ANNUAL REPORT

2012

Microwave Vision Group

CONTENTS

Present in 9 countries

Created in 1987

An international group
30% Americas
32% EMEA
38% Asia

17 consecutive years of growth

Solid Results
EBITDA €5.14M
CURRENT OPERATING INCOME €3.83M
NET INCOME €2.75M

10% of Revenues invested in R&D per year

2012 Revenues
€46.36M
Or 5% growth

OSEO Innovative Enterprise label

Visualizing The Waves

Since its inception in 1987, the Microwave Vision Group (MVG) has developed a unique expertise in **visualizing electromagnetic waves**. An integral part of our daily lives: Smartphones, computers, tablets, cars, trains, planes - all of these devices and vehicles would not work without them.

Year after year, our R&D teams render these waves visible as they develop new systems to market or perfect existing models. These systems enable our clients to measure, characterize and diagnose waves with increasing speed and accuracy. The success in this department continuously contributes to success for the Group. 2012 is no exception; MVG is experiencing its **17th consecutive year of growth.**

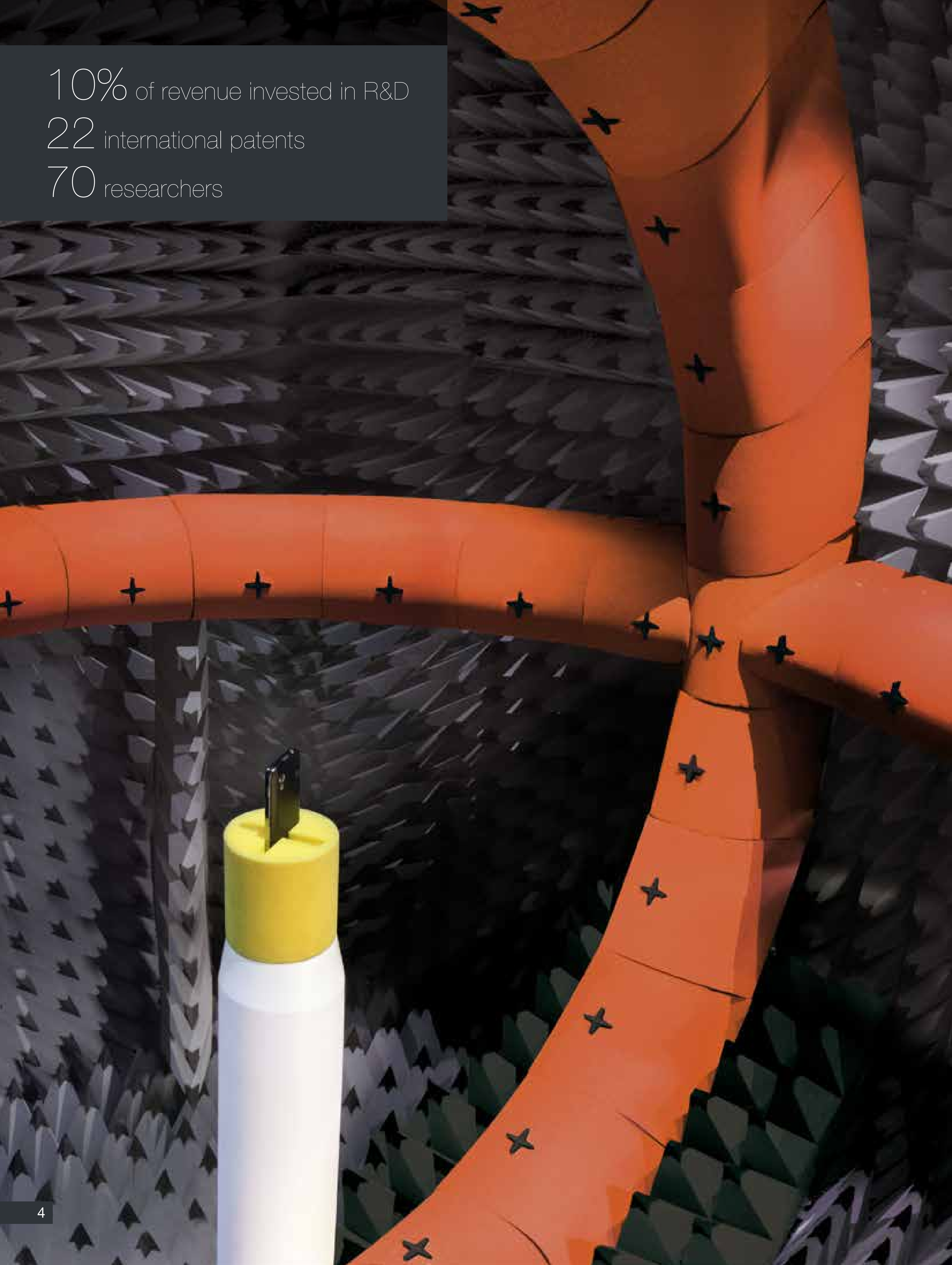
This traditional market for the Group will “naturally” continue to grow, as the use of mobile communication devices continues to flourish. However, our progress can no longer be contained within the scope of this market. **Our mission is to extend our expertise to all areas where it can provide added value**. In 2012, we organised the Group into four business units and **laid the groundwork for a strategy of diversification and global expansion over three years.** Already, orders taken in 2012 were up 5% compared to the previous year, a first indicator of the success of this strategy.

A Profitable Growth Strategy Set for 2013

We will continue with and expand on this strategy in 2013. The company is confident in its roadmap, the goal of which is profitable **growth, driven, as always, by innovation.** We’ll be in touch through our various publications to allow you to measure our progress.

Philippe Garreau,
CEO of Microwave Vision

10% of revenue invested in R&D
22 international patents
70 researchers



Unique Technological Expertise

Similar to MRI scanners used in hospitals to visualize the inside of the human body, MVG has developed the unique technological expertise in antenna measurement: scanners to visualize the electromagnetic waves emitted by antennas.

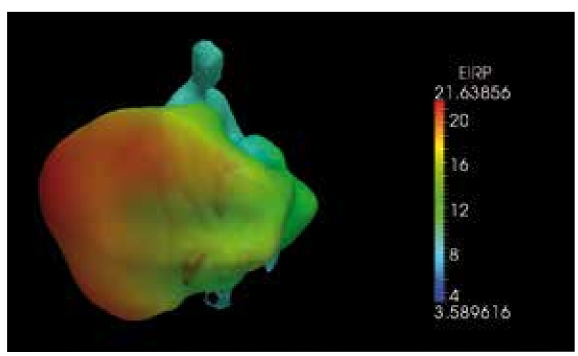
Antennas are devices that receive and/or send radio waves carrying information. Our multi-sensor scanners are designed to:

Measure the amount of energy emitted by antennas

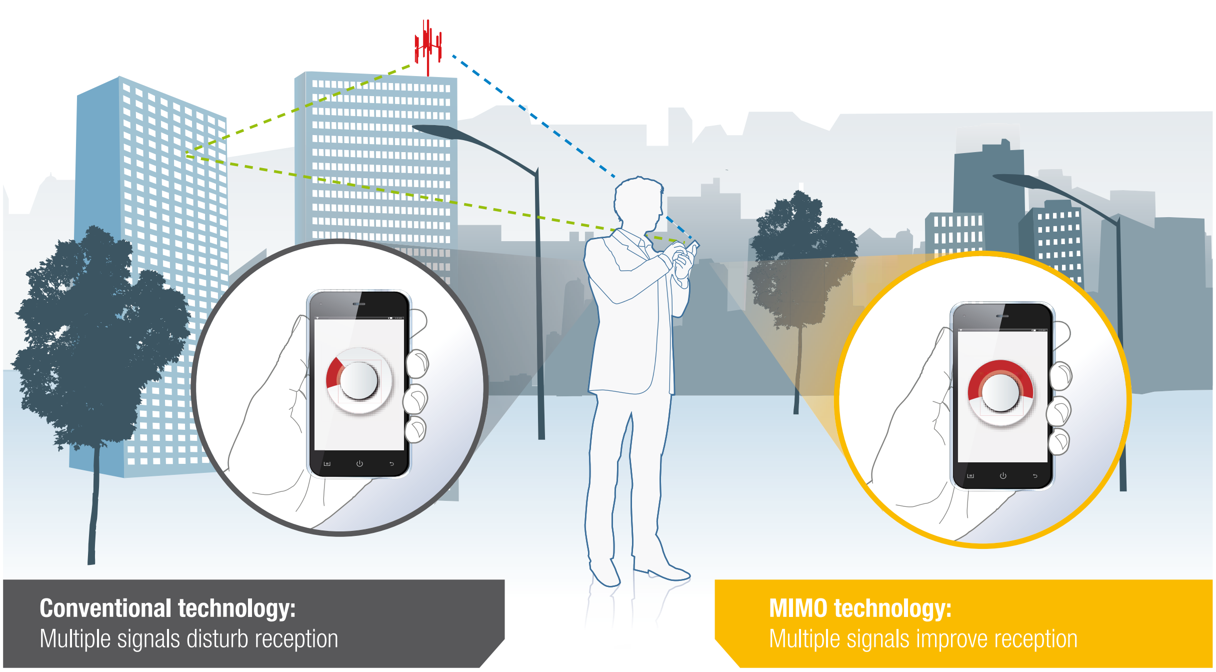
An antenna converts existing electrical quantities in a conductor or a transmission line (voltage and current) to electromagnetic quantities in space (electric and magnetic fields), either in transmission or in reception. This measurement quantifies the efficiency of this conversion.

Determine in which directions this energy is radiated in space

This is to determine the radiation pattern of the antenna. In the Smartphone, for example, the manufacturer seeks a radiating pattern that is well distributed throughout all directions in space, as this is not possible to predict from the phone's direction given by the user. However, in the case of radar, the manufacturer aims to focus maximum energy in one direction in space to measure with the utmost precision where detected devices may be located.



Radiation pattern of a Smartphone located in the pocket of a seated person



Real electromagnetic environment

Describe the quality of information carried by the transmitted signal

This involves transmitting data from several directions in space and reducing the level of energy emitted until communication with the device is no longer possible. This measured threshold is called the sensitivity level.

Test the operation of the device in real environments

Through MIMO testing, it can be determined how a device will react in its real environment. Will its performance be deteriorated by or can it take advantage of the barriers and disruptive objects that separate it from emission sources? Our solutions simulate these real environments in the laboratory.

INDISPENSIBLE TESTS

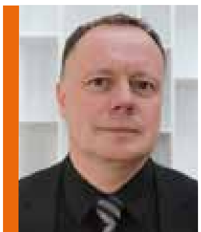
These tests are crucial in the development and validation of any radio communications system (satellite, radar, GPS, mobile phone, tablet, computer...). Our systems enable our clients to carry out these various tests and measurements.

A PATENTED TECHNOLOGY

MVG has patented a unique multi-sensor technology: MV-Scan™. This technology was first developed in the Civil Telecommunications sector, where it quickly gained significant market share as a result of its speed and accuracy. It is also now available to the Aerospace and Defense industry. Developing experience over the years, today MVG can boast advanced expertise in calibrating multi-sensor systems. By providing sensors with low reflectivity and minimizing calibration time, MV-Scan™ technology provides a perfectly suited solution for today's MIMO testing.

AN EXPERIENCED AND COMMITTED TEAM

MVG has an experienced team bringing together over 28 nationalities!
The management holds 21% of the invested capital.



