April 24, 2017:

La Financière ATALIAN S.A.S. is making publicly available the following information.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements, including statements about our markets and our strategy, future operations, industry forecasts, expected investments and target levels of leverage and indebtedness. Forward-looking statements provide our current expectations, intentions or forecasts of future events. Forward-looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases such as “anticipate,” “believe,” “continue,” “ongoing,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “target,” “seek” or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Our actual results could differ materially from those anticipated in our forward-looking statements for many reasons.

Accordingly, you should not rely on these forward-looking statements, which speak only as of the date of this document or as otherwise indicated. We do not have any obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of such forward-looking statement or to reflect the occurrence of unanticipated events.

In addition, from time to time we and our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing. These forward-looking statements may be included in, but are not limited to, press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CERTAIN DEFINITIONS

Unless indicated otherwise in this document or the context requires otherwise, the following terms have the following meanings assigned to them:

"2020 Notes"	The €400,000,000 aggregate principal amount of 7.25% senior notes due 2020, €250,000,000 of which was issued on January 17, 2013 and €150,000,000 of which was issued on January 19, 2016.
"Company"	La Financière ATALIAN S.A.S., a *société par actions simplifiée* organized under the laws of the Republic of France.
"CICE"	Competitiveness and employment tax credit (*crédit d'impôt pour la compétitivité et l'emploi*) referred to in Article 244 *quater* C of the French Tax Code (*Code général des impôts*).
"euro," "€" or "EUR"	The lawful currency of the member states participating in the third stage of the Economic and Monetary Union under the Treaty Establishing the European Community, as amended from time to time.
"Factoring Facility"	The factoring facility available pursuant to the Factoring Facility Agreements.
"Factoring Facility Agreements"	The factoring facility agreements entered into on April 3, 2012, January 3, 2013, February 19, 2013, April 28, 2014, October 14, 2014 and May 31, 2016 among various affiliates of the Company and Eurofactor S.A., as amended, supplemented, varied, novated, extended or replaced from time to time.
"fiscal year 2016/15"	The Company's fiscal year ended August 31, 2016.
"FTE employees"	The average number of full-time equivalent employees during a period is calculated based on the number of full-time equivalent employees on the last day of each month during the relevant period and includes full-time equivalent employees of the entities that we acquire during the period for the months following their acquisition.
"Group"	The Company and its consolidated subsidiaries.
"Guarantors"	Atalian S.A.S.U. and Atalian Cleaning S.A.S.
"IFRS"	International Financial Reporting Standards, as adopted by the European Union.
"United States" or "U.S."	The United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
"U.S. dollars," "dollars," "U.S.$" or "$"	The lawful currency of the United States.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Consolidated Financial Statements

This document includes unaudited interim condensed consolidated financial statements of the Group as of and for the four months ended December 31, 2016 (the "2016 Unaudited Interim Condensed Consolidated Financial Information"), with corresponding income statement and cash flow data for the four months ended December 31, 2015 (the "2015 Unaudited Interim Condensed Consolidated Financial Information") together with the related condensed notes thereto (the "Unaudited Interim Condensed Consolidated Financial Information").

In October 2016, we decided to change our fiscal year end from August 31 to December 31 to reflect our current expansion strategy and facilitate the integration of acquired businesses. As a result, we expect our next fiscal year, fiscal year 2017/16, to comprise a 16-month period.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in the document may not conform exactly to the total figure given for that column or row.

Our Unaudited Interim Condensed Consolidated Financial Information was prepared in accordance with IAS 34. We prepare our Unaudited Interim Condensed Consolidated Financial Information in euro.

Unaudited Pro Forma Condensed Combined LTM Financial Information

In this document, we present certain unaudited pro forma condensed combined financial information for the twelve months ended December 31, 2016 (the "Unaudited Pro Forma Condensed Combined LTM Financial Information"), as more fully described in "*Unaudited Pro Forma Condensed Combined Financial Information*."

This Unaudited Pro Forma Condensed Combined LTM Financial Information has been prepared by taking our historical financial information for fiscal year 2016/15, adding the historical financial information for the four months ended December 31, 2016, subtracting the historical data for the four months ended December 31, 2015 and adjusting such data to give effect to:

(i) acquisitions of companies the financial results of which were first consolidated with the financial results of the Group during the period from January 1, 2016 through December 31, 2016 as if the financial results of these acquired companies had been consolidated with the financial results of the Group from January 1, 2016;

(ii) acquisitions of companies that have been completed, or companies for which we have entered into an agreement to acquire, on or after January 1, 2017 as if these companies had been acquired and their financial results had been consolidated with the financial results of the Group from January 1, 2016;

(iii) the termination of the Lagrange waterproofing activity; and

(iv) certain adjustments relating to restructuring and operational cost savings with respect to companies that were acquired after January 1, 2016, but the financial results of which were fully consolidated with the financial results of the Group as of January 1, 2017.

The Unaudited Pro Forma Condensed Combined LTM Financial Information set forth in this document is based upon available information and certain assumptions that we believe to be reasonable. This Unaudited Pro Forma Condensed Combined LTM Financial Information has been prepared for informational purposes only, should not be considered indicative of actual results that would have been achieved had the acquisitions been completed and activities been discontinued, as the case may be, on the dates indicated and does not purport to predict our results of operations for any future periods. See "*Unaudited Pro Forma Condensed Combined Financial Information.*"

The Unaudited Pro Forma Condensed Combined LTM Financial Information should be read in conjunction with the information contained in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our Unaudited Interim Condensed Consolidated Financial Information and the related condensed notes appearing elsewhere in this document.

Other Financial Measures

We present EBITDA data in this document. We define EBITDA as operating profit, as reported in our Unaudited Interim Condensed Consolidated Financial Information, adjusted to exclude the following line items, each of which as reported in our Unaudited Interim Condensed Consolidated Financial Information: depreciation and amortization, net, and provisions and impairment losses, net. EBITDA corresponds to the line item "Operating income before depreciation, amortisation, provisions and impairment losses" in our Unaudited Interim Condensed Consolidated Financial Information. EBITDA excludes from our consolidated and segment results the impact of intercompany charges for management fees. Management fees of €13.6 million were invoiced by our holding companies (including the Company and the Guarantors) to our operating companies in the four months ended December 31, 2016.

