to further improve customers's uptime and ROI with Our Solutions and Digital Services portfolio.

Our value strategy based on - Solutions, Services , Software and Digital Services- toward Strategic majors considering business transformation through innovation and optimized architectures should support further resilience of Schneider Electric Oil ,Gas and Petrochem activity.

Data centers and Networks

The global IT market experienced slow but steady growth in 2015 partly due to the worsened economic environment in emerging markets.

Our transactional single phase market remained soft, as the demand of Small & Medium Business (SBM) for power protection products for servers and PC continued to stagnate. Growth in Asia and Europe was offset by the weakness in Russia, Latin America and China.

Large Enterprises continued to deploy IT in a hybrid environment of on-premise, colocation, hosting and cloud in 2015. Due to data sovereignty and privacy concerns and regional demand for data center capacity, an increasing number of hyperscale data centers are being built in the North America market and in various locations in Europe, Asia and Latin America. Schneider Electric is leveraging its global presence and comprehensive data center solutions to accommodate our customer needs wherever they decide to locate their IT infrastructure.

As internet use is trending towards bandwidth-intensive content and the increasing adoption of the « Internet of Things », computing power and storage is increasingly placed at the edge of the network closer to end users. The IT business is well positioned to penetrate in various edge computing applications with its micro data center and modular data center offers.

Industrial markets achieved steady growth along with a moderate outlook for infrastructure investments in power generation, chemical production and semiconductor.

The year of 2015 also marked the initial commercialization of energy storage solutions for home, commercial buildings, datacenters and utilities. Schneider Electric entered the lithium ion energy storage market with the presentation of Ecoblade™ at the COP21 Conference on Climate Change in Paris in December 2015. The Ecoblade solution combines advanced software analytics, modularity, and IT-style server designs in a smart battery that can scale up from 1kw to more than 1MW for homes, commercial buildings and utility substations.

2. Review of the consolidated financial statements

2.1 Review of business and consolidated statement of income

Changes in the scope of consolidation

Acquisitions & divestments occurred during the year

On December 11, 2015, Schneider Electric announced that it had obtained all required regulatory approvals and subsequently finalized the sale of Juno Lighting, LLC (« Juno ») to Acuity Brands, Inc. for a consideration of approximately USD385 million (EUR343 million). The transaction generated a capital loss of EUR163 million recorded as Other operating expense.

On December 14, 2015, Schneider Electric announced that it has signed an agreement to sell its Transportation Business, to Kapsch TrafficCom AG. The Transportation business generated revenues of EUR134 million in 2014 and is currently consolidated under the Infrastructure business of Schneider Electric. The terms of the agreement reflect a purchase price of about EUR35 million on a cash-free, debt-free basis. The agreement is conditioned upon the satisfaction of certain regulatory conditions and on other customary closing conditions. The transaction is expected to close in the coming months. The transaction would generate an impairment of EUR100 million that was recognized at December 31, 2015 as Other operating expense.

No significant acquisition occurred during 2015.

Acquisitions & divestments occurred in 2014 with significant effect in 2015 [1]

On January 17, 2014, the Group took control of Invensys group. Invensys is fully consolidated, mainly in the Industry business, since January 2014, except for its Appliance division (divested in June 2014) reported as discontinued operation over the first half of 2014.

On October 1, 2014 the Group finalized the sale of Custom Sensors & Technologies (CST) and the Group has reinvested approximately USD100 million alongside CST management to hold a shareholding of 30% of CST. CST was reported in the Industry Business of Schneider Electric. The CST activity was reclassified as discontinued operations in Group's consolidated financial statements from January to September 30, 2014 (for EUR24 million net income). From October 1, 2014 and for full year 2015, the 30% of CST share is accounted for by the equity method.

Changes in foreign exchange rates

Changes in foreign exchange rates relative to the euro had a material impact over the year. This positive effect amounts to EUR1,949 million on consolidated revenue and to EUR254 million on Adjusted EBITA [2].

Revenue

On December 31, 2015, the consolidated revenue of Schneider Electric totalled EUR26,640 million, an increase of 6.8% at current scope and exchange rates compared to EUR24,939 million on December 31, 2014.

This variance breaks down into an organic decrease of -1.0% and a positive exchange rate effect of 7.8%, primarily due to the appreciation of the US dollar and Chinese yuan against the euro.