Philippe Garreau

President
Age: 51

Pascal Gigon

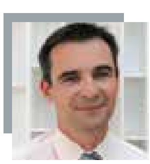
Strategic Financial Director
Age: 55

Mike Connolly

Operational Financial Director
Age: 57

Per Olav Iversen

ORBIT/FR CEO
Age: 47



Arnaud Gandois

COO of SATIMO Industries
Age: 40

Moshe Pinkasy

Director of ORBIT/FR Engineering Ltd.
Age: 62

Hervé Lattard

SATIMO Brittany Director
Age: 42

Gianni Barone

Sales Director
Age: 46

Luc Duchesne

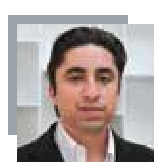
SATIMO Director of Research & Development
Age: 43

Lars Foged

Scientific Director
Age: 46

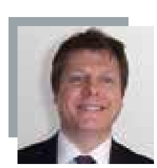
John Estrada

CEO SATIMO USA
Age: 48



Ruben Padilla

AEMI Director
Age: 30

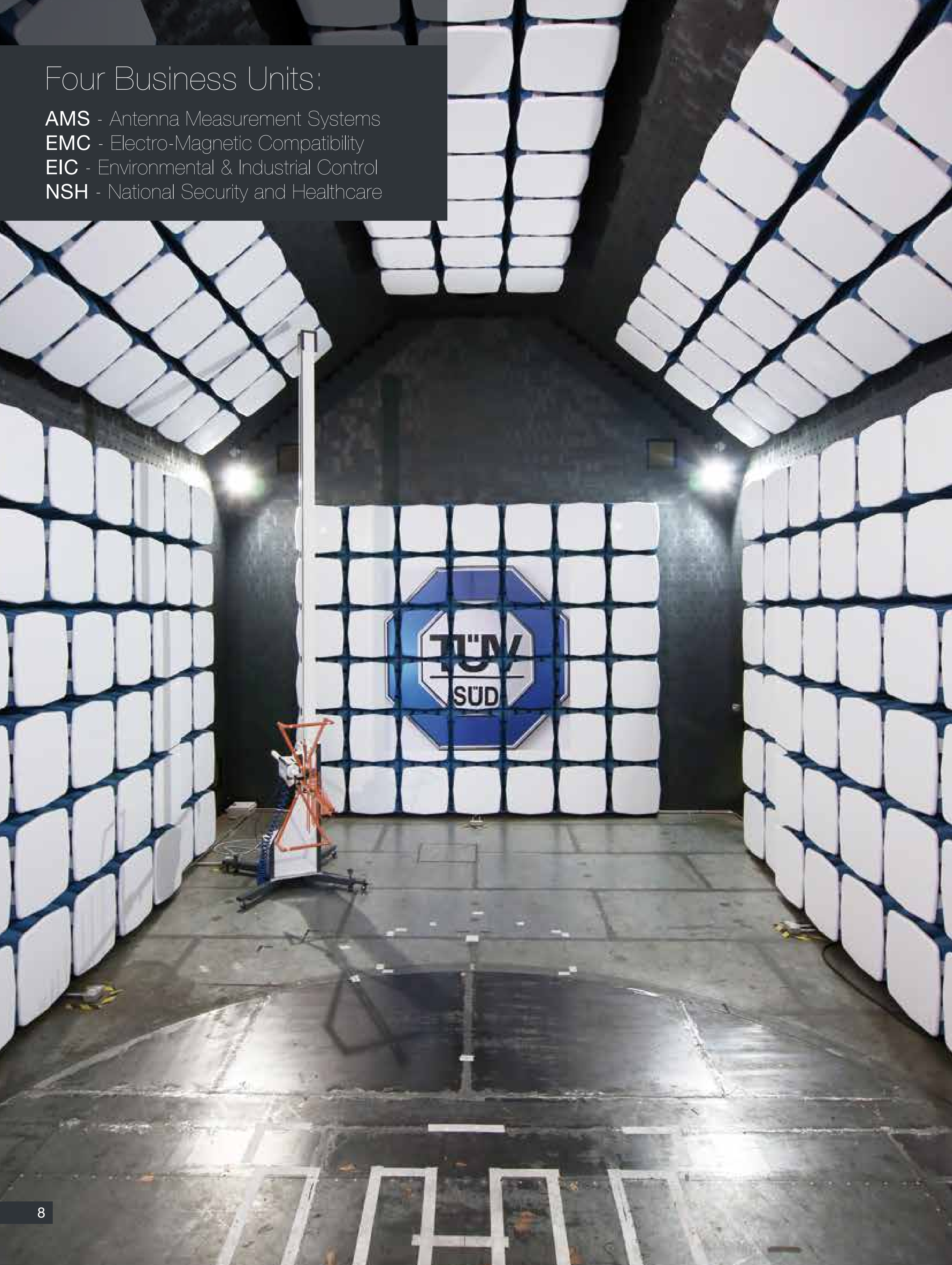


John Noonan

Rainford EMC Director
Age: 51

Four Business Units:

AMS - Antenna Measurement Systems
EMC - Electro-Magnetic Compatibility
EIC - Environmental & Industrial Control
NSH - National Security and Healthcare



A Group Structured for Growth

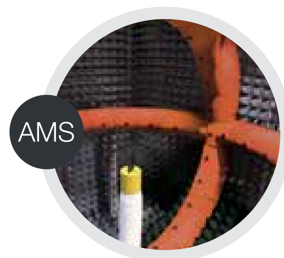
To boost its growth, the Microwave Vision Group (MVG) organised itself into four business units in 2012. This new structure has been backed by OSEO and the Group's banks through funding worth €8M.

The first business unit, **Antenna Measurement Systems (AMS)** comprises the conventional activities of the Group. With the recent funding, MVG has been able to accelerate the **introduction of new products** on the antenna measurement market.

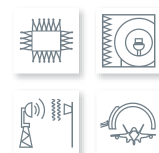
The second business unit focuses on **Electromagnetic Compatibility (EMC)** which offers aptitude test solutions for devices set to function in electromagnetic environments without producing interference themselves. This BU was reinforced by the **acquisition of the British company Rainford EMC Systems in July 2012.**

A third business unit, **Environmental and Industrial Control (EIC)**, focuses on devices for monitoring the level of electromagnetic waves and equipment for quality control on production lines. It is currently undergoing an **overhaul of its distribution network** that should already bear fruit this year.

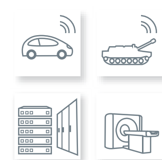
The fourth and final business unit, **National Security and Healthcare (NSH)**, is drawn from investments for the future, particularly highly qualified human resources. The goal: **to develop systems and products from research projects that create added value for customers in new markets targeted by this Unit.**



AMS DEPARTMENT
Antenna **M**easurement **S**ystems



EMC DEPARTMENT
Electro-**M**agnetic **C**ompatibility



EIC DEPARTMENT
Environmental & **I**ndustrial **C**ontrol

NSH DEPARTMENT
National **S**ecurity & **H**ealthcare

THE ANTENNA MEASUREMENT SYSTEMS (AMS) BUSINESS UNIT

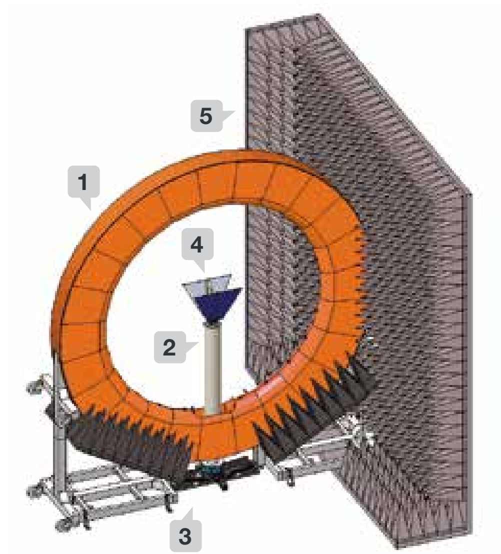
This BU comprises the Group's conventional activities in antenna measurement systems.

Customized AND Standard

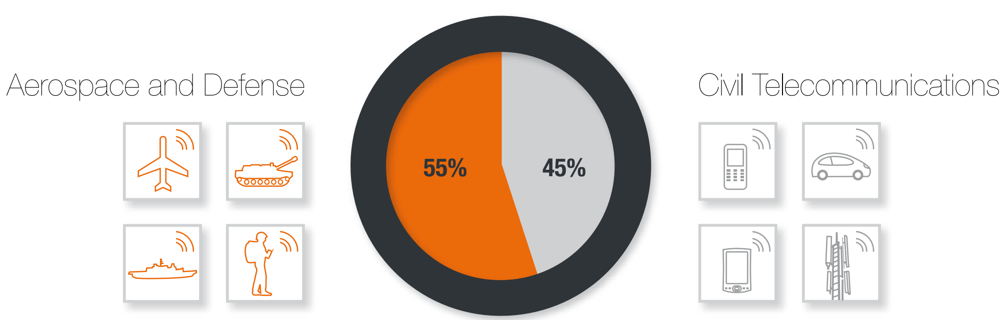
To build customized solutions for its clients, the Group relies on a **set of standardised technological parts, guaranteeing that margins are kept in check.** The typical offer includes a multi-sensor network [1] or a measurement probe, mechanical positioners [2,3], and the necessary accessories [4], all within a shielded room, covered with absorbing materials, forming an anechoic chamber [5]. This set up includes an RF channel for transmitting/receiving and control and data processing software. **MVG designs, markets, manufactures, installs and maintains these custom solutions.**

Contributing to 90% of 2012 Revenues, or €41.7M

This activity is the Group's core business. It generated €41.7 million in revenue or 90% of annual income. It benefits from industry diversification by balancing operations between Civil Telecommunications and Aerospace/Defense. It counts among its clients some of the biggest names in these industries around the world.



INDUSTRY DIVERSIFICATION



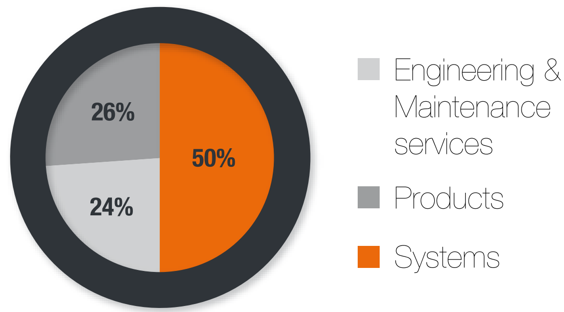
Steady Recurring Revenues

The year 2012 was marked by an increase in revenues in this BU. It has been growing steadily, relying on a robust product mix: maintenance contracts, engineering, services and products which represent 50% of sales and are **less sensitive to economic fluctuations.**

No Client Dependency

The largest contract won in 2012, for which revenues will be realized over 2 to 3 years, accounts for only 7% (€3.7 million) of sales revenues in 2012. This highlights the **Group's independence in relation to its main clients.**

A ROBUST PRODUCT MIX



SPOTLIGHT ON

THE STARBOT 4300

The StarBot 4300 represents a **major development in antenna measurement systems.** It was designed to respond to two challenges:

1/ Provide a versatile solution to measure dozens of antennas installed on large objects, such as aircrafts,

2/ Perform these steps in record time, not only in the laboratory but in an operational environment: on the tarmac or in combat situations, for example.

A Combination of Technologies

The solution proposed by MVG's R&D team: **a technological mix, combining robotics and multi-sensor networks.** The StarBot 4300 is an agile robot, capable of positioning, with high accuracy levels, a measurement arch of 6 metres in diameter and weighing several hundred pounds. It is able to characterize antennas located anywhere on a plane (top, bottom, nose, tail, wings). It thus avoids any movement of the aircraft during the measurement: **the remote-controlled robot positions the arch as close as possible to the antenna to measure.**

Access to New Markets

This system makes most sense in the context of operational maintenance procedures; it allows for all antennas on an aircraft to be checked without having to send the unit for maintenance with the manufacturer. It is therefore immobilized for a very limited time and this, directly in the field of operation. «In the context of anti-missile batteries, **this is a decisive advantage.** This technology opens the door to new markets where conventional measurement solutions have not provided an appropriate response," says Philippe Garreau, CEO of MVG.

THE ELECTRO-MAGNETIC COMPATIBILITY BUSINESS UNIT (EMC)

This business unit, which already accounts for 6% of sales revenues in 2012 (€2.8 million), comprises the traditional business activities of AEMI, Inc., centered on absorbing materials, and those of Rainford EMC Systems (REMC), specializing in shielded rooms. With the acquisition of REMC in 2012, MVG has increased its capacity to supply each part required to build the custom solutions at the heart of its business. This step toward vertical integration of its shielding supplier has also opened doors to the EMC market.

An Addressable Market Worth Hundreds of Millions of Euros

All electrical and electronic devices, designed for fields as diverse as Automotive, Medical, Civil Telecommunications, Defense, Consumer Electronics or Data Centers, must be tested for electromagnetic compatibility (EMC). Whether it's to ensure that they meet current standards or to ensure their immunity to electromagnetic pulses, the consequences of which can be devastating, EMC tests are a prerequisite to producing electronic devices. With the growing number of electronic devices on the market today and increasingly tomorrow, this sector has been experiencing continuous growth. The group quantifies the addressable market at more than €200 million.