EBITDA is not a specifically prescribed line item under IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to the profit for the period determined in accordance with IFRS, cash flows generated by operating activities determined in accordance with IFRS or any other measure prescribed by IFRS. We believe that the inclusion of EBITDA is useful to investors because it provides investors the same information that we use internally for purposes of assessing our operating performance. EBITDA has important limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results of operations. Because not all companies calculate EBITDA identically, this presentation of EBITDA may not be comparable to the similarly titled measures of other companies.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Basis of preparation

The following unaudited pro forma condensed combined financial information for the twelve months ended December 31, 2016 (the "Unaudited Pro Forma Condensed Combined Financial Information") has been prepared in accordance with the basis of preparation set out below.

This Unaudited Pro Forma Condensed Combined LTM Financial Information has been prepared by taking our historical financial information for fiscal year 2016/15, adding the historical information for the four months ended December 31, 2016, subtracting the historical financial information for the four months ended December 31, 2015 and adjusting such data to give effect to:

(i) acquisitions of companies the financial results of which were first consolidated with the financial results of the Group during the period from January 1, 2016 through December 31, 2016 as if the results of these acquired companies had been consolidated from January 1, 2016;

(ii) acquisitions of companies that have been completed, or companies for which we have entered into an agreement to acquire, on or after January 1, 2017 as if these companies had been acquired and their financial results had been consolidated with the financial results of the Group from January 1, 2016;

(iii) the termination of the Lagrange waterproofing activity; and

(iv) certain adjustments relating to restructuring and operational cost savings with respect to companies that were acquired after January 1, 2016, but the financial results of which were fully consolidated with the financial results of the Group as of January 1, 2017.

The Unaudited Pro Forma Condensed Combined LTM Financial Information set forth in this document is based upon available information and certain assumptions that we believe to be reasonable. This Unaudited Pro Forma Condensed Combined LTM Financial Information has been prepared for informational purposes only, should not be considered indicative of actual results that would have been achieved had the acquisitions been completed and activities been discontinued on the dates indicated and does not purport to predict our results of operations for any future periods. The Unaudited Pro Forma Condensed Combined LTM Financial Information should be read in conjunction with the information contained in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our audited consolidated financial statements and the related notes available on our website. We describe the assumptions underlying adjustments to the unaudited pro forma financial information in the accompanying notes, which should be read in conjunction with this unaudited pro forma financial information. The unaudited pro forma financial information and related adjustments are based upon available information and certain assumptions that we believe are reasonable. We have performed a preliminary review of accounting principles and policies as applied by the acquired entities to determine whether any adjustments or reclassifications to their historical financial information were necessary to ensure comparability in the unaudited pro forma financial information and concluded that other than capitalization of uniform costs as described in more detail in the footnotes to the table below, there were no significant differences impacting revenue and EBITDA. Therefore, we have not made any adjustments in compiling the Unaudited Pro Forma Condensed Combined Financial Information to reflect differences in accounting principles between the acquired companies and the Group. The pro forma adjustments represent best estimates based upon the information available to date and are subject to change once more detailed information is obtained and more detailed analysis of accounting principles and policies for acquired entities is performed.

	Revenue	EBITDA
	(€ in millions)	
Actual - for the year ended August 31, 2016[(1)]	1,649.4	103.1
Less actual - for the four months ended December 31, 2015[(2)]	(477.9)	(28.2)
Plus actual - for the four months ended December 31, 2016[(2)]	618.0	40.0
Actual - LTM ended December 31, 2016[(3)]	**1,789.5**	**115.0**
Pro forma adjustments:		
– Acquired companies consolidated from January 1, 2016 to December 31, 2016[(4)(i)]	86.3	2.4
of which AB Facility	*63.0*	*2.1*
of which other businesses	*23.2*	*0.3*
– Companies that we have acquired or agreed to acquire on or after January 1, 2017[(4)(ii)]	115.3	5.1
– Termination of the Lagrange waterproofing activity[(4)(iii)]	—	2.2
– Accounting policy alignment[(5)]	—	0.7
– Implemented costs rationalization[(6)]	—	3.1
– Reclassification of severance costs[(7)]	—	1.8
Pro forma LTM ended December 31, 2016[(8)]	1,991.1	130.4

(1) Our revenue and EBITDA for fiscal year 2016/15 have been derived from our 2016/15 audited consolidated financial statements, which were prepared in accordance with IFRS and are available on our website. EBITDA corresponds to the line item "Recurring operating profit before depreciation, amortization, provisions and impairment losses" in the consolidated income statement included in our 2016/15 audited consolidated financial statements.

(2) Our revenue and EBITDA for the four months ended December 31, 2016 and 2015 have been derived from the Unaudited Interim Condensed Consolidated Financial Information, which were prepared in accordance with IAS 34 and are included elsewhere in this document. EBITDA corresponds to the line item "Operating income before depreciation, amortization, provisions and impairment losses" in the Unaudited Interim Condensed Consolidated Financial Information.

(3) Our unaudited "actual LTM" revenue and EBITDA for the twelve months ended December 31, 2016 have been calculated by adding our revenue and EBITDA for fiscal year 2016/15 and our revenue and EBITDA for the four months ended December 31, 2016 and subtracting our revenue and EBITDA for the four months ended December 31, 2015.