2.2 Changes in revenue by operating segment

The Buildings & Partner business generated revenues of EUR11,859 million, or 45% of the consolidated total. This represents an increase of +10.3% on a reported basis and an increase of **+0.4%** on a like-for-like basis. Buildings & Partner observed organic growth across all regions except Asia Pacific. North America was slightly up, driven by the growth in the construction market in the US, helped by new product launches and increased cross-selling and a recovery in Mexico. In Western Europe, Spain, Italy and the U.K. grew, France performed well thanks to strong execution, while Germany was down mainly due to a high base of comparison. Rest of the World was up thanks to good project execution in the Middle East and strong growth in Africa and Central Europe. Asia Pacific was penalized by a weak construction market in China, despite growth in the rest of the region.

The Industry business generated revenues of EUR5,696 million, or 21% of the consolidated total. This represents an increase of +2.6% on a reported basis and a decrease of **-4.9%** on a like-for-like basis. Organic growth was impacted by strong headwinds from Oil & Gas and China. Western Europe was flat, as the growth in Spain and

(1) Dates disclosed correspond to dates on which control takeover of the entities was acquired.
(2) Adjusted EBITA (Earnings Before Interest, Taxes, Amortization of Purchase Accounting Intangibles) is earnings EBITA before amortization and impairment of intangible assets from acquisitions, impairment of goodwill, other operating income and expenses and restructuring costs. restructuring costs and before other operating income and expenses, which includes acquisition, integration and separation costs.

Italy driven by successful OEM offer launches in a favourable OEM export market offset declines in Switzerland and the Nordics. North America declined on weakness in industrial investments, notably in Oil & Gas and lower export-oriented OEM demand due to a strong dollar, and the focus remained on the improvement of the business performance. Asia Pacific was penalized by weakness in China. Rest of the world performed well.

The Infrastructure business generated revenues of EUR5,428 million, or 20% of the consolidated total. This represents an increase of +2.9% on a reported basis and an increase of **+0.3%** on a like-for-like basis. Western Europe grew, driven by growth in Spain, Italy and the UK. Germany was down due to greater project selectivity. North America was up thanks to project execution in Canada, while the US was penalized by lower investment in Oil & Gas and delays in data center investments, which more than offset the growth from targeted initiatives. Asia-Pacific posted mixed trends with difficulties in China, weak utility market in Australia and growth in East Asia and India. The Rest of the World was up driven by project execution in the Middle East, while Russia was weak. Services were strong, up high single-digit.

The IT business generated revenues of EUR3,657 million, or 14% of the consolidated total. This represents an increase of +8.9% on a reported basis and a decrease of **-0.9%** on a like-for-like basis. The US was about flat, thanks to project execution in a soft market. Western Europe was up, driven by successful execution of commercial initiatives in a positive IT market. Asia Pacific was dragged down by weakness in China and a high-base of comparison in India. Rest of the World was down as weakness in Russia more than offset the growth in the Middle East and Africa. Services posted good growth.

2.3 Gross profit

Gross profit increased from EUR9,407 million for the year ended December 31, 2014 to EUR9,845 million for the year ended December 31, 2015, or +4.7%, mainly due to an increase in productivity and actions on prices and a positive foreign exchange translation effect. As a percentage of revenues, the gross margin decreased to 37.0% in 2015 (*versus* 37.7% in 2014), as the positive net pricing and productivity impacts partially offset the negative mix effect, increased R&D depreciation and cost inflation.

2.4 Support Function Costs: research and development and selling, general and administrative expenses

Research and development expenses, excluding capitalized development costs and development costs reported as cost of sales, decreased by 0.4% from EUR567 million for the year ended December 31, 2014 to EUR565 million for the year ended December 31, 2015. As a percentage of revenues, the net cost of research and development decreased to 2.1% of revenues for the year ended December 31, 2015 (2.3% for the year ended December 31, 2014).

Total research and development expenses, including capitalized development costs and development costs reported as cost of sales (see note 4 to the Consolidated Financial Statements) increased by 5.0% from EUR1,212 million for the year ended December 31, 2014 to EUR1,272 million for the year ended December 31, 2015. As a percentage of revenues, total research and development expenses remained stable at 4.8% for the year ended December 31, 2015 from 4.9% for the year ended December 31, 2014.

In 2015, the net effect of capitalized development costs and amortization of capitalized development costs amounts to EUR145 million on operating income *versus* EUR175 million in 2014.