Mode Stir Chamber

(1) Markets and Markets Report «Global Electromagnetic Compatibility (EMC) Shielding Market (2011-2016)»
(2) Technavio, «Global Electromagnetic Compatibility Shielding Market 2011-2015»

THE ENVIRONMENTAL AND INDUSTRIAL CONTROL (EIC) BUSINESS UNIT

This business unit is focused on devices for monitoring the level of electromagnetic waves for safety and equipment for quality control on production lines.

Significant Growth Potential

This BU, the income of which is still a modest part of 2012 revenues - 4% (€1.9 million), sells a dozen products, with prices set between €350 and €150k. It harbors considerable sources for growth, described on page 24.

A diversified customer portfolio

This BU supplies a broad client base. In terms of environmental control, the list includes certification laboratories, government agencies, municipalities, and maintenance and installation companies. Regarding industrial control, global producers of rock wool and glass wool constitute all clients served to date.

THE NATIONAL SECURITY AND HEALTHCARE (NSH) BUSINESS UNIT

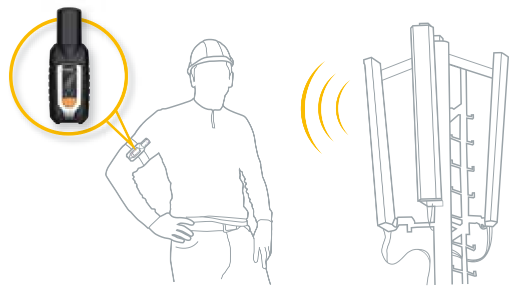
Activities in this business unit are concentrated on two products:

- An airport scanner, with the detection of weapons and explosives that could be hidden on the human body,
- A medical scanner for the detection and monitoring of breast pathologies.

This department is drawn from investments for the future, including highly qualified engineers, with the goal to bring our research projects to the point of recognized added value.

SPOTLIGHT ON

EME GUARD XS



Some workers risk over-exposure to electromagnetic waves while on the job. The MICROWAVE VISION Group, as specialists in the visualisation of electromagnetic waves, has developed a portable EMF detection tool: the EME Guard XS.

The EME Guard XS continuously monitors the level of electromagnetic waves in a worker's environment and will alert the worker with both sound and light if pre-determined thresholds are exceeded. This is a very user-friendly device that reassures employees and employers in the fields of installation and maintenance.

The Issue of EMF Exposure in the Work Environment

While new directive are being drafted to reinforce health regulations concerning EMF, MVG has already put its R&D team to work to develop this new measurement product with high reliability and simplicity of use. MVG sees it as soon to be an essential piece of equipment in all antenna technician tool boxes. Unrivalled on the market, the EME Guard XS is another example of MVG know-how behind the technical quality of its devices.

Innovation for Safety and Prevention

The EME Guard XS is a portable monitoring device which:

- Measures the levels of surrounding electromagnetic fields with an isotropic three-axis sensor
- Indicates the level of exposure in real time using colored LEDs
- Alerts via a visual and audible alarm when exceeding the approved limits

It has been ergonomically designed to facilitate its use. The product is extremely lightweight, is robust and requires no calibration by the user. Once in place, it will go completely unnoticed until an exposure threshold is exceeded...

90% of sales outside of France
25 new hires in R&D
€50.5M in new orders

Highlights 2012

MVG has continued its growth path in 2012, ending the year with an increase in revenue of 5%, to €46.36 million against € 44.03 million last year. 2012 thus marks the 17th year of growth for the group.

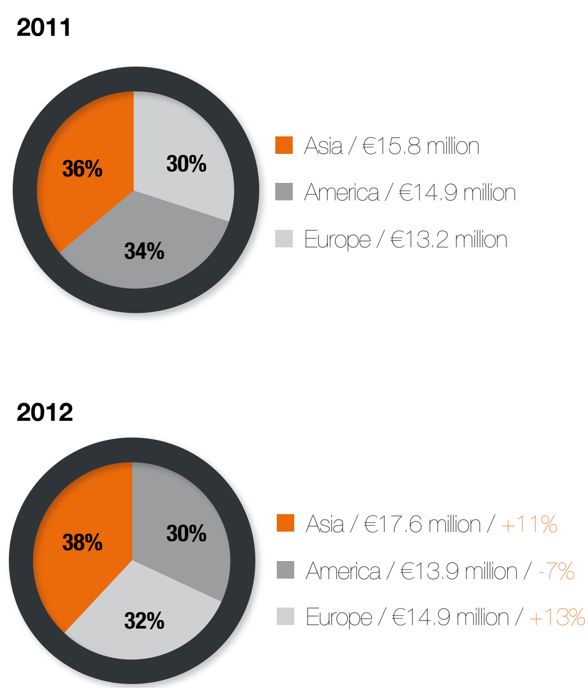
SUSTAINED SALES IN EUROPE AND ASIA

MVG is an affirmed export champion. More than 90% of revenue is achieved overseas. This geographical diversification enables it to position itself advantageously in light of the worldwide state of the economy.

2012 was marked by sustained growth in Europe and Asia while activities in the United States suffered a slowdown in orders from government agencies.

In 2011, 30% of revenue was generated in Europe, 34% in America and 36% in Asia. In 2012, the balance continues, but the geographic area split has been reorganized: advances in Asia (38%) with an increase of 11% in sales, up to €17.6 million; Europe has seen record growth (13% or €14.9 million), while America, particularly the U.S., remained resilient with a limited reduction of 7% (stable revenues at €13.9 million) despite the economic context.

These results are supported by an international presence through 18 offices and subsidiaries.



Outdoor range for far-field measurement for the Aerospace Industry

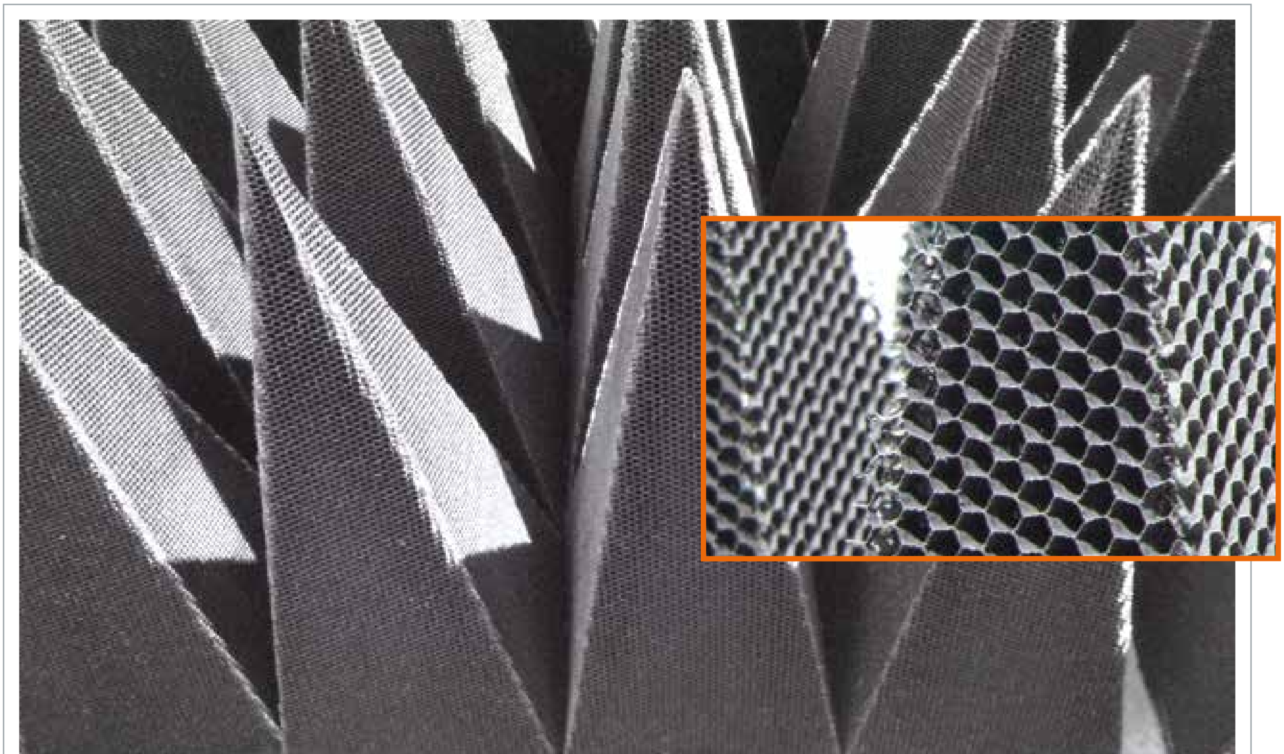
MICROWAVE VISION's worldwide presence

STRENGTHENING ITS R&D TEAMS

Each year, 10% of group revenue is invested in R&D. 2012 was no exception. This year, investments were supplemented by funding obtained from OSEO and the Group's banks in July 2012. This funding has played a major role in strengthening MVG's projects in development: 25 new engineers were recruited bringing the total of engineers dedicated to R&D to 70. All four business units have benefited from the acceleration of these research projects:

- AMS, where after the launch of StarBot 4300 (see page 11), a second ground-breaking product will be launched by the end of 2013, providing access to new markets.
- EMC, where the absorbing materials business now has its own R&D center, has produced a new absorbent material capable of withstanding very high power frequencies (see photo page 17).
- EIC, where the product portfolio has been strengthened since early 2013 by FlashRad, EME SPY Bluetooth and EME Guard XS.
- Finally, NSH, where a dedicated team is working on the development of prototypes and demonstrators.

MVG has benefitted from awards received that recognize its innovative profile in France: "Innovative Company" and "OSEO Excellence Network".



High power absorber with a honeycomb structure developed by the R&D team of the EMC BU

RECORD NEW ORDERS

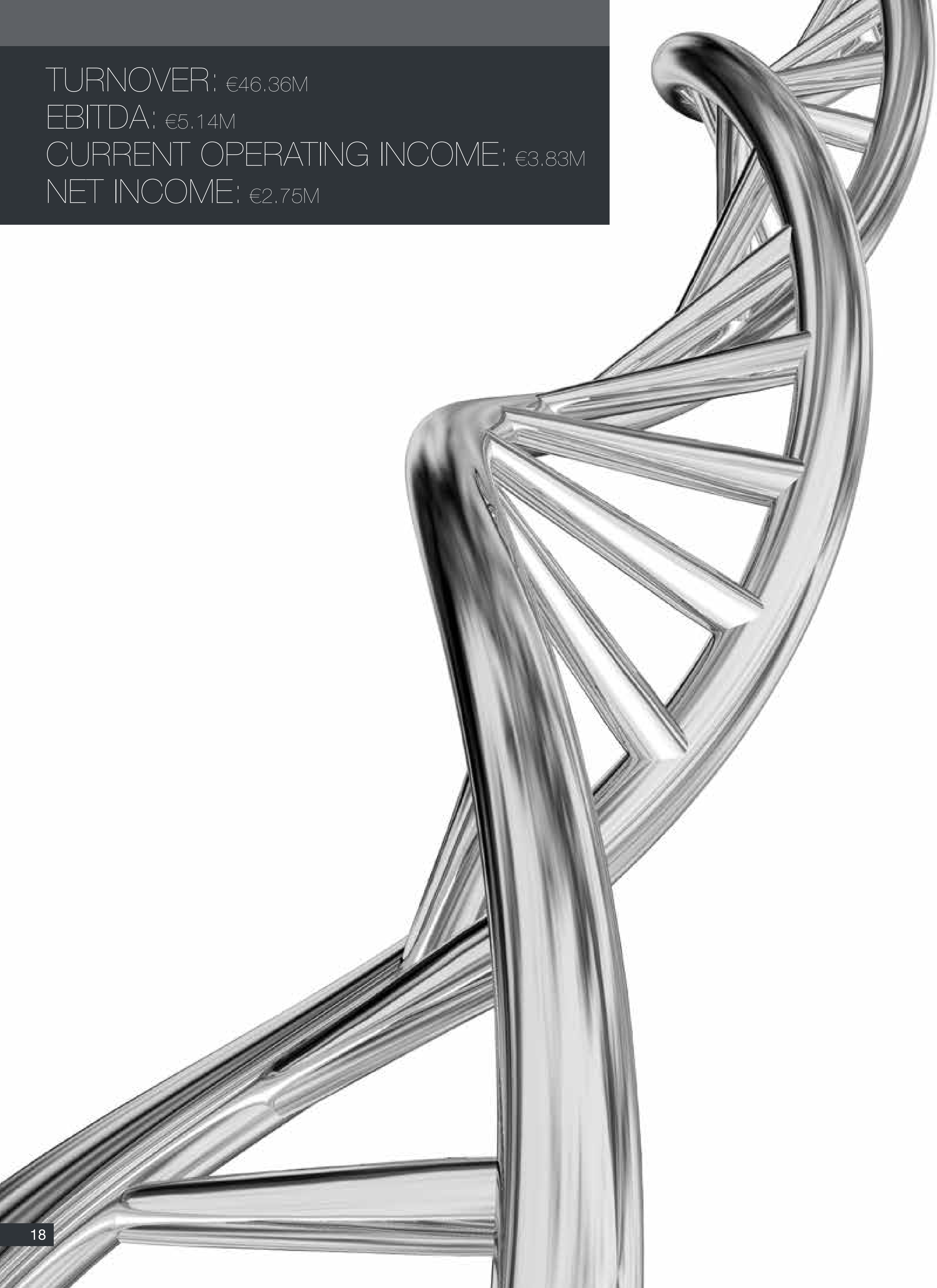
Annual order intake reached €50.5 million in 2012, an increase of 5% compared to 2011. In the last quarter, contracts worth €26 million were secured, totaling more than half the orders.