(4) The pro forma adjustments reflect :

(i) the impact of the acquisition of the following companies, as if the financial results of each acquired company had been consolidated with the financial results of the Group from January 1, 2016:

Acquired companies	*Date of first consolidation*
Scipio Services Co. Ltd. (Myanmar)	July 2016
Atalian BV (The Netherlands)	September 2016
The Guards (Thailand)	September 2016
Able Services Inc. (The Philippines)	September 2016
Hectas Facility Services BVBA (Belgium)	December 2016
AB Facility a.s., AB Facility s.r.o. and AB Facility Services s.r.o (together, "AB Facility") (Czech Republic and Slovak Republic)	December 2016
Northcom (Philippines)	August 2016
Espro Service (Russia)	December 2016
Rosa Bralli Nettoyage (acquisition of French assets)	December 2016

For the purposes of the pro forma adjustments, the revenue and EBITDA of these businesses between January 1, 2016 and December 31, 2016, is calculated:

- for AB Facility, by combining the revenue and the EBITDA respectively of AB Facility a.s., AB Facility Services s.r.o and AB Facility s.r.o. The EBITDA of AB Facility a.s., AB Facility Services s.r.o and AB Facility s.r.o. are, respectively, calculated as the operating profit, adjusted to exclude depreciation and amortization, net, net of provisions and impairment losses as reported in the audited financial statements of AB Facility a.s., AB facility Services s.r.o and AB Facility s.r.o., respectively, for the fiscal year ended December 31, 2016, which have been prepared in accordance with IFRS, Czech and Slovakian GAAP, respectively; and

- for the other businesses, based on their revenue and EBITDA as reported in their unaudited management accounts for the fiscal year ended December 31, 2016 or the most recent twelve month period. In these management accounts, EBITDA was either presented in the income statement or in the notes to the financial statements, or was calculated as operating profit, adjusted to exclude depreciation and amortization, net, net of provisions and impairment losses; less the contribution of such acquired companies to consolidated revenue and EBITDA as reported for the twelve months ended December 31, 2016 from their respective dates of consolidation to December 31, 2016.

(ii) the impact of the acquisition of shares of Cleaning Express Pte. Ltd. (Singapore), Visschedijk BV (The Netherlands) as well as a company based in France which primarily engages in the provision of cleaning services, with respect to which acquisitions have been completed or for which we have entered into acquisition agreements on or after January 1, 2017, as if they had each been acquired and each of their financial results had been consolidated within the financial results of the Group from January 1, 2016. The adjustments are calculated based on the revenue and EBITDA of these entities between January 1, 2016 and December 31, 2016, derived as follows:

- for Cleaning Express, Pte. Ltd. based on revenue and EBITDA, with EBITDA being calculated as the profit before tax, adjusted to exclude finance costs, impairment and depreciation expenses, as reported in the audited consolidated financial statements for the fiscal year ended December 31, 2016; and

- for the other entities, based on revenue and EBITDA as reported in their management accounts for the fiscal year ended December 31, 2016. In these management accounts, EBITDA was either presented in the income statement or in the notes to the financial statements, or was calculated as operating profit, adjusted to exclude depreciation and amortization, net.

(iii) the termination of the Lagrange waterproofing activity during fiscal year 2016/15, as if it had occurred on January 1, 2016, by removing the contribution of this activity to our EBITDA for the twelve months ended December 31, 2016.

(5) This adjustment reflects the impact on EBITDA of applying our accounting policy regarding the capitalization of uniform costs to the historical financial information of acquired companies. This adjustment led to the recognition of an amortization expense for uniform costs in our consolidated income statement, which is not included in our EBITDA. The Company has carried out an analysis of the differences between the significant accounting policies of the Group and those of the acquired companies and concluded that, other than the capitalization of uniform costs, there were no significant differences impacting revenue and EBITDA.

(6) This adjustment reflects the annual run-rate operating costs rationalization at Temco Service Industries, Inc. (“Temco”), Luxor, Hectas, Aspen, Rosa Bralli Nettoyage, AB Facility, Visschedjik BV and Atalian BV, with respect to which cost-synergies transformation plans have been fully implemented before April 19, 2017, as if these plans had been implemented since January 1, 2016. This adjustment is calculated as the annualization on a twelve month basis of the amount of savings on recurring operating costs that have already been realized.

(7) This adjustment reflects the reclassification of restructuring provisions related to severance costs recorded in EBITDA following certain acquisitions, as part of the implementation of our restructuring plans at the acquired companies. This amount consists mainly of a severance costs related to Temco Europe’s activities.

(8) Pro forma LTM revenue attributed to France was €1,212.6 million, and pro forma LTM revenue attributed to the rest of the world was €778.4 million. Pro forma LTM EBITDA attributed to France was €90.4 million, and pro forma LTM EBITDA attributed to the rest of the world was €40.1 million.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of the Company and its subsidiaries should be read in conjunction with “Presentation of Financial Information” included elsewhere in this document. The following discussion should also be read in conjunction with, and is qualified in its entirety by reference to the Unaudited Interim Condensed Consolidated Financial Information as of and for the four months ended December 31, 2015 and 2016, prepared in accordance with IAS 34, and the related notes, which are included elsewhere in this document.

The following discussion includes forward-looking statements based on assumptions about our future business. Our actual results could differ materially from those contained in these forward-looking statements as a result of many factors, including but not limited to those described under “Forward-Looking Statements” and “Certain Definitions” elsewhere in this document.

Overview

We are a leading independent provider of outsourced building services. As at December 31, 2016, we operated in 28 countries, including France, our principal market, serving a diverse range of more than 25,000 customers in the private and public sector. Originally established in 1944 as a provider of cleaning services in France, we began transforming ourselves into a multi-disciplinary provider of outsourced building services in 1999. Our comprehensive multi-service and multi-technical offering covers many of the segments of the market for outsourced building services. We provide our services by relying primarily on in-house expertise and resources. Since the creation of our first businesses outside France in 2000, we have also developed our international operations. With an average monthly headcount of 63,598 FTE employees and over 180 offices worldwide (over 100 of which are in France) during the four months ended December 31, 2016, we are an important provider of various types of outsourced building services in each of the countries in which we operate.

We have experienced growth in recent years both organically and through the acquisition of companies with services, expertise and geographical scope that are complementary to our own. Since 2003, we have acquired 215 companies. In particular, in France, we significantly expanded our operations through the 2009 acquisitions of Véolia Propreté Nettoyage et Multiservices, a cleaning services provider with a significant portfolio of large corporate customers, and Eurogem, a multi-service provider of outsourced building services. Our expansion in France continued since 2014 with the acquisition of various entities specializing in cleaning services, including Niwaki, Vitsolnet and two companies which are specialized in industrial cleaning (HEI and Net’Express) and a 51% stake in Ergelis, which is specialized in energy cost management. Our acquisitions have allowed us to expand our service offering and expertise to include a broad range of outsourced building services. For instance, we acquired expertise in safety and security services through our acquisition of Lancry in 1977 and in energy cost management through our acquisition of Ergelis in 2014.