Selling, general and administrative expenses increased by 4.9% from EUR5,377 million for the year ended December 31, 2014 to EUR5,639 million for the year ended December 31, 2015. As a percentage of revenues, selling, general and administrative expenses decreased from 21.6% in 2014 to 21.2% in 2015

Combined total support function costs, that is, research and development expenses together with selling, general and administrative costs, totalled EUR6,204 million for the year ended December 31, 2015 compared to EUR5,944 million for the year ended December 31, 2014, an increase of 4.4%. The support functions costs to sales ratio decreased from 23.8% for the year ended December 31, 2014 to 23.3% for the year ended December 31, 2015 reflecting progress in simplification initiatives.

2.5 Other operating income and expenses

For the year ended December 31, 2015, other operating income and expenses amounted to a net loss of EUR522 million, mainly due to net losses on sale of business (EUR223 million), notably on Juno divestment, and impairment of assets (EUR246 million), notably on Transportation business related to the expected divestment described above. Other main items included costs linked to acquisitions for EUR118 million (notably Invensys integration costs), a EUR53 million gain on the curtailment of employee benefit plans in the UK and in France.

For the year ended December 31, 2014, other operating income and expenses amounted to a net expensee of EUR106 million, including costs linked to acquisitions for EUR114 million, a EUR95 million gain on the curtailment of employee benefit plans in the UK, in France and in the US and miscellaneous other operating incomes and expenses amounting to a net expense of EUR69 million. Costs linked to acquisitions are acquisition, integration and separation costs on 2014 and 2015 acquisitions, notably Invensys. Net other operating expenses mainly includes mainly provisions for litigation or claims in 2014.

2.6 Restructuring costs

For the year ended December 31, 2015, restructuring costs amounted to EUR318 million compared to EUR202 million for the year ended December 31, 2014. This increase in restructuring costs is linked to the *Simplify* initiatives that were announced in early 2015 as part of the « *Schneider is On* » program.

2.7 EBITA and Adjusted EBITA

We define EBITA as earnings before interest, taxes and amortization of purchase accounting intangibles. EBITA comprises operating profit before amortization and impairment of purchase accounting intangible assets and before goodwill impairment.

We define adjusted EBITA as EBITA before restructuring costs and before other operating income and expenses, which includes acquisition, integration and separation costs.

Adjusted EBITA amounted to EUR3,641 million for the year ended December 31, 2015, compared to EUR3,463 million for the year ended December 31, 2014, representing an increase of 5.1%, mainly due to a favourable foreign exchange effect of EUR254 million. As a percentage of revenue, adjusted EBITA decreased from 13.9% for the year ended December 31, 2014 to 13.7% for the year ended December 31, 2015.

EBITA decreased by 11.2% from EUR3,155 million for the year ended December 31, 2014 to EUR2,801 million for the year ended December 31, 2015, mainly linked to net losses on sales of business, impairment of assets and higher restructuring expenses in 2015 that did offset the increase in Adjusted EBITA. As a percentage of revenue, EBITA decreased to 10.5% in 2015 compared with 12.7% in 2014, in line with the lower Adjusted EBITA margin and with losses on sales of business, impairments and restructuring costs higher than in 2014.

2.8 EBITA and Adjusted EBITA by business segment

The following table sets out EBITA and adjusted EBITA by business segment:

Full year 2015

(in millions of euros)	Buildings & Partner	Industry	Infrastructure	IT	Corporate costs	Total
Revenue	11,859	5,696	5,428	3,657	-	26,640
Adjusted EBITA*	2,132	975	495	644	(605)	3,641
Adjusted EBITA %	18.0%	17.1%	9.1%	17.6%	-	13.7%
Other operating income and expense	(240)	(22)	(240)	(5)	(15)	(522)
Restructuring costs	(169)	(22)	(89)	(8)	(30)	(318)
EBITA	1,723	931	166	631	(650)	2,801
EBITA %	14.5%	16.4%	3.1%	17.3%	-	10.5%

* *Adjusted EBITA: EBITA before restructuring costs and before other operating income and expenses (including acquisition, integration and separation costs).*