These orders are the result of ongoing sales efforts throughout the year as well as a reflection of the economic recovery and the regeneration of American orders which have long been on hold.

This notable performance also reflects the successful début of the EMC Business Unit which already accounts for 16% of orders in 2012.

Serrated-edge compact range reflector in the process of assembly

TURNOVER: €46.36M
EBITDA: €5.14M
CURRENT OPERATING INCOME: €3.83M
NET INCOME: €2.75M



Programmed for Profitable Growth

Innovation is the key growth engine for MVG. It allows us to provide clients with high value-added solutions, which in turn offer high level profitability. "Growth" and "Profitability" are thus an integral part of the DNA of MVG.

KEY FIGURES IN €M

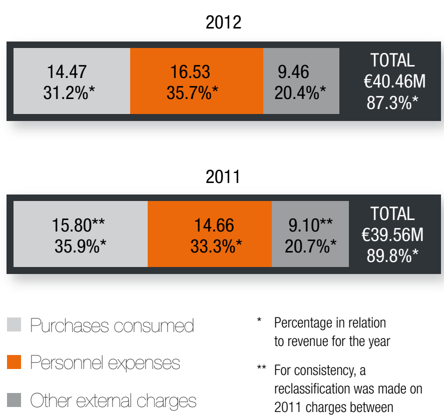
The results for the year 2012 once again demonstrate the merits of this **strategy of differentiation through added value:** Continued investment in R&D has led MVG to another year of profitable growth and higher margins. MVG thus shows **strong growth in its annual results.** Revenues amounted to €46.36 million, an increase of 5%. The current operating income (COI) rose by 21% to €3.8 million, bringing its current operating margin to 8.3%. The year-end closing cash was €5.63M.

In €k, IFRS standards	2012	% revenue 2012	2011	% revenue 2011
Revenue	46 358	-	44 044	-
EBITDA	5 145	11.1%	4 143	9.4%
Current operating income	3 834	8.3%	3 154	7.2%
Operating Income	3 772	8.1%	3 115	7.1%

CONTROL OF OPERATING EXPENSES

In 2012, MVG continued with its goal to improve profitability, with revenues that outgrew operating expenses by a ratio of two to one. The company continued its expansion of R&D with the recruitment of 25 new engineers gauging expansion and future growth. This investment is reflected in personnel expenses that have been held at 35.7% of sales a slight gain against 33.3% in 2011. Lastly, the integration of five months of Rainford EMC activities into the Group accounts has also contributed to improved results.

CHANGES IN EXPENSES FOR THE YEARS 2011/2012 €M



* Percentage in relation to revenue for the year

** For consistency, a reclassification was made on 2011 charges between purchases consumed and external expenses. This reclassification has no impact on 2011 results.

A SIGNIFICANT INCREASE IN NET REVENUES: +74%

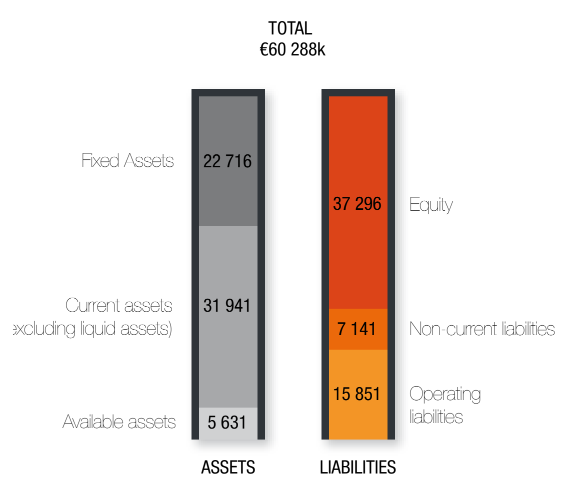
Net income grew by 74% to €2.7 million, representing a net margin of 5.9%. As for the net income Group share, it also resulted in a sharp rise, reaching €2.5 million, up 45%.

In €k, IFRS standards	2012	% revenue 2012	2011	% revenue 2011
Current operating income	3 834	8.3%	3 154	7.2%
Operating Income	3 772	8.1%	3 115	7.1%
Cost of net financial debt	(386)	0.8%	(352)	0.8%
Taxes	(561)	1.2%	(1 373)	3.1%
NET INCOME	**2 748**	**5.9%**	**1 577**	**3.6%**
NET INCOME GROUP SHARE	**2 503**	**5.4%**	**1 730**	**3.9%**

A SOUND AND SOLID FINANCIAL STRUCTURE

Concerning the balance sheet, the main changes are in fixed assets reported in net value, an increase of €2.5 million. This, of course, reflects the integration of Rainford EMC shares and the Group's investment efforts in 2012. Net cash also shows a strong increase, up to €5.6 million.

2012 BALANCE SHEET €k



10 meters EMC measurement chamber for the Automotive industry

In €k	2012	2011
Consolidated net income	2 748	1 730
Cash flow before net debt and tax cost	5 085	4 112
Variation in WCR	(2 362)	1 496
Net operating cash	2 236	5 922
Net investment flow	(3 756)	(1 915)
Net cash flow from financing	3 971	(3 109)
CASH FLOW	**2 021**	**108**
Closing cash	5 637	3 616

FUNDING DESTINED FOR INVESTMENT

The 8 million euro funding, obtained in July 2012 through investment bank loans, was granted equally by the CREDIT INDUSTRIEL ET COMMERCIAL (CIC) in their capacity of arranger, the SOCIETE GENERALE, and OSEO (equity loan). This funding financed R&D materials, demonstrators and prototypes, industrial goods purchases and equity participation.

€5.2 million was released at the end of 2012 and included in the balance sheet.

The cash flow statement reflects the overall financial items for the year 2012:

- A solid increase in profitability and therefore an improvement of Self-Financing Capacity (SFC),
- A slight decrease in Working Capital Requirements (WCR) - related to business growth,
- Cash-generating business activity,
- A high level of investment,
- Bank financing to strengthen the group’s position and to accelerate its growth.

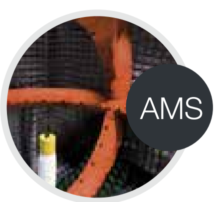
Finally, the cashflow statement shows a net cash increase of more than €2 million.

- Industry diversification
- Geographic expansion
- Overhaul of the distribution network
- Generating high value

A Profitable Growth Strategy Set for 2013

Innovation, as a driver of growth, will allow MVG to maintain a high level of profitability. The strategic structuring of the Group into 4 business units allows to distinguish independent targets for growth, depending on the maturity of each market.

ACTIVATING GROWTH DRIVERS FOR EACH BUSINESS UNIT



INDUSTRY DIVERSIFICATION FOR THE AMS BUSINESS UNIT

For the AMS BU, enabling growth drivers involves first launching breakthrough products. The StarBot 4300 is the first groundbreaking product launched this year – it is destined for a slightly different market as that targeted for antenna measurement systems (see box on page 11). A second groundbreaking product, operating in the field of SAR (Specific Absorption Rate) measurements, will soon be added to the product offering of the AMS department. It will be presented as a kit which will connect to the measurement system and expand its analytical and investigative capabilities.

Finally, after having laid its first foundations in South America in 2012, the Group plans to strengthen its presence in this region in 2013.

GEOGRAPHIC EXPANSION FOR THE EMC BUSINESS UNIT

While this department accounts for only 6% (€2.8 million) of revenues in 2012, it already accounts for 16% of orders, which perfectly reflects its growth potential for the Group.

MVG | EMC
Anechoic chamber technology

To create synergy and value in the EMC market for this business unit, a new brand name has been launched: **MVG | EMC.** It encompasses the product lines from Rainford EMC, and AEMI, Inc.

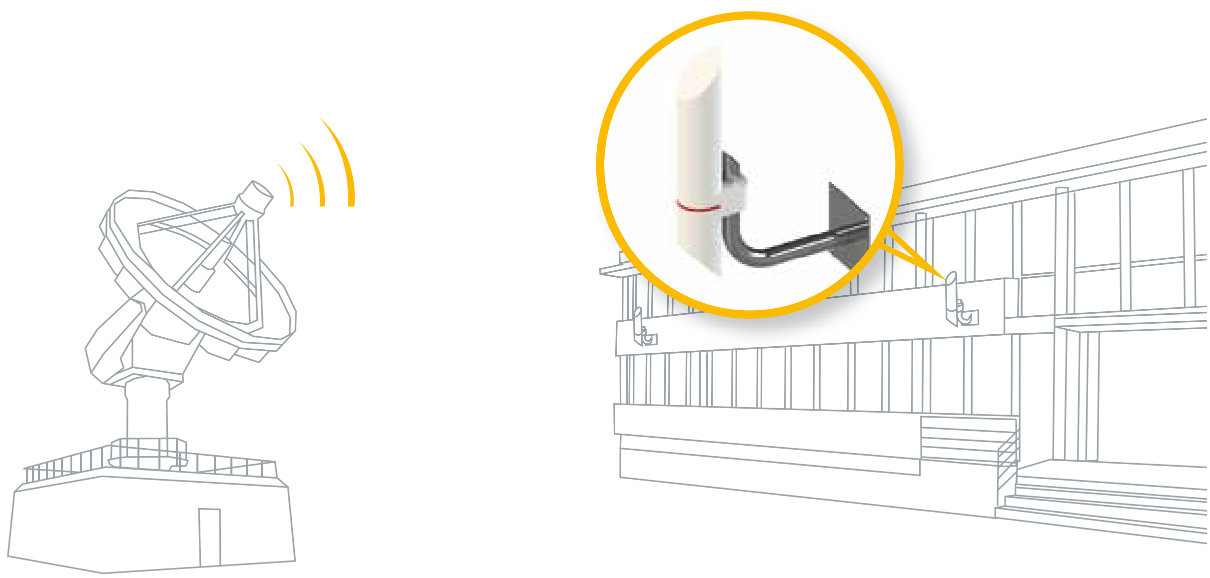
A strategy of expansion into Asia and America for this BU has been defined and is currently being implemented. It should bear fruit by the end of 2013.

OVERHAUL OF THE DISTRIBUTION NETWORK OF THE EIC BUSINESS UNIT

This business unit, despite its modest 2012 revenues - 4% (€1.9 million), contains significant reservoirs for growth. It sells over a dozen products, with prices set between €350 and €150k with high potential for worldwide sales. Firstly, for the Environmental Control department, the range of aging products will undergo a facelift: **3 new products will be launched by the end of 2013.** Following this change, the distribution network, which currently targets mainly France and a few other countries, will see distribution channels largely expanded **to cover all major markets** (North Europe, USA, China and India). Finally, for the Industrial Control department, the group aims to **find new outlets** for its Dentro product - several are presently under investigation.