We have also used the business model we developed in France to grow our presence in markets outside France, both in response to, and in anticipation of, our clients’ needs. Since 2014, we acquired companies in Central and Eastern Europe, Turkey and Morocco and expanded our operations into Southeast Asia, the Ivory Coast and the United States. In particular, in January 2016, we acquired Temco, a company providing cleaning and facility management services to clients in Europe and the United States, in order both to expand our European presence and to gain a foothold in the United States market. In the four months ended December 31, 2016, we acquired AB Facility a.s. and AB Facility s.r.o. (together, “AB Facility”), two companies providing various facility management services in the Czech Republic and Slovakia, as well as companies in Belgium, Russia and Thailand. We believe that the breadth of our service offering, together with our geographic footprint, provide us with a solid foundation for our long-term strategy of becoming a leading global provider of outsourced building services.

In the four months ended December 31, 2016, we had total revenue of €618.0 million, EBITDA of €40.0 million and profit for the period of €7.3 million.

Financial Information

Change in our fiscal year end from August 31 to December 31 starting December 31, 2017

In October 2016, we decided to change our fiscal year end from August 31 to December 31 to reflect the Company’s current expansion strategy and to facilitate the integration of acquired businesses. As a result, we expect our next fiscal year, fiscal year 2017/16, to comprise a 16-month period.

Management financial measures

We use EBITDA to analyze our results of operations. As discussed in more detail under "*Presentation of Financial and Other Information—Other Financial Measures*," we define EBITDA as operating profit, as reported in our Unaudited Interim Condensed Consolidated Financial Information, adjusted to exclude the following line items, each of which is as reported in our Unaudited Interim Condensed Consolidated Financial Information: depreciation and amortization, net; and provisions and impairment losses, net. EBITDA corresponds to the line item "Operating income before depreciation, amortisation, provisions and impairment losses" in our Unaudited Interim Condensed Consolidated Financial Information.

EBITDA is not a specifically prescribed line item under IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to the profit for the period determined in accordance with IFRS, cash flows generated by operating activities determined in accordance with IFRS or any other measure prescribed by IFRS. We believe that the inclusion of EBITDA in this document is useful to investors because it provides investors the same information that we use internally for purposes of assessing our operating performance. EBITDA has important limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results of operations. Because not all companies calculate EBITDA identically, this presentation of EBITDA may not be comparable to the similarly titled measure of other companies.

Overview of reporting segments

We have three reporting segments under IFRS, namely, Cleaning, Facility Management and International. The revenue for each of our reporting segments for the four months ended December 31, 2016 was as follows:

- *Cleaning:* In the four months ended December 31, 2016, our Cleaning segment generated €256.0 million, or 41.4%, of our revenue.

- *Facility Management:* In the four months ended December 31, 2016, our Facility Management segment generated €137.7 million, or 22.3%, of our revenue. This segment comprises the activities of the following businesses:

    - Our multi-technical and multi-service business, which generated €58.7 million, or 42.6%, of our Facility Management segment revenue, in the four months ended December 31, 2016.

    - Our safety and security business, which generated €53.7 million, or 39.0%, of our Facility Management segment revenue, in the four months ended December 31, 2016.

    - Our landscaping business, which generated €22.5 million, or 16.3%, of our Facility Management segment revenue, in the four months ended December 31, 2016.

    - Our painting business, which generated €2.8 million, or 2.1%, of our Facility Management segment revenue, in the four months ended December 31, 2016.

- *International:* In the four months ended December 31, 2016, our International segment generated €228.6 million of revenue, or 37.0% of our revenue.

In our Unaudited Interim Condensed Consolidated Financial Information, we present in our segment information an additional item labeled "Other," which includes the activities of our holding companies (including the Company and the Guarantors), such as group-level management of finance, legal, accounting, procurement, human resources, fiscal and customer relations matters. The "Other" item principally consists of the elimination of intragroup transactions in consolidation, the costs incurred by our holding companies, including personnel costs, rental costs incurred on behalf of our operating companies, overhead and administrative costs, such as consulting and legal fees, advertising costs and other administrative costs such as mailing, reception and maintenance costs.

Management fees of €13.6 million were invoiced by our holding companies (including the Company and the Guarantors) to our operating companies in the four months ended December 31, 2016. We discuss EBITDA for each of our three reporting segments after excluding intercompany charges for management fees, which are also eliminated when preparing our Unaudited Interim Condensed Consolidated Financial Information.

Factors Affecting Our Results of Operations

Set forth below are certain key factors that have historically affected our results of operations and that may impact our results of operations in the future.

General economic conditions

Demand and prices for our services are affected by economic conditions, including increases or decreases in gross domestic product, in the countries in which we operate. According to the Institute of Statistics and Economic Studies in France ("INSEE"), the real GDP growth rate in terms of volume in France, our principal geographic market, was 1.1% in calendar year 2016 (as compared to calendar year 2015). According to INSEE estimates published on January 31, 2017, the real GDP growth rate in terms of volume in France was 0.4% in the fourth quarter of 2016 (as compared to the third quarter of 2016) and 0.2% in the third quarter of 2016 (as compared to the second quarter of 2016).

We are subject to the effects of macroeconomic cyclicality. In particular, periods of recession or deflation may have an adverse impact on demand and prices for our services, which may vary depending on the sector, customer and service offering. Furthermore, during such periods, increased competition for contracts among service providers or a decision by our customers to revert to in-house building services may adversely affect our results.