Full year 2014

(in millions of euros)	Buildings & Partner	Industry	Infrastructure	IT	Corporate costs	Total
Revenue	10,754	5,551	5,277	3,357	-	24,939
Adjusted EBITA*	1,913	1,023	454	630	(557)	3,463
Adjusted EBITA %	17.8%	18.4%	8.6%	18.8%	-	13.9%
Other operating income and expense	7	(34)	(86)	1	6	(106)
Restructuring costs	(93)	(26)	(76)	(4)	(3)	(202)
EBITA	1,827	963	292	627	(554)	3,155
EBITA %	17.0%	17.3%	5.5%	18.7%	-	12.7%

* *Adjusted EBITA: EBITA before restructuring costs and before other operating income and expenses (including acquisition, integration and separation costs).*

Buildings & Partner business recorded an adjusted EBITA margin of 18.0% for the year ended December 31, 2015, up 0.2% compared to 17.8% for the year ended December 31, 2014, thanks to better support function costs control.

Industry business recorded an adjusted EBITA margin of 17.1% for the year ended December 31, 2015, down 1.3% compared to 18.4% for the year ended December 31, 2014, penalized by volume decline, negative FX impact and higher R&D amortization costs.

Infrastructure business recorded an adjusted EBITA margin of 9.1% for the year ended December 31, 2015, up 0.5% compared to 8.6% for the year ended December 31, 2014, benefiting from project gross margin improvement in second semester and good control of support functions costs.

IT business reported an adjusted EBITA margin of 17.6% for the year ended December 31, 2015, down 1.2% compared with 18.8% margin for the year ended December 31, 2014, penalized by negative mix and FX impact.

Corporate costs amounted to EUR605 million for the year ended December 31, 2015 or 2.3% of Group revenues, a similar level to the year ended December 31, 2014 (2.2% of Group revenues or EUR557 million).

2.9 Operating income (EBIT)

Operating income (EBIT) decreased from EUR2,896 million for the year ended December 31, 2014 to 2,229 million for the year ended December 31, 2015. This 23.1% decrease is explained by both the EBITA decrease and by an impairment of Pelco trademark amounting to EUR295 million in « Amortization and impairment of purchase accounting intangibles ».

2.10 Net financial income/loss

Net financial loss amounted to EUR446 million for the year ended December 31, 2015, compared to EUR467 million for the year ended December 31, 2014. The decrease of the net financial loss is mainly explained by the decrease of the cost of net financial debt from EUR312 million for year ended December 31, 2014 to EUR295 million for year ended December 31, 2015 thanks to a lower average interest rate. The other financial incomes and costs are stable from a net expense of EUR155 million for year ended December 31, 2014 to a net expense of EUR151 million for year ended December 31, 2015.

2.11 Tax

The effective tax rate was 21.8% for the year ended December 31, 2015, decreasing compared to 22.7% for the year ended December 31, 2014. The corresponding tax expense decreased from EUR551 million for the year ended December 31, 2014 to EUR389 million for the year ended December 31, 2015. The tax expense included in 2015 a EUR115 million deferred tax income related to the impairment of Pelco trademark.

2.12 Discontinued operations

The net effect of discontinued activities totalled EUR169 million for the year ended December 31, 2014, including profit over six-months from the Appliance activity of Invensys, sold in June 2014, and over nine-months from CST business, sold on October 1, 2014, as well as the corresponding gain on sale.

There were no segments reported as discontinued activities in 2015.

2.13 Share of profit/(losses) of associates

The share of profit of associates increased from EUR14 million for the year ended December 31, 2014 to EUR109 million for the year ended December 31, 2015 mainly thanks to a non recurrent gain realized on sale of assets reported by CST.

2.14 Non-controlling interests

Minority interests in net income for the year ended December 31, 2015 totalled EUR96 million, compared to EUR120 million for the year ended December 31, 2014. This represented the share in net income attributable, in large part, to the minority interests of certain Chinese companies.

2.15 Profit for the period

Profit for the period attributable to the equity holders of our parent company amounted to EUR1,407 million for the year ended December 31, 2015, that is a 27.5% decrease over the EUR1,941 million profit for the year ended December 31, 2014, mainly due to significant losses on sales of business, impairments and higher restructuring costs higher than in 2014.

2.16 Share of profit for the period attributable to the equity holders of the parent company on continuing operations

The share of profit for the period attributable to the equity holders of our parent company of continuing operations (profit for the period attributable to the equity holders of our parent company excluding discontinued operations) amounted to EUR1,407 million for the year ended December 31, 2015, compared to EUR1,772 million for the year ended December 31, 2014, decreasing by 20.6%.