GENERATING HIGH VALUE FOR THE NSH DEPARTMENT

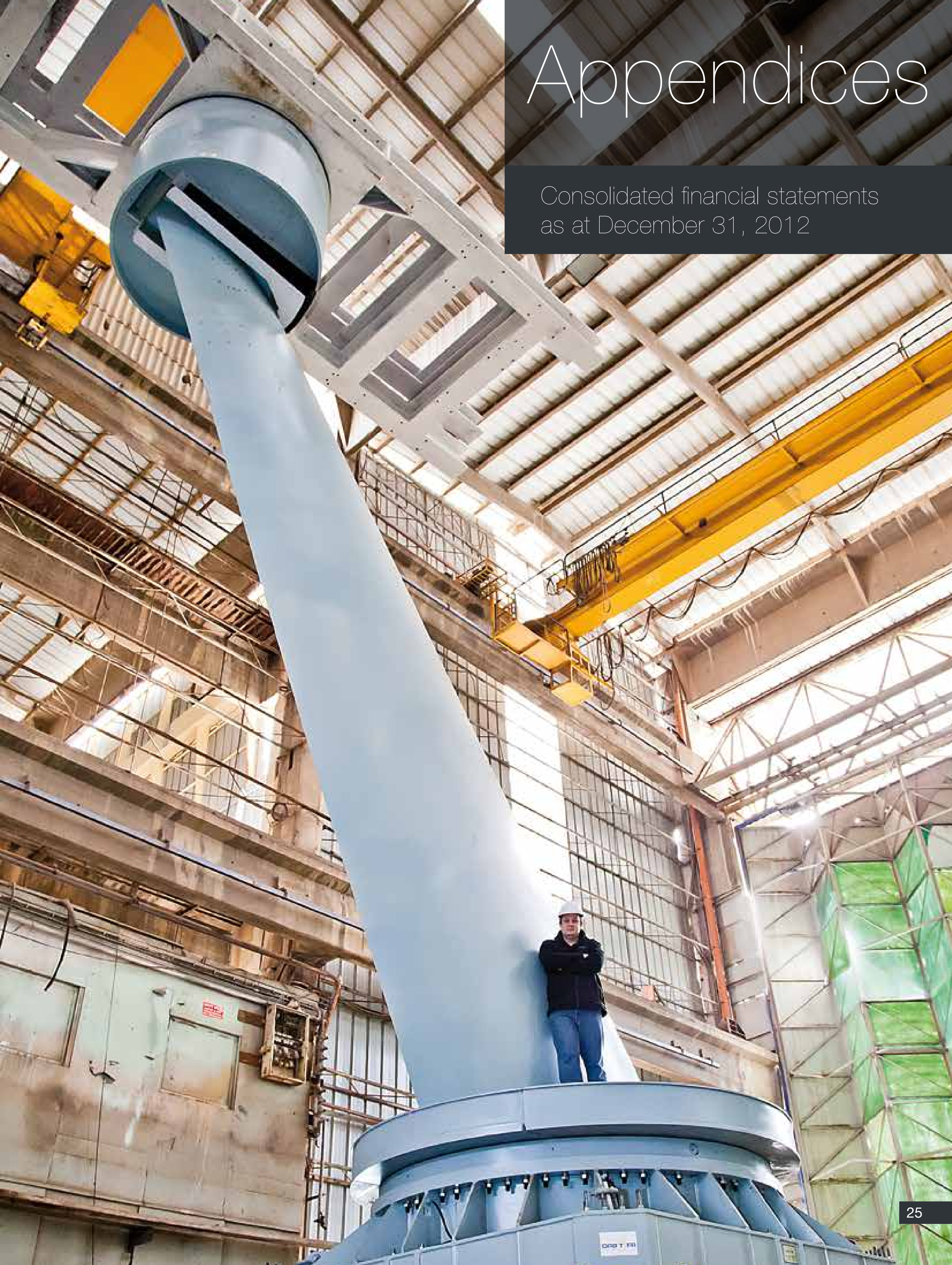
The 10 highly qualified engineers focusing on developments in this division must present **technological demonstrators and prototypes by no later than the first quarter of 2014.** Getting past the technological barriers highly depends on the success in this step. A date has been set for 2014 in order to verify that this step has been completed and the move toward industrialization can be undertaken.



FlashRad, a product from the EIC business unit was launched this year

Appendices

Consolidated financial statements as at December 31, 2012



Consolidated Balance Sheet

ASSETS (in €k)	31/12/2012	31/12/2011
Goodwill	13 521	11 511
Intangible assets	38	298
Tangible assets	5 333	4 226
Other financial assets	-	307
Deferred tax assets	3 482	4 069
NON-CURRENT ASSETS	**22 716**	**20 411**
Stocks and work in progress	5 729	4 939
Trade and other receivables	21 977	19 725
Other debtors and current assets	4 234	3 064
Marketable securities	1 854	50
Cash and cash equivalents	3 779	4 537
CURRENT ASSETS	**37 572**	**32 316**
Assets held for sale	-	-
TOTAL ASSETS	**60 288**	**52 727**

CAPITAL AND RESERVES and LIABILITIES (in €k)	31/12/2012	31/12/2011
Capital	711	711
Share premiums, merger	-	-
Reserves	31 026	29 463
Consolidated profit	2 503	1 730
Minority interest	3 056	2 862
CAPITAL AND RESERVES	**37 296**	**34 766**
Non-current provisions	586	474
Non-current financial debts	6 478	2 748
Deferred tax liabilities	76	23
Other non-current liabilities	-	-
NON-CURRENT LIABILITIES	**7 140**	**3 244**
Current financial debt	-	971
Current provisions	-	-
Accounts payable	9 448	5 663
Other debts	6 403	8 083
Current financial liabilities	-	-
CURRENT LIABILITIES	**15 850**	**14 717**
Liabilities related to assets held for sale	-	-
TOTAL CAPITAL AND RESERVES AND LIABILITIES	**60 288**	**52 727**

Consolidated income statement

Consolidated income statement (in €k)	31/12/2012	31/12/2011
Revenue	46 358	44 044
Other operating revenues	49	201
REVENUE	**46 407**	**44 245**
Purchases consumed	-14 469	-15 797
Taxes and similar payments	-469	-414
Personnel expenses	-16 535	-14 662
Depreciation and provisions	-1 311	-989
Other current operating income and expenses	-9 790	-9 229
CURRENT OPERATING INCOME	**3 834**	**3 154**
Other operating income and expenses	-62	-38
Expenses related to stock options	-	-
OPERATING INCOME	**3 772**	**3 116**
Cost of net financial debt	-386	-353
Other financial income and expenses	-76	187
FINANCIAL RESULTS	**-462**	**-166**
NET INCOME BEFORE TAXES	**3 310**	**2 950**
Taxes	-562	-1373
NET INCOME OF CONSOLIDATED COMPANIES	**2 748**	**1 577**
Total share in the results of associated companies	-	-
NET INCOME FROM CONTINUING OPERATIONS		
Net income from discontinued operations or those being transferred	-	-
NET INCOME	**2 748**	**1 577**
Attributable to:		
Ordinary equity holders of the parent company	2 503	1 730
Minority interest	245	-153

Group net income per share - before dilution (in euros)	0.7038	0.4865
Net income from discontinued activities or those being transferred per share - after dilution (in euros)	-	-
Group net income per share - after dilution (in euros)	0.7023	0.4721

Consolidated Cash Flow Statement

(in €k)	Consolidated 2012	Consolidated 2011
CONSOLIDATED NET INCOME (1)	**2 748**	**1 730**
+/- Allocations net of depreciation and provisions (2)	1 312	989
+/- Income and expenses related to stock options and similar	-	20
-/+ Other income and expenses calculated	-	-
-/+ Capital gains from disposal	-	-
- Dividends (non-consolidated shares)	-	-
SELF-FINANCING CAPACITY AFTER NET FINANCIAL DEBT AND TAX COST	**4 060**	**2 739**
+ Cost of net financial debt	463	0
+/- Income tax (including deferred tax)	562	1 372
SELF-FINANCING CAPACITY BEFORE NET FINANCIAL DEBT AND TAX COST (A)	**5 085**	**4 112**
- Taxes paid	-562	-656
+/- Change in working capital requirements related to operations (3)	-2 105	1 496
+/- Other flows generated by operations	-	-
= NET CASH FLOW FROM OPERATIONS (D)	**2 418**	**4 952**
- Disbursements related to tangible and intangible asset acquisitions	-3 107	-1 762
+ Collections from disposal of tangible and intangible assets	1	16
- Disbursements related to financial asset acquisitions	-	103
+/- Impact of scope changes	-	66
+/- Change in approved loans and advances	-	-
+ Investment subsidies received	-	-
+/- Other flows from investing activities	- 1 235	-
= NET CASH FLOW RELATED TO INVESTING ACTIVITIES (E)	**-4 341**	**-1 915**
+ Amounts received from shareholders upon capital increase	-	-
- Paid by shareholders of the parent company		-1 057
+ Collections related to new debt	5 423	-
- Repayment of debt (including finance leases)	-1 450	-2 051
- Net financial interest paid (including finance leases)	0	0
+/- Other flows related to finance operations	0	0
+ Capital increase in cash	-	-
= NET CASH FLOW RELATED TO FINANCING ACTIVITIES (F)	**3 974**	**-3 109**
+/- Impact of variations in foreign currency (G)	30	178
= CHANGE IN NET CASH H = (D+ E + F + G)	**2 021**	**106**
OPENING CASH (I)	**3 616**	**3 510**
CLOSING CASH (J)	**5 637**	**3 616**

Statement of Changes in Equity

(in €k)	Capital	Reserves	Consolidated profit	Group total	Shareholder total	Total
SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2011	**711**	**29 463**	**1 730**	**31 904**	**2 862**	**34 766**
Allocation of profits		1 730	-1 730	0		0
Operation on capital				0		0
Financial instruments				0		0
Share-based payments				0		0
Operations on treasury shares				0		0
Dividends				0		0
Net profit or loss for the period			2 503	2 503	245	2 748
Unrealized exchange		-167		-167	-51	-218
Change in scope				0		0
Other movements				0		0
SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2012	**711**	**31 026**	**2 503**	**34240**	**3056**	**37 296**

Unrealized exchange differences related to the consolidation of subsidiaries whose accounts are held in foreign currencies according to the regulations mentioned in the chapter "Conversion of financial statements of foreign companies". In 2012 we recorded a foreign exchange impact due to the conversion of the accumulated results over the historical average price in relation to the closing rate at the end of the year during the transfer of our Atlanta facility to subsidiary status.

Consolidated Accounts Appendix

1/ Consolidated Total

Group Identification

MICROWAVE VISION SA, parent company of the group, is a French société anonyme, headquartered at 17 avenue de Norvège, 91140 Villebon-sur-Yvette.

The MICROWAVE VISION Group consists of two divisions:

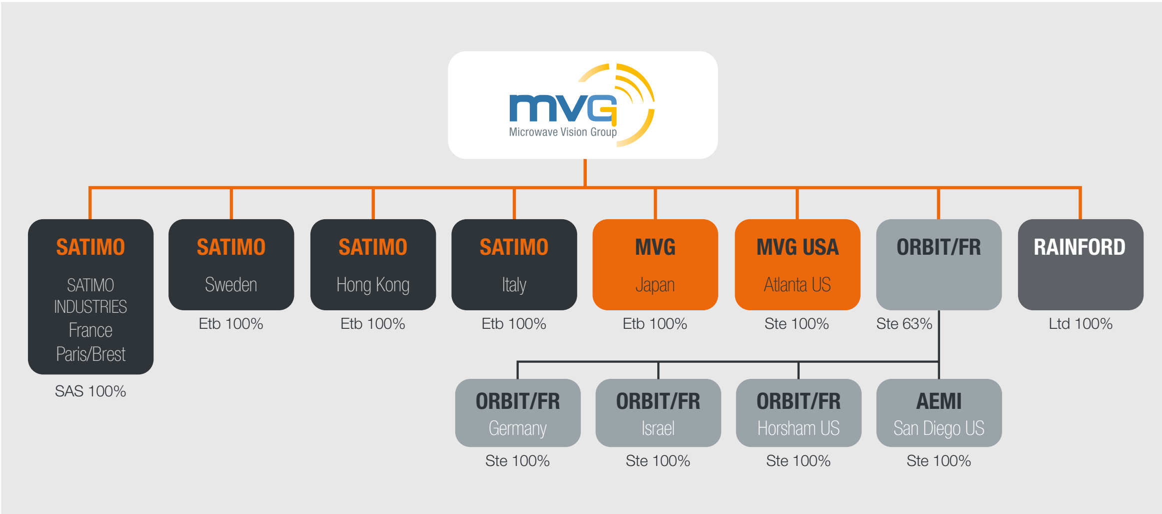
- A division with a technology that allows for fast analysis of electromagnetic fields over a scan line or a surface, so well that the measurement of electromagnetic fields can be carried out in a very short time period compared to traditional techniques. This equipment is intended for all industries that make use of antennas (spatial, avionics or automobile) and for radio-communications companies (operators, R&D departments for mobile phone manufacturers, antenna manufacturers, inspection labs).
- A division that designs, manufactures and markets antenna measurement systems (base measurement in near field, far field, compact bases, bases for measuring electromagnetic signatures) based on mechanical displacement sensor technology. These measurement systems are designed for the sectors of defense, aerospace, wireless communications and the automotive industry.