Our revenue increased from €477.9 million in the four months ended December 31, 2015 to €618.0 million in the four months ended December 31, 2016. The increase in revenue was primarily attributable to external growth, primarily internationally in the four months ended December 31, 2016 (see "*—Acquisitions and divestments—Acquisitions*"). However, in France and, to a lesser extent, in certain other of our European markets, including Belgium, Poland and the Czech Republic, we continued to face price pressure. This was particularly the case in France from our larger customers in our cleaning, multi-service and security businesses, resulting primarily from the competitive environment for such services in France and our customers' expectations of lower prices due to the positive impact of the CICE (see "*—Employment laws and regulations—CICE tax credit*"). Since 2016, we have also faced increased price pressure in our multi-technical business, primarily due to large competitors beginning to compete in the medium-sized customer segment in which we mainly operate.

The competitive price pressure on our contracts was partially offset by pro-active management by our customer relations teams of large contracts, including initiatives to diminish the risk of such contracts being subject to a competitive tender process as they near the end of their terms. However, recently, we did not renew contracts with certain larger clients that did not offer us sufficient margins. Our Facility Management segment revenue was negatively impacted by the discontinuation of our non-core waterproofing business and a decrease in the revenue generated by our multi-technical business.

Acquisitions and divestments

In recent years, external growth has contributed significantly to the overall growth of our business. We intend to continue to pursue acquisitions in the future in order to diversify our service offering and customer base as well as to expand our geographic footprint further outside of France. Since 2000, we have acquired entities in 28 countries across four continents. We have recently expanded our business into the United States, West Africa and Southeast Asia, as we believe that these geographic regions generally provide greater prospects for growth than our domestic market.

Acquisitions

<u>International</u>

In January 2016, we acquired 98.0% of the capital of Temco, a company providing cleaning and facility management services to clients in Europe and the United States in order both to expand our European presence and to enable us to gain a foothold in the U.S. market. Temco had an average monthly headcount of 5,598 FTE employees in the twelve months ended December 31, 2016. Due to the Temco acquisition, the United States was our largest international market in terms of revenue in the four months ended December 31, 2016, accounting for €56.7 million, or 24.8%, of our International segment revenue.

During recent years, we further developed our significant market presence in Turkey. After entering the Turkish market in January 2013, in December 2013 we further expanded the range of services we provide in Turkey through our acquisition of 91% of the capital of Etkin Services Co. ("Etkin"), a company specializing in technical maintenance. The expansion of our service offering in Turkey further continued in March 2015 with the acquisition of 51% of the capital of the Ekol Group ("Ekol"), a company which provides cleaning, technical maintenance, security and facility management services. In July 2016, we strengthened our position in technical services and energy management in the Turkish market with the acquisition of 70% of the capital of Idetek and EVD Energy. This incremental expansion through acquisitions has enabled us to develop a full-service offering in Turkey and take advantage of cross-selling opportunities. Turkey was our third largest market in the four months ended December 31, 2016, accounting for €22.4 million, or 9.8%, of our revenue in that period.

In 2014, we launched our first operations in Southeast Asia. In Indonesia, we acquired a 51% stake in PT Tritunggal Sejahtera Margawi ("Tritunggal"), a company specializing in cleaning services, in July 2014. We also acquired a 51% stake in FM Advanced Service Co. Ltd. in Thailand, a technical maintenance services company, in June 2014, as well as a 70% stake in Harta Maintenance Sdn. Bhd. ("Harta"), a cleaning company in Malaysia, in November 2014. In 2015, we increased our Southeast Asian presence through the acquisition of a 67% stake in Consolidated Building Maintenance, Inc. ("CBM") in the Philippines; a 51% stake in Commercial and Industrial Support Co. Ltd. ("CIS") and in Com Group Co., Ltd. ("COM") in Thailand; and a 36% stake in PT Rafindo Anugrah Sukses ("Rafindo") in Indonesia, in November 2015. In 2016, we further increased our Southeast Asian presence and expanded to three new countries in the region, with acquisitions in Vietnam, Cambodia and Myanmar. We acquired a 70% stake in PT Indoservice Multi Dwi Karya ("Indoservices") in Indonesia, a business specializing in cleaning services, landscaping and pest control services, in December 2015; a 60% stake in Able Services Inc. in the Philippines, a business specializing in cleaning services, in August 2016; and an 80% stake in The Guards (formerly known as "GS & Service Security Service Co., Ltd.") in Thailand, a business specializing in security services, in October 2016. In the four months ended December 31, 2016, €21.8 million, or 9.5%, of our International segment revenue was attributable to our operations in Southeast Asia, of which €8.3 million, or 3.6%, of our International segment revenue, was attributable to Malaysia and €6.5 million, or 2.8%, of our International segment revenue, was attributable to Indonesia.

During the period under review, we further developed our operations in North and West Africa through acquisitions in Morocco and the Ivory Coast. We entered the Moroccan market in 2011 and, in May 2015, we expanded our presence in this market through the acquisition of a 60% stake in Hercule Holding and its wholly owned subsidiaries in Morocco, Clean Co Services Vigilance, Clean Co Services Environnement, Clean Co Services Century and Experts Environnement (together "Hercule"). Our Moroccan entities accounted for € 4.1 million, or 1.8% of our International segment revenue, in the four months ended December 31, 2016. In October 2015, we acquired two entities in the Ivory Coast, Quick Net Services, a company specialized in industrial cleaning, green spaces and gardening services, and a 51% stake in Ivoire Nettoyage Services, a cleaning company, which together contributed € 1.0 million to our International segment revenue in the four months ended December 31, 2016. We believe that our foothold in the African market enables us to pursue future expansion opportunities in North and West Africa.

During the period under review, we also made a number of acquisitions in Central and Eastern Europe. In August 2015, we acquired Aspen in Poland, a group of companies which specialize in cleaning, catering and security activities. In February 2015, we acquired Atalian Energy and Atalian Global Services in Poland, two subsidiaires of the Metro group which specialize in technical and infrastructure services, as well as environmental management. Overall, our revenue in Poland accounted for €16.1 million, or 7.0%, of our International segment revenue in the four months ended December 31, 2016. We also expanded our presence in Croatia and Bosnia with the acquisition of four subsidiaries of the International Service Solutions ("ISS") group in December 2014 and the acquisition of an 80% stake in Luxor Posloni Servisi d.o.o. and a 90% stake in Luxor Multiservis d.o.o. in March 2016. In December 2016, we acquired a 70% stake in Espro Service in Russia, for €0.3 million.