2.17 Earnings per share

Earnings per share decreased from EUR3.39 for the year ended December 31, 2014 to EUR2.47 for the year ended December 31, 2015.

2.18 Consolidated cash-flow

Operating Activities

Net cash provided by operating activities before changes in operating assets and liabilities remained stable at EUR2,715 million for the year ended December 31, 2015, up 2.8% compared to EUR2,640 million for the year ended December 31, 2014, and represented 10.2% of revenue in 2015 compared with 10.6% in 2014.

The change in working capital requirement generated EUR117 million in cash in the year ended December 31, 2015, compared to EUR107 million consumed in the year ended December 31, 2014, mainly thanks to the cash-in of trade receivables.

In all, net cash provided by operating activities increased by 11.8% from EUR2,533 million in the year ended December 31, 2014 to EUR2,832 million in the year ended December 31, 2015.

Investing Activities

Net capital expenditure, which included capitalized development projects, decreased by 5.2% to EUR787 million for the year ended December 31, 2015, compared to EUR829 million for the year ended December 31, 2014, and represented 3.1% of revenues in 2015 (3.3% in 2014).

Free cash-flow (cash provided by operating activities net of net capital expenditure) amounted to EUR2,045 million in 2015 *versus* EUR1,704 million in 2014.

Cash conversion rate (free cash-flow over net income attributable to the equity holders of our parent company on continuing operations, adjusted for business disposals impact and Pelco trademark impairment) was 113% in 2015 versus 96% in 2014.

The effect of acquisitions and divestments during the year was a net cash inflow amounting to EUR232 million in 2015. Our acquisitions represented a cash outflow, net of cash acquired, of EUR2,490 million for the year ended December 31, 2014, corresponding mainly to the cash part of Invensys acquisition.

Financing Activities

In 2015, the Group reimbursed two bonds for EUR750 million and the *Schuldschein* credit line for EUR184 million and there were four bond issuances in euros for EUR1,850 million.

The net decrease in other financial debts amounted to EUR1,262 million during the year ended December 31, 2015, compared to a net decrease in other financial debts amounting to EUR818 million during the year ended December 31, 2014. The dividend paid by Schneider Electric was EUR1,108 million in the year ended December 31, 2015, compared with EUR1,095 million in the year ended December 31, 2014.

3. Review of the parent company financial statements

Schneider Electric SE posted total portfolio revenues of EUR4 million in 2015 compared with EUR1 million the previous year.

Interest expense net of interest income amounted to EUR126 million *versus* EUR119 million the previous year.

Current loss amounted to EUR141 million in 2015 compared to a current loss of EUR144 million in 2014.

In 2014, Schneider Electric SE invoiced to Schneider Electric Industries SAS a EUR442 million consideration for the use of the Schneider Electric brand, recognized as non-recurring income.

The net loss stood at EUR53 million in 2015 compared with a net profit of EUR341 million in 2014.

Equity before appropriation of net profit amounted to EUR9,808 million at December 31, 2015 *versus* EUR10,806 million at the previous year-end, after taking into account 2015 loss, dividend payments of EUR1,098 million and share issues in an amount of EUR157 million.

4. Review of subsidiaries

Schneider Electric Industries SAS

Revenue totalled EUR3.3 billion in 2015 (EUR3.4 billion in 2014).

The subsidiary posted an operating loss of EUR38 million in 2015 compared with an operating loss of EUR136 million in 2014.

Net profit amounted to EUR238 million in 2015 compared with EUR174 million of net profit in 2014.

5. Outlook

In 2016 the Group sees continued growth in Western Europe and the construction market in the US. At the same time, headwinds from O&G, overall weakness in the US industry markets, difficulties in China, though to a lesser degree than in 2015, and mixed trends in the rest of new economies are expected. Additionally, given the accelerated decline of several new economies' currencies against the euro in the end of 2015, the Group should also face a material FX headwind in 2016.

In this context the Group's priorities are margin improvement by working on costs, growing its partner network through the launch of many new integrated offers, accelerating services and software, and increasing selectivity on projects focusing on its sectors of expertise.

Therefore, for 2016 the Group targets:

- Organic revenue growth to be flat to down low single-digit, impacted by the Group's higher selectivity on project activities;
- +20bps to +60bps improvement on adjusted EBITA margin before FX. The negative FX impact on margin is estimated at -40bps to -50bps at current rates.