In addition, the MICROWAVE VISION Group manufactures absorbent materials designed to internally cover anechoic chambers which are themselves components of measurement systems.
The MICROWAVE VISION company, a holding company of the Group, has been listed on Alternext since June 30, 2005 under ALMIC.
The financial year covers a period of 12 months, from 01/01/2012 to 31/12/2012. The notes listed below are part of the consolidated accounts.

Group Organization and Consolidation Scope

MICROWAVE VISION SA is the holding company of the Group. In addition to general management, it provides the finance, marketing and sales roles of the Group.

NOTE: The company SATIMO Industries holds a 10% stake in the company Metraware, located at the following address: Quartier cime des Vières 84240 CABRIERES D'AIGUES.



SATIMO INDUSTRIES

SATIMO Industries is the industrial company of the Satimo division. This entity manufactures the measurement systems for the entire MICROWAVE VISION Group. It houses the largest R&D center and manages customer support and maintenance for the Group, assisting all of our overseas facilities or subsidiaries. SATIMO INDUSTRIES has offices on two sites in France, one in Les Ulis (near Paris), and the other in Brest.

MICROWAVE VISION USA, Inc.

MICROWAVE VISION USA, Inc. is based in Atlanta and mainly serves as a sales office, but is also a highly active service provider. It provides maintenance for installed systems in North America and measurement services in its permanent measurement lab. This company was founded in the financial year by transferring the business operations of the Atlanta facility to the new enterprise.

RAINFORD EMC SYSTEMS

This entity is based in Manchester, England and was acquired in July 2012. It is now owned 100% by MVG. It manufactures anechoic chambers for antenna measurements and for electromagnetic compatibility (EMC). EMC has become a major growth driver for the Group.

MVG SA AUTONOMOUS FACILITIES

- **SATIMO SWEDEN** based in Gothenburg has a sales role in the domain of non-destructive testing.
- **SATIMO HONG-KONG** is based in Hong Kong and develops business for the Group throughout Asia. It is also a maintenance base for the region.
- **MICROWAVE VISION JAPAN,** based in Kawasaki-city, provides the same role as the Hong Kong facility, but in Japan.
- **SATIMO ITALY** is based in Rome and is a manufacturing platform for small antennas. It is also an R&D center working in partnership with SATIMO INDUSTRIES.

THE GROUP ORBIT/FR CONSISTS OF FIVE ENTITIES

- **The holding ORBIT/FR** Inc. in the United States, located in Horsham, has no operational role.
- **ORBIT/FR GmbH,** based in Munich, Germany provides marketing for ORBIT/FR throughout Europe, and manufactures specific systems.
- **ORBIT/FR LTD,** based in Hadera in Israel, manufactures positioners and masts for the entire Group and acts as distributor in the Middle East.
- **ORBIT/FR US,** located in Horsham, PA in the United States, is responsible for distributing ORBIT/FR products throughout North America. This entity also integrates equipment manufactured in Israel.
- **AEMI US,** based in Santee, CA,USA, designs and manufactures absorbing materials for the entire Group.

Changes in Consolidation Scope

On 31 December 2012, except for the Metraware shareholding (10% of capital) of which the assets and liabilities are less significant, no company directly or indirectly owned, majority or minority, is excluded from the consolidation scope. On July 27, 2012, MICROWAVE VISION acquired 100% of Rainford EMC Systems, a company based in Manchester, specializing in the manufacture of anechoic chambers. This company has been an integral part of the group since the 1st of August 2012.
During the financial year, the Satimo-Atlanta facility in the United States was spun off to become MVG USA. This subsidiary facilitates access to credit from U.S. banks.

2/ Accounting Principles and Valuation Methods

The financial statements were approved on 23 April 2013 by the Board of Directors. The statements are expressed in thousands of euros unless otherwise stated.
The consolidated financial statements of the Group at 31 December 2012 are prepared in accordance with the standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union on 31 December 2008. This framework integrates the international accounting standards (IAS and IFRS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) standards published by the IASB on 31 December 2008.

This framework is available:
http:/ec.europa.eu/internal_marke^accounting/ias_fr.htm#adopted-commission

MICROWAVE VISION presents, for the fifth time, these consolidated accounts in accordance with the IFRS framework. The accounts at 31 December 2011, presented comparatively, were determined in the same manner.

Accounting Rules and Methods

Conform to IFRS 5: "Non-current assets held for sale and discontinued operations", assets from discontinued operations held for sale and liabilities directly related to them have been reclassified in the balance sheet as "assets held for sale" and "liabilities related to assets held for sale". Where the criteria of IFRS 5 are met, gains and losses and impairments resulting from the valuation of assets at fair value less transfer costs, are presented in the income statement under "Net income from discontinued operations being transferred".

The accounting principles applied for the consolidated financial statements as of 31 December 2012 are identical to those used in the consolidated financial statements as of 31 December 2011, with the exception of new standards and amendments to existing standards, effective the 1st of January , 2012 and published in the Official Journal of the European Union on the date of the statement of accounts.

The following standards apply:

- **IFRS 7:** «Disclosures about Transfers of Financial Assets» (mandatory standard from the 1st of January 2012). This amendment does not change the current method of accounting for share transactions but specifies the information that must be published;
- **IAS 1:** "Presentation of Items of Other Comprehensive Income (OCI)". This amendment came into force in the European Union on 6 June 2012;
- **IAS 12:** Income taxes - "Deferred Tax: Recovery of Underlying Assets" amendment to IFRS 1: First time Adoption of International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters, IFRS 13 : fair value: these norms were adopted on 29 December 2012 and became mandatory from the 1st of January 2013; implementation coming into force in the European Union on 6 June 2012 and mandatory from the date of the 1st of January, 2013.

In addition, the group has not adopted the latest published standards and interpretations in advance that will be required only in respect of periods commencing after the 1st of January 2013. The following standards and interpretations apply:

- **IAS 19:** "Employee benefits" This standard, published in the Official Journal of the European Union on 6 June 2012 became mandatory on 1st January 2013. The impact on equity is mainly due to a change in pensions that occurred in 2005, net of the share having since been the subject of a spread in revenues under IAS 19 previously applied;
- **IAS 27:** «Consolidated and Separate Financial Statements» has undergone a new version on 12 May 2011, following the application of IFRS 10, effective for annual periods beginning on or after the 1st of January 2014;
- **IAS 28:** "Investments in subsidiaries, associates and joint ventures" mandatory from the 1st of January 2013;
- **IAS 32:** «Offsetting Financial Assets and Financial Liabilities» applicable for financial years beginning on the 1st of January 2014;
- **IFRS 9:** "Financial Instruments", effective for accounting periods beginning on or after the 1st of January 2013.
- **IFRS 11:** "Partnerships", effective for accounting periods beginning on or after the 1st of January 2013.
- **IFRS 12:** "Disclosure of Interests in Other Entities", effective for accounting periods beginning on or after the 1st of January 2013.
- **IFRS 13:** "Fair Value Evaluation", effective for accounting periods beginning on or after the 1st of January 2013.

Estimates and Assessments

In preparing its financial statements, the Group must make estimates and assumptions that affect the carrying value of certain assets and liabilities, revenues and expenses, as well as information provided in certain notes of the appendix. The Group reviews its estimates and assessments on a regular basis to take into account past experience and other factors deemed relevant in light of economic conditions. Depending on changes in these different assumptions or conditions, the amounts appearing in future financial statements may differ from current estimates.

The key estimates and assumptions used are inherent to:

- The assessment and recoverable value of goodwill. The estimate of the recoverable value of these assets requires the determination of future cash flows resulting from the use of these assets. It may therefore be the case that flows effectively generated by these assets differ substantially from initial projections;
- The assessment of pension liabilities;
- The determination of provisions for liabilities and charges given risks susceptible to affect the occurrence and costs of events constituting the underlying provision;
- Tests of asset values based on the prospects for future achievements;
- Deferred taxes.

Options Selected for Evaluation and Recognition of Assets and Liabilities

Certain international accounting standards provide options for assessment and recognition of assets and liabilities.

In this context, the Group has adopted:

- the evaluation method for the historical cost of intangible and tangible assets and therefore has chosen not to re-evaluate these at each balance sheet date;
- The option of setting the correct value per statement in accordance with the option proposed by amendment IAS 39.

In the absence of standards and interpretations applicable to a specific transaction, the Group's management takes the decision to define and apply the principles and methods that allow it to obtain relevant and reliable information so that the financial statements:

- fairly present the financial position, financial performance and cash flows of the group;
- reflect the economic substance of transactions;
- are neutral, prudent and complete in all material respects.

Consolidation Method

Companies over which the company MICROWAVE VISION exercises control are consolidated by full integration. Control is presumed to exist when the parent company holds, directly or indirectly, the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Subsidiaries are included in the scope of consolidation from the date on which control is transferred effectively to the Group, while transferred subsidiaries are excluded from the scope of consolidation from the date of loss of control. With full consolidation, the consolidated balance sheet includes the assets and liabilities of the parent company, excluding shares in consolidated companies, at the book value from which is substituted all assets and liabilities constituting the capital of these companies determined according to consolidation rules. All transactions between the consolidated companies are eliminated. The Group holds no special purpose entities.

Converting the Financial Statements of Foreign Companies

The consolidated financial statements presented in this appendix have been prepared in euros.

The accounts of foreign companies outside the euro zone are translated using the following principles:

- balance sheet items other than shareholders' equity are converted at the closing rate;
- statement items are converted at the average rate for the year;
- conversion differences resulting from the impact of changes in exchange rates between the opening (and/or the date of acquisition of the companies concerned) and the year-end are recorded under "Exchange rate adjustments" and are included in equity until the assets or liabilities, and all foreign exchange transactions to which they relate, are sold or liquidated.

Conversion rates for Euro/Currencies ($, $HK, YEN, SEK, £) used are as follows:

(in €)	$		$HK		YEN		SEK		£
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012
Closing rate	1.32153	1.29483	10.25115	10.0583	113.4945	100.2305	8.6132	8.9206	0.81739
Average rate	1.28493	1.39088	9.96115	10.8190	102.4590	110.7420	8.6987	9.0244	0.81085

3/ Notes on the Balance Sheet

NON-CURRENT ASSETS

Goodwill

(in €k)	31/12/2011	Increase	Decrease	31/12/2012
ORBIT/FR goodwill	8 050	0	0	8 050
ANTENESSA goodwill	3 461	0	0	3 461
RAINFORD goodwill	0	2 011		2 011
TOTAL	**11 511**	**2 011**	**0**	**13 521**

During an acquisition, the assets, liabilities and contingent liabilities of the subsidiary are recorded at their fair value in an allocation period of twelve months and retroactive to the date of acquisition. The acquisition cost is the amount of cash, or cash equivalent, paid to the vendor plus any costs directly attributable to the acquisition.

Depreciation tests are performed annually using the method of discounting future cash flows based on current operating forecasts covering at least a period of 4 years. The current forecasts are based on historical experience as well as on the outlook for the market. They also reflect the business plan of the company. The organisation of Satimo Industries does not allow for the monitoring of the general Cash Generating Unit (CGU) of Antenessa. Accordingly, Antenessa goodwill was reassigned in 2010 to the CGU of Satimo Industries. Both CGUs followed by the Group are now SATIMO Industries and ORBIT/FR. Each generates independent cash flows.