During the period under review, we also strengthened our position in Western Europe with the acquisition of Temco subsidiaries in Belgium, the Netherlands and Luxembourg, which together contributed €31.6 million to our International segment revenue in the four months ended December 31, 2016. In December 2016, we acquired Hectas Facility Services BVBA in Belgium, a business specializing in cleaning, for €0.2 million.

Since December 31, 2016, we have entered into agreements to purchase a number of entities internationally, both in countries in which we already operate and in new markets. These acquisitions include:

- a 70% stake in Cleaning Express Pte. Ltd. in Singapore, acquired in March 2017;
- a 70% stake in Visschedijk BV in the Netherlands, acquired in March 2017; and
- a 100% stake in a company based in France which primarily engages in the provision of cleaning services, for which we entered into an acquisition agreement in April 2017.

France

In France, consistent with our strategic objective to reinforce our regional presence and expand our portfolio of domestic smaller to medium-sized clients, we purchased Niwaki, a company specializing in the provision of cleaning services, in March 2014, which enabled us to increase our regional presence in the Ile-de-France region. In September 2015, we acquired Vitsolnet, a company specializing in cleaning services in the region of Bourg-en-Bresse. In February and March 2016, respectively, we acquired Net'Express and HEI, two companies specializing in industrial cleaning. In September 2016, we acquired Dialogues Partenaires Services ("DPS"), a cleaning services provider which facilitates re-integration into the workplace. Domestic acquisitions have additionally enabled us to diversify our service offering. In August 2014, we became a 51% shareholder in Ergelis, a French company specializing in building management systems and energy performance consulting, which provided us the opportunity to develop an energy cost management service offering to complement our existing suite of building management services in France and internationally, and in December 2016, we acquired Etablissement Didier Bernier, a multi-technical services provider, for €0.2 million.

Disposals

As part of our overall strategy of focusing on our core businesses, we discontinued and/or disposed of various businesses and operations in the period under review.

Analysis of the impact of our acquisitions on our results of operations

In order to assist in the analysis of our results of operations during the period under review, we provide in this document certain data relating to the revenue contribution for acquired businesses following their acquisition.

We calculate the revenue contribution for acquired businesses as follows:

- the revenue contribution of a business acquired during any given fiscal year is equal to the revenue of such business from the date such business was included in our revenue to the end of such fiscal year; and

- the revenue contribution of an acquired business with respect to the fiscal year immediately following the fiscal year during which such business was acquired, which we also refer to as the "full-year impact" of such acquisition, is equal to the difference between the revenue generated by such business from the date it was included in our revenue to the end of that fiscal year and the revenue generated by such business in the full fiscal year following acquisition.

We believe that we have been able to achieve organic growth of the businesses we have acquired, but the methodology we use to calculate the revenue contribution for acquired businesses does not enable us to identify the portion of the acquired business' revenue that constitutes organic growth generated after we acquired it. Accordingly, while we believe this data may be useful to investors, there are limitations inherent to the methodology we use to prepare it.

Personnel costs

The Group's cost structure mainly consists of variable costs. Our recurring operating costs consist principally of personnel costs, which represented 69.0% of recurring operating costs (defined as the sum of purchases consumed, external charges, personnel costs, taxes other than on income, other recurring operating income and expenses, depreciation and amortization, net, and provisions and impairment losses, net) in the four months ended December 31, 2016. The increase of personnel costs as a percentage of operating costs is mainly due to the acquisition of Temco, which experiences higher personnel costs in relation to its contracts in the public education sector in the state of New York. We regard our personnel costs as mostly variable costs because they typically fluctuate depending on our activity levels on a local and Group level. We closely monitor our labor utilization rate using labor planning tools, and we are generally able to adjust the working hours of our workforce and reduce idle time of our field employees in particular, which enables us to maximize the productivity of our workforce.

Our ability to manage our personnel costs is in part attributable to the relatively high employee turnover rate in our cleaning and security businesses, which together account for most of our personnel costs. Our high employee turnover rate in these businesses is due to a number of factors, including frequent voluntary departures by our field employees. As of December 31, 2016, 60.7% of our total headcount in France comprised part-time employees. In addition, pursuant to the terms of the relevant collective bargaining agreements in France, and subject to the satisfaction of certain conditions, when contracts for cleaning or security services are lost to a competitor, the new provider must take over the employment contracts of the workforce assigned to the site. As a result, our staffing levels (other than in respect of our regional supervisory staff, which remain broadly stable) in these businesses generally increase when a customer contract is gained and decrease when a customer contract is lost, which contributes to our high turnover rate in our cleaning and security businesses.

We also use other means of controlling our headcount costs in line with adjustments to our activity levels, including recourse to fixed-term contracts, subcontractors and temporary workers. Unlike employees on fixed-term contracts, whose salaries are accounted for in personnel costs, payments to subcontractors and temporary workers are accounted for in purchases consumed. See "*—Description of Key Line Items in Our Income Statements*." Because recourse to fixed-term contracts, subcontractors and temporary workers can be more costly than employing staff under indefinite-term contracts, we use such staffing methods sparingly to address short-term peaks in our activity. The substantial majority of our fixed-term employment contracts are in our cleaning business and we typically have the highest number of fixed-term employees during the summer holidays to replace employees on vacation.

Operating performance

We endeavor to maintain or improve our operating performance by simultaneously achieving growth in the volume of our sales and cost efficiencies. We seek to secure new contracts and develop add-on sales to existing customers, which in the past typically generated higher margins than the underlying customer contract. We also implement cost saving initiatives, such as headcount reduction, and restructuring plans and limit our recourse to temporary workers and subcontractors, which tend to be more costly over time. However, our cost saving initiatives also result in restructuring costs, employee severance costs and litigation, which may negatively affect our operating margins. Although not individually material to the Group, we recorded a provision for employee litigation (including severance costs and costs relating to mutual termination of employment contracts) of €9.9 million as of December 31, 2016.

However, our ability to control our operating costs generally varies depending on the type of contract. Certain of our contracts, such as those we typically have in our cleaning business, are priced on the basis of certain specified tasks and their frequency. We refer to this type of contract as a "performance-based contract." Other contracts require us to dedicate an agreed minimum amount of human and other resources to perform services, which we refer to as a "resource-based contract." "Resource-based contracts," which we use principally in our security business, by nature afford us less opportunity to reduce operating costs in a decreasing price environment than performance-based contracts.

We also closely monitor contracts in our cleaning and facility management businesses in order to maximize total revenue and margin growth. Each business tracks and reports to Group management on operating cost efficiency on a site-by-site basis as well as a contract-by-contract basis. This allows us to identify high growth or high margin potential services and allocate business development resources accordingly. Through this system, we also seek to identify operating cost savings to offset decreases in price that we may agree upon with our customers.

Active contract portfolio management

Our relationships with our larger customers are typically subject to multiple, separately negotiated contracts that are spread across our customers' different businesses and facilities and have different expiration dates. This tends to help us mitigate the effects of negative business cycles in any single industry. However, given the volume of contracts in our contract portfolio, and in particular, contracts with larger customer accounts, as well as the rate of customer turnover, new or lost contracts can have a significant impact on our results of operations from period to period.

In analyzing changes in our results of operations from period to period, the magnitude of the impact of new or lost contracts is an important factor which we assess in part by aggregating gains and losses of contracts in terms of revenue contribution. We refer to this factor in the discussion below as "net contract gains (or losses)." The loss of certain material contracts could have a material adverse impact on our results of operations.

Moreover, the timing of a new cleaning service contract can significantly impact our results of operations and cash flows in any given period. During the first month of execution of a new cleaning services contract, we typically incur start-up costs related to equipment and employees' uniforms that has an adverse impact on operating income. The larger the contract, the greater the start-up costs, and the greater the potential negative impact on the contract's margin and our cash flows. There is a progressive reduction in this negative impact in each successive month of the performance of the contract as we generate more revenue from the performance of services thereunder that offset those costs. The magnitude of the effect of such start-up costs on the profitability and cash flows of the Cleaning segment, and potentially the Group, depends on the aggregate impact of a variety of factors, namely, the number of new contracts, the size of such new contracts and the performance timing for such contracts. The execution and performance timing of new contracts can therefore cause significant fluctuations in our results of operations and cash flows from period to period.

Employment laws and regulations

We are subject to various employment laws and regulations. Given the labor intensive nature of our business, the continued importance of our core French market to our operations and the significance of our personnel costs, changes in such laws and regulations in France have had a significant impact on our results of operations in the period under review.

Specifically, the following legal and regulatory changes materially impacted our results of operations and cash flows and/or may materially impact them in the future:

- *Fillon Law:* Pursuant to the Fillon law of 2003 (the "Fillon Law"), employer social security contributions in France were reduced for gross salaries that are less than 160% of the statutory minimum wage. The maximum coefficient for the calculation of this reduction depends on the workforce (whether fewer than 20 employees or 20 or more employees) and ranged between 0.2805 and 0.2845 in 2016. The maximum coefficient ranges between 0.2809 and 0.2849 in 2017. The reduction increases in inverse proportion to the amount of the gross salary (*i.e.*, the reduction in employer social security contributions is the lowest for a gross salary that is just under 160% of the statutory minimum wage, but highest for a gross salary that is equal to the statutory minimum wage). In 2014, the Fillon Law was amended so that any remuneration for breaks, dressing and undressing time and shower time had to be included in the calculation of gross salary from January 1, 2015. Due to our remuneration structure, however, this French statutory amendment did not have an adverse effect on our personnel costs.

- *Employer contribution to family allowances:* On January 1, 2015, the rate of employer contribution to family allowances in France decreased by 1.8% to 3.45% for all employees whose salaries were equal to or lower than 160% of the French statutory minimum wage. As from April 1, 2016, the application of this lower rate of employer contribution was extended to all salaries equal to or lower than 350% of the French statutory minimum wage.

- *Minimum wage:* We generally increase the salaries of our employees in France before expected increases to the statutory minimum wage or increases in the minimum wage under the relevant collective bargaining agreements, which typically provide for minimum wages that are higher than the statutory minimum wage. The statutory minimum wage in France increases every year to take into account at a minimum inflation and living costs. The minimum wage under the collective bargaining agreements may be increased from time to time. We are often able to incorporate a portion of these wage increases into our prices before such increases come into effect, and accordingly, to limit their negative impact on our results.

- *Complementary health and welfare benefits:* Pursuant to the Law on job security of June 14, 2013 and the Law on financing social security for 2016 of December 21, 2015, obligations to provide complementary health coverage (*mutuelle*) and welfare (*prévoyance)* benefits to all employees (including short-term contracts or reduced part-time employees) during and after the termination of the employment contract were increased. These changes became effective for us on January 1, 2016, and they had an adverse impact on our personnel costs of €0.2 million in the four months ended December 31, 2016.

CICE tax credit

In December 2012, the CICE was adopted as part of an overall stated French government policy to improve the competitive position of companies in France. Pursuant to the CICE, French companies have been entitled since 2013 to a tax credit in respect of gross salaries paid to certain employees. The tax credit was equal to 6% of gross salaries paid to certain employees from 2014 to 2016 and is equal to 7% of gross salaries paid to these employees as from January 1, 2017. The amount of the CICE is calculated on the basis of gross salaries paid to employees in the course of the calendar year, provided such gross salaries do not exceed a maximum of 250% of the French statutory minimum wage. Under the CICE, for any given employee, the French statutory minimum wage is calculated on the basis of such employee's regular working hours plus such employee's overtime hours (but without taking into account the overtime rate payable in respect of such overtime).