Based on existing forecasts and projections of cash flows before taxes, the recoverable amount was determined by applying a discount rate of 12% after tax. The terminal value was evaluated on the basis of the latest free cash flow as defined in the business plan of the company (2016).

Intangible assets

Intangible assets amounted to a net value of €38k as at December 31, 2012.

(in €k)	31/12/2011	Increase	Decrease	31/12/2012
Gross	1 185	170	330	1 025
Depreciation	887	100	0	987
NET	**298**	**70**	**330**	**38**

Software, patents and licenses are recorded at cost. They are amortized over a period of 3 to 5 years following the straight-line method.

Research costs are expensed in the period in which they are incurred. Development costs that meet the criteria for inclusion in assets of IAS 38 are included in intangible assets and amortized over an estimated period of utility not exceeding three years from the date the products or services are first sold. Without questioning the technological advances of SATIMO, the development of horizontal research projects with research teams in its subsidiary ORBIT/FR no longer allows the company to have sufficient readability on research and development projects carried out within the Group.

Thus, the company no longer fully meets the inclusion requirements in the assets of IAS 38. These being completely remade into new horizontal research projects for which cost identification is impossible to implement.

Tangible assets

Tangible assets amounted to net value of €5 333k as at December 31, 2012.

(in €k)	31/12/2011	Increase	Decrease	31/12/2012
Gross	7 507	1 944	818	8 633
Depreciation	3 281	613	594	3 300
NET	**4 226**	**1331**	**224**	**5 333**

Capital assets are recorded at their acquisition cost plus incidental costs of transportation and installation.

Depreciation is calculated using the straight-line method on the estimated useful lives of assets:

Plant and equipment	5 to 10 years
Equipment and tools	3 to 7 years
Office equipment, computers and furniture	3 to 10 years

Debt interest incurred for the construction and acquisition of tangible assets are included in the cost of the asset when they are significant.

The Group has not retained any residual value for its assets. Indeed, most industrial assets are to be used until the end of their life and are generally not expected to be sold.

Finance leases

The total amount of fees remaining payable on long-term leases totaled €61 875.

Details of finance leases:

Description of goods (in €)	Gross value of goods	Charges for the year	Depreciation	Accumulated depreciation	Remaining debt owed
MIMO	92 813	30 938	30 938	61 875	30 938
MIMO	64 761	8 365	7 686	7 686	57 075
TOTAL	**157 574**	**39 303**	**38 624**	**69 561**	**61 875**

Assets held under finance leases have been restated to appear under tangible assets on the balance sheet, with accounting in counterpart to a loan under liabilities decreased by the borrower's advance. Straight-line depreciation was recorded in reference to the life of the asset. Leasing costs are recognised as an expense in the period in which they are incurred.

Non-current Financial Assets

These include non-consolidated investments, as well as their securities. Their value is revised at each balance sheet, and depreciation is applied if necessary.

Non-current Tax Assets

Deferred taxes are recognized when there are timing differences between the base taxable and the consolidated value of assets and liabilities.
Deferred tax assets are recognized when it is probable that the company will have taxable profit on which it may charge a temporary deductible difference.

Assets and liabilities are measured using tax rates and rules applicable as of December 31, 2012, namely:

France	33.33%
USA	47%
Hong Kong	17%
Italy	27.50%
United Kingdom	24%

The tax rate for each country is identical to that used during the previous period. For consistency with the presentation of US accounts on the NASDAQ, tax credits generated under the period have not been enabled for the Group ORBIT/FR.

The summary of non-current deferred tax assets is:

(in €k)	31/12/2012	31/12/2011
MICROWAVE VISION SA deficit	249	357
Satimo Industries deficit	1 310	2 236
ORBIT/FR deficit	1 072	1 072
ORBIT/FR temporary offset	785	356
R&D expense depreciation restatement	-	-
SI temporary offset	-	7
IDR	54	41
Others	12	0
TOTAL	**3 482**	**4 069**

CURRENT ASSETS

Stocks

Inventories of materials and components and stocks of intermediate products and finished goods are valued at historical cost (acquisition cost or production cost).

The intermediate and finished products, also incorporate the historical cost of supplies, labour valued at the average hourly rate.

A provision is recorded if the realizable value at the balance sheet date is lower than historical cost.

As at December 31, inventories consisted of:

Raw materials and supplies	€5 221 783
Intermediate and finished products	€664 477
Raw materials and supplies are provisioned at	€157 668

Receivables and Payables

(in €k)	31/12/2011	Variation	31/12/2012
Gross value	20 066	2 406	22 472
Impairment losses	341	155	496
NET VALUE	**19 725**	**2 251**	**21 976**

Receivables are stated at their nominal value.
Invoices to be issued in accounts receivable amounted to €7 751k at December 31, 2012. The measurement method for these is described in the paragraph "Turnover".

An impairment loss is recognized if the inventory value is below book value when the debt becomes questionable or due to judicial supervision or by the existence of commercial disputes.

Apart from these identified causes of non-payment, certain claims with recovery uncertainties are provisioned by applying a depreciation rate derived from statistical observation of their recovery risk, from the context of each market, and from the volumes of claims.

Regarding:

- France: €297 439
- Hong Kong: €126 943
- Rainford: €71 475

Other Debtors and Current Assets

(in €k)	31/12/2011	31/12/2012
Deferred tax assets	620	1 035
Other debtors	2 280	2 260
Prepaid expenses	164	297

At December 31, 2012, deferred tax assets correspond to tax claims on the ORBIT/FR tier.
As at December 31, 2012, cash amounted to €5 633k, of which €1 854k was invested in a deposit with agreed maturity.

4/ Capital and reserves

Share Capital and Share Premiums

Number of shares	31/12/2011	31/12/2012
Ordinary shares	3 555 945	3 555 945

Treasury Shares

	31/12/2011	31/12/2012
Number of treasury shares	3 277	2 475
Treasury shares (in €)	27 138	23 111

At December 31, 2012, the applicable rules on the Alternext market allow for the possession of treasury shares under a liquidity contract. Treasury shares are recorded at their cost of acquisition, less capital and reserves. The net result from the sale of these shares is recognised directly in capital and reserves and does not contribute to revenues for the period.

Potential Capital

The identification of shares giving access to capital existing on December 31, 2012 may be presented as follows:

	SHARE SUBSCRIPTION WARRANTS (BSA)
Date of general meeting	31 Oct 2006
Date of Board	26 Feb 2007
Number of shares issued	8000
Number of beneficiaries	1
Strike price	23.20
Deadline for exercise	26 Feb 2017
NUMBER OF SHARES ISSUED AS OF 31/12/2011	**8 000**
Number of shares exercised during the period	0
NUMBER OF SHARES ISSUED AS OF 31/12/2012	**8 000**

Distribution of Share Capital

To the best of the company's knowledge, share capital distribution is as follows:

	Number of shares	% capital	No. of voting rights	% voting rights
Employees	763 144	21%	1 328 242	26%
Individuals	672 784	19%	802 974	15%
Investors > 5%	1 083 551	30%	1 679 652	32%
Investors < 5%	1 036 466	29%	1 373 967	26%
TOTAL	**3 555 945**	**100%**	**5 184 835**	**100%**

Assuming the stock and share options will be exercised, the impact on capital distribution would be the following:

	Number of shares	% capital	No. of voting rights	% voting rights
Employees	771 144	22%	1 336 242	26%
Individuals	672 784	19%	802 974	15%
Investors > 5%	1 083 551	30%	1 679 652	32%
Investors < 5%	1 036 466	29%	1 373 967	26%
TOTAL	**3 563 945**	**100%**	**5 192 835**	**100%**

Dividends

The company did not distribute dividends throughout the year.

Reserves

See table on capital and reserves.

The reserves represent the Group share in the consolidated results totaled over all companies included in the consolidation scope, net of distributions.

5/ Cash

	(in €k)	31/12/2011	31/12/2012
A	Cash	4 537	3 779
B	Equivalent instruments	-	-
C	Investment securities	50	1 854
D	**LIQUID ASSETS (A+B+C)**	**4 587**	**5 633**
E	Short-term financial receivables	-	-
F	Short-term bank debt	-971	-
G	Due within one year of medium and long term debt	-1 527	-815
H	Other short-term financial debt	-	-
I	**SHORT-TERM FINANCIAL DEBT (F+G+H)**	**-2 498**	**-815**
J	**NET FINANCIAL DEBT/SURPLUS IN THE SHORT TERM (I-E-D)**	**2 089**	**4 818**
K	Bank borrowing over one year old	-955	-5 521
L	Bonds issued	-	-
M	Other borrowing over one year old	-	-
N	**NET FINANCIAL DEBT IN THE MEDIUM AND LONG TERM (K+L+M)**	**-955**	**-5 521**
O	**NET FINANCIAL DEBT (J+N)**	**1 134**	**-703**

Consolidated capital and reserves	34 766	37 297
NET DEBT TO EQUITY RATIO	**0%**	**1.8%**

The Group's main objective in terms of capital management is to ensure the maintenance of a good credit score and healthy capital ratios, so as to facilitate its business operations, maximise shareholder value and allow it to make acquisitions. The Group manages its capital structure and makes adjustments in light of changing economic conditions. It is within this framework that, in order to fund its business, the Group manages its capital using a ratio equal to net debt divided by capital and reserves. The Group includes within net debt financial borrowing (excluding factoring), cash and cash equivalents, excluding discontinued operations.

The Group has the following short-term credit lines:

Cash loans (cash, Dailly, MCNE)	€2 778 k
Advances on procurement	€0
Securities	€6 682 k
Other	€0

At December 31, 2012, cash credit lines had not been not used.

NON-CURRENT LIABILITIES

Financial Debt

Change in financial debt (excluding factoring)	(in €k)
31st of December 2011	2 748
Subscription	5 512
Reimbursement	-1 782
31ST OF DECEMBER 2012	**6 478**

Type of financial debt	(in €k)
Bank loans and holdings	6 478
Overdrafts	0
31ST OF DECEMBER 2012	**6 478**

Accrued interest amounts to €287k at 31/12/2012.

The main characteristics of loans and financial debt are detailed in the table below:

Nature	Nominal (in €k)	31/12/2012	Less than one year	More than one year	Rate
ORBIT SG CIC OSEO Loan	6 000	615	615	0	Euribor 3 months +2.17%
Anvar	500	500	200	300	0%
Equity Loan 2012	5 221	5221		5221	Euribor 3 months +2.7%
31ST OF DECEMBER 2012		**6 336**	**815**	**5 521**	

Non-current Provision

Provisions for liabilities and charges

(in €k)	31/12/2011	Allocation	Recovery	31/12/2012
Provisions for guarantees	169	86	52	203
TOTAL	**169**	**86**	**52**	**203**

Guarantee charges are isolated analytically during each period. They include the time spent and materials that were used for guarantee purposes. The amount of the provision is determined by applying to the period's revenues the same percentage as found in the related guarantee expenses in the previous period's revenues.

Provisions for risks relates to the likely risks of pending lawsuits, disputes and industrial tribunal actions known on the date of the financial statements. These provisions have been measured, either on the basis of their resolution in the interim, or on an amount deemed prudent by our advice. In the absence of a dispute of this nature, no provision of this type was noted.

Termination benefits

The valuation of liabilities is in accordance with local laws. Thus, for liabilities related to MICROWAVE VISION and SATIMO Industries, assumptions for termination benefits are the following:

In % - Assumptions	31st of December 2012
Discount rate	2.5%
Rate of salary increase	3%
Age at retirement	62

There are no investments covering these commitments via a financial institution. Regarding ORBIT/FR, the expense recognized in this period amounted to $50k converted to €36k at the closing date of 31/12/2012. As for MICROWAVE VISION and Satimo Industries, an additional provision of €72k was recorded in 2012. Pension liabilities amount to €188k at 31/12/2012.

The provision of the Italian facility is €43k.

CURRENT LIABILITIES

Other Current Liabilities

(in €k)	31/12/2011	31/12/2012
Taxes and social security	1 711	2 940
Products deferred in advance	4 717	3 535
Advances and payments received on orders	1 655	110
Other	0	-182
TOTAL	**8 083**	**6 403**

6/ Notes on the Income Statement

Revenues

Selling products and studies

Sales revenue is taken into account progressively and in accordance with IAS 37 relating to construction contracts.
Accrued revenue (unbilled work) or deferred revenues are recorded based on the estimated total turnover and the degree of progress noted per case (total costs realized at year end compared to the total cost forecast at the end of the contract) to see the difference between invoicing and revenue calculated in advance. The amount of revenue recognized on contracts completed or in progress is shown on the Revenue line.

In cases where a terminated loss is expected, this loss is recognized through a provision for risks net of loss on the progress already recorded.

No assets and no liabilities are recorded for commercial contracts.

Maintenance

Maintenance contracts are invoiced on the anniversary date and once a year in general. The revenue included in the result is the prorated value of the contract. Prepaid income is recorded for the undue portion of these contracts.

Current Operating Expenses

Purchases consumed went from 36% to 32% of revenue.
The weight of personnel costs increased 2.3% from 33.3% to 35.6% of revenue.

Taxes are stable at 1% of revenue.
Other current income and expenses consist primarily of subcontracting and procurement of services, travel expenses and fees for real estate leasing. Their weight went from 20.9% to 20.4% of revenue.

The changes in these various items are a result of the determination of all MVG teams to achieve maximum savings. Great efforts were also focused on reducing production costs, and the results announced in 2011 are clear in 2012.
R&D spending amounted to €5 306k in the 2012 fiscal year. This consists mainly of personnel costs.

The research tax credit amounts to €1 239k as at December 31, 2012, against €979k at December 31, 2011.

Other Operating Income and Expenses

Other operating income and expenses amounted to €62k.

Expenses Related to Stock Option Plans

The IFRS 2 provides, among others, that all transactions settled in equity instruments shall be reflected in financial statements on the date when the related service is rendered.
The company carried out the valuation of these instruments by using the Black-Scholes model. The Board did not issue any share options during the financial year 2012.

Financial Results

(in €k)	31/12/2011	31/12/2012
Cost of net financial debt	353	386
Other financial income and expenses	-187	76
FINANCIAL RESULTS	166	462

The cost of financial debt resides primarily in the interest payments related to borrowing used for the acquisition of ORBIT/FR, Antenessa and the 2012 loan for the acquisition of RAINFORD.

Corporate Taxes

The Group's parent company, MICROWAVE VISION SA, applies French tax law which provides a rate of corporation tax of 33.33% as of December 31, 2012. The deferred tax assets and liabilities for entities are calculated using forward rates for 2011 and 2012. Foreign entities apply the tax rate applicable in their country of establishment.

(in €k)	31/12/2011	31/12/2012
Taxes payable	656	481
Deferred taxes	716	81
TOTAL	1 372	562

The following table provides reconciliations between the theoretical tax expense by applying the tax rate in effect in France on December 31, 2012 and the tax expense recorded.

(in €k)	
Profit before tax and minority interests	3 309
Theoretical rate of corporation tax	33%
Theoretical expense of tax on profits	1 103
Effect of differential in tax rates, changes in tax laws and other	-155
Temporary difference	-95
Non-activated deferred loss generated during the year	58
Recognition of losses	-129
R&D costs	0
Research Tax Credit 2011	-231
Other information	11
Difference explained	562

Earnings per Share

	Before dilution	After dilution
Group net income	€2 503k	€2 503k
Number of shares	3 555 945	3 563 945
Earnings per share	€0.7038	€0.7023

Exchange Difference

We observe a foreign exchange gain at 31 December 2012 for an amount of €148 794 and a foreign exchange loss of €267 750.

7/ Segment Reporting

The first level of segment reporting for the Group is organized by sector, the second by geographic region.

The Group divides its activity by geographic areas, into two sectors that reflect management structure and internal organization, depending on the nature of the products and services provided:

- A sector covering activities based on single-sensor instrumentation
- A sector based on multi-sensor instrumentation

These activities are divided geographically into three areas:

- Europe
- North America
- Asia

The company does not have an information system allowing it to break down results by geographical area.

Segmented Income Statement

31 December 2012 - (in €k)	Multi-sensor	Single-sensor	Consolidated
Sales revenue	21 920	24 438	46 358
Current operating income	2 991	843	3 834
Financial Results	-389	-74	-463
Net income	2 110	638	2 748

31 December 2011 - (in €k)	Multi-sensor	Single-sensor	Consolidated
Sales revenue	21 617	22 367	44 044
Current operating income	3 027	126	3 ,153
Financial results	-118	-48	-166
Net income	1 980	-403	1 577

Segmented Balance Sheet

31 December 2012 - (in €k)	Multi-sensor	Single-sensor	Consolidated
Actif non courant	11 649	11 067	22 716
Actif courant	22 767	14 804	37 571
Passif non courant	7 060	80	7 140
Passif courant	7 882	7 969	15 851

31 December 2011 - (in €k)	Multi-sensor	Single-sensor	Consolidated
Non-current assets	9 411	11 000	20 411
Current assets	19 833	1 ,483	32 316
Non-current liabilities	3 164	82	3 244
Current liabilities	8042	6 675	14 717

Revenue by Destination

(in €k)	31/12/2011 12 months	31/12/2012 12 months
Europe	9 708	11 513
North America	16 233	11 483
Asia	18 103	23 362
TOTAL	**44 044**	**46 358**

Revenues are distributed according to the location of the entity responsible for generating these sales.

8/ Related Party Disclosures

Identification of Related Parties

There are no associate companies or joint ventures.

The key executives of MICROWAVE VISION are:

- Philippe Garreau (CEO)
- Arnaud Gandois (COO)
- Luc Duchesne (COO)
- Gianni Barone (Sales Director)
- Pascal Gigon (CFO) carries out his role through the GFC structure
- Eric Beaumont (Strategy Director)

Conventions

Under the support services agreement between Microwave Vision SA and its subsidiaries, Microwave Vision SA invoices its subsidiaries an amount based on the annual budget of all the costs of its operational divisions. Under the financial year 2012, the amounts billed under this agreement amounted to €6 216k. As internal services within the Group, they are eliminated in the consolidation process.
The same shall apply for the cash management agreement with SATIMO Industries for which the interest is offset in consolidation.

Relationships with principal executives

> Remuneration of corporate officers: Chairman of the Board of Directors and COOs
This remuneration amounted to €491 035 under their employment contracts. No attendance fee is paid to members of the board. In the executive officers' remuneration, we can specify that Mr. Garreau receives an automotive benefit in the short-term for an annual amount of €3 240. All other categories of post-employment benefits, other long-term benefits, severance and terminations and various payments in shares are not applicable by the company.

> Share warrants and options
The option plans for stock subscriptions and warrants relate to executives and key personnel of the company.

Main characteristics of the 8 000 share warrants issued by the Board at its meeting of 17 February 2007:

- each warrant entitles the holder to subscribe for one common share of the company MICROWAVE VISION of a nominal value of €0.20
- unit price of warrant issue: €2.32
- unit subscription price of the share: €23.20
- financial period: 26 February 2017

9/ Other information

Financial Risk Management

Risk factors

In accordance with IAS 1, the potential risks faced by the Group are:

- rate risks
- foreign-exchange risk
  In the absence of hedging cover taken by the Group, the consolidated financial accounts of the MICROWAVE Group bear the full impact of currency fluctuation.
- sales risks

Given the geographic distribution of sales, particularly in Asia, the implementation of certain recovery procedures may be difficult. Particular attention is drawn to the estimation of this risk.

Rate risks

The Group is exposed to exchange rate and interest rate risks. The main financial instruments of the Group consist of bank loans and overdrafts from banks and cash. In addition, the Group holds financial assets and liabilities such as trade receivables and payables which are generated by its activities.
The Group's policy is to operate in the financial markets only for temporary investments with no risk for its surplus cash.

Exposure to currency risk

The Group does not hedge its currency risk.

Extra-accounting Requirements

Pledging of goodwill located in Villebon-sur-Yvette (91140), 17 avenue de Norvège, up to €6 000k in subordinated security at the Societe Generale, the CIC and OSEO Financement amounting to €1 000k.
Pledging of goodwill located in Villebon-sur-Yvette (91140), 17avenue de Norvège, up to €5 300k in principal, granted to the CIC and Société Générale.

Individual Right to Training (DIF)

Under the individual right to training, the number of acquired but unused hours of rights is 7 631 hours on December 31, 2012.
The other long-term benefits (IAS 19) that may be granted by the group relates to work medals. This benefit was not estimated due to the average age of the salaried staff.

Fees Paid to Auditors

For the financial year 2012, the Group paid €337 895 to its accounting auditors for all companies in the consolidation scope.

Staff Numbers by Category as of December 31, 2012

Management	231
Non-management	76
Total	307

Significant Events of the Financial Year

2012 was marked by sustained sales activity of antenna measurement systems in Europe and Asia while at the same time a downturn was recorded in the United States, essentially due to restraints faced by government agencies.

The year 2012 was marked by the acquisition of REMC in England, reflecting the Group's commitment to expand its business into the field of electromagnetic compatibility and broaden its client portfolio worldwide.

The year 2012 has seen the significant efforts in research and development bear fruit, resulting in an increase in customer orders in the last quarter of the year.

The year 2012 was also marked by the determination of the Group to present its business activities in four business units. In addition to the AMS "Antenna Measurement System" business unit, bearing the fruit of the Group's core business and continuing to prosper with regular development of new products, two other business units (EMC "Electromagnetic Compatibility" and EIC "Environmental and Industrial Control") have become real growth drivers for the group. Activities within the fourth business unit (NSH "National Security and Healthcare") progress as a result of investments for the future. This unit has recently benefitted from the hire of several specialized engineers in charge of the technological development and valorization of the business unit.

The year 2012, a year of growth, has also been marked by a significant improvement in gross operating margin which was ridden of exceptional costs observed in some U.S. contracts in 2011. Improvement also came as a result of the efforts to optimize production costs in the Satimo subsidiary. Moreover, the integration of the first five months of activities of the company REMC into Group accounts has also contributed to raising the margin.

The year 2012 saw the realization of objectives to improve gross operating margin, EBITDA and EBITA all within the year. It also concluded on a very significant increase in net profit compared to 2011.

List of annexes

MICROWAVE VISION IN SUMMARY

> Market leader in antenna measurement systems

> 307 employees, 85% of whom are engineers and similar (Bac+5)

> €46.36M revenues in 2012

> 17 years of continuous growth

> 18 locations over three continents

> 22 international patents

> A portfolio of key account clients: NASA, CNES, ESA, NOKIA, RENAULT, LOCKHEED MARTIN, NORTHROP GRUMMAN, RAYTHEON, QUALCOMM, BMW, BAE, IAI, INTEL, ERICSSON, EADS, BOEING, DAIMLER-CHRYSLER, PANASONIC, HUAWEI, ZTE, SAMSUNG

> OSEO Label for being an «Innovative Company» Member of OSEO Excellence network since 2010

CONTACTS

MICROWAVE VISION

CEO: Philippe Garreau
COO of SATIMO Industries: Arnaud Gandois
COO of ORBIT/FR: Per Iversen
Strategic Financial Director: Pascal Gigon
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INVESTOR RELATIONS

Euroland Corporate
Julia Bridger
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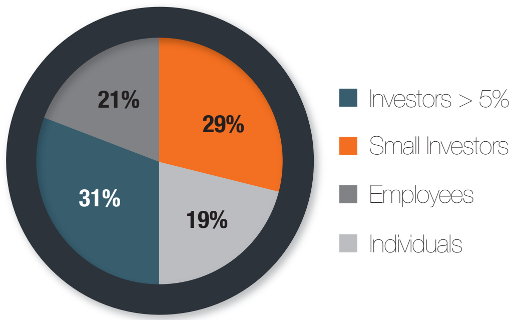
MICROWAVE VISION ON THE MARKETS

> Listing
Listing on Alternext (ALMIC) since 06/29/2005
Share price on 06/06/2013: €8.35, +30% since 01/01/2013
Market capitalization on 06/06/2013: €29 M
Average daily volume in 2013: 6 792 shares/day
(107% increase over 2012)

> Capital
3 555 944 shares
5 184 835 exercisable voting rights
Over 1000 shareholders (TPI 14/04/2012)
Capital and reserves €37.3M

> Analyst follow-up: NFinance Securities, Gilbert Dupont, Arrowhead, Euroland Corporate

DISTRIBUTION OF SHARES



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