The CICE calculated with respect to a given calendar year may only be used to reduce our corporate income tax liability for the fiscal year closed in the subsequent calendar year and for the three subsequent fiscal years. Any unused portion is refundable only after the end of such period. The Group recognizes the CICE as a deduction from personnel costs within operating profit in the consolidated income statement and a corresponding accrued tax receivable is recognized in "Other receivables." This accounting treatment resulted in an increase of our EBITDA (in an amount of €10.9 million, with respect to the CICE recorded in the four months ended December 31, 2016).

The Group pre-finances its future CICE tax credit receivables through the Banque Publique d'Investissement ("BPI"). Financing contracts are entered into through which the Group sells to BPI its estimated future receivables for the calendar year as a guarantee for financing received from BPI. At the end of the financial year, the Group recognizes a liability under "Other Current Liabilities" in an amount corresponding to the cash received from BPI through this pre-financing mechanism. As at the four months ended December 31, 2016, financing received in this way amounted to €98.8 million.

To the extent the CICE were to be discontinued and replaced by a correlative reduction of employer social security contributions and thus personnel costs, as has been suggested in the past by comments from public officials and more recently by certain candidates in the French presidential election, we anticipate it would not impact the positive effects of the CICE on our reported results of operations or EBITDA, but would affect our cash flows since the corporate income tax that we have to pay would increase, though that negative effect would be partially mitigated by our tax losses carried forward. There can be no assurance, therefore, that we will continue to be able to benefit from the CICE.

Fluctuations in Foreign Currency Exchange Rates

The international expansion of our operations outside the Eurozone increases our exposure to various currency risks. Accordingly, our results of operations are, and may further be, subject to currency effects, primarily currency translation risk. The results of our operations of our subsidiaries operating outside the Eurozone are translated into euro, our functional and reporting currency, at the applicable exchange rates for inclusion in our consolidated financial statements. A decline in the value of foreign currencies against the euro will therefore have a negative effect on our revenue and EBITDA as reported in euro. We are particularly exposed to such risk as a result of our operations in Turkey, Malaysia, Indonesia and Poland, as the currencies in these countries have recently tended to decrease in value against the euro. Since our acquisition of Temco, we are also exposed to any future fluctuations in the value of the U.S. dollar against the euro. We may also be exposed to currency exchange rate risk in connection with any profits from our international operations that are paid as dividends or otherwise to our holding companies in France. We expect our exposure to transaction risk at our subsidiaries to be relatively limited because their revenues are generated and operating costs incurred generally in their respective operating and functional currencies. We incur currency transaction risk whenever one of our subsidiaries generates revenue or operating costs in a different currency from the currency in which it operates. We experienced a negative foreign exchange impact of €1.5 million on our International segment revenue in the four months ended December 31, 2016, mainly due to the depreciation of the Turkish Lira, the Malaysian Ringitt and the Polish Zloty against the euro. We expect, however, that the fluctuations in our reported results of operations from period to period caused by changes in foreign currency exchange rates will likely become more significant in the future as the proportion of our operations outside the Eurozone, and particularly in the United States, Turkey, Malaysia and Indonesia, increases.

Seasonality

Revenue from some of our businesses is subject to seasonal fluctuations, principally in France. During the summer and winter school holidays, we typically experience an increase in revenue from our cleaning services contracts with our customers in the transportation sector in France (namely, the RATP, the state-owned public transportation system in Paris and its surrounding region, and the SNCF, the state-owned national railway company). In addition, revenue from our security services contracts with certain of our mass market retail customers, such as Carrefour and Galeries Lafayette, usually increases during November and December. In contrast, we generally experience a lower level of activity in our landscaping business in the winter months due to weather conditions.

Our net working capital is also subject to seasonal variations, principally in connection with our French activities. Our net working capital requirements are generally significant in most of the first half of the calendar year, during which time we are opening new accounts with larger customers and existing large accounts are in the process of allocating their annual budget for outsourced services. Our net working capital requirements are also negatively impacted during this period by a number of cash payments relating to, among other things, pension contributions, insurance premium payments, holiday payments and the payment of bonuses earned in the prior year. Our net working capital requirements therefore generally tend to be the highest between March and April of every year. Our net working capital requirements are typically the lowest in August, when public and private sector customer accounts are settled in respect of services rendered since the beginning of the calendar year, and in December, when we focus on cash collection at calendar year end.

Description of Key Line Items in Our Income Statements

Revenue. Revenue comprises the value of services provided during the fiscal year less VAT and duties as well as price and quantity discounts. Contract work in progress is recognized using the percentage-of-completion method based on the value of work completed at the balance sheet date.

Purchases consumed. Purchases consumed refers primarily to cleaning and maintenance products, material and site equipment (including security and plumbing equipment), and payments to subcontractors and temporary workers. Purchases consumed also includes fuel and gas, work clothes, plants (for our landscaping business), and market studies. In addition, certain rebates granted by our suppliers are reflected in our purchases consumed.

External charges. External charges mainly comprise vehicle and equipment rental costs, external fees (including audit fees), maintenance costs (*i.e.*, expenses incurred that do not comply with IFRS capitalization criteria), and administrative expenses (*e.g.*, insurance costs, travelling expenses, mailing and telecommunication costs).

Personnel costs. Personnel costs comprise salaries and wages, pensions, social security expenses and other employee-related expenses such as contractual profit sharing.

Taxes other than on income. Taxes other than on income includes taxes on salaries (mainly training taxes), social construction tax (*taxe effort construction*), social solidarity contribution (*contribution sociale de solidarité*), which is a tax based on a percentage of net sales, and real property tax.

Taxes other than on income excludes the *Cotisation sur la Valeur Ajoutée des Entreprises* ("CVAE") starting on January 1, 2010 pursuant to the French Budget Act of 2010, which replaced the business tax (*taxe professionnelle*) that was previously payable by French entities with two new taxes, one of which, the CVAE, is based on the "added value" generated by French entities. In accordance with IAS 12, the Group has elected to classify the CVAE contribution as an income tax, and therefore to recognize it under the "Income tax expense" line item in the income statement.

Other recurring operating income and expense. This line item mainly includes net gain or loss on asset sales; subsidies granted to the Group by the French government in respect of disabled employees; recurring costs relating to our office equipment, supplies and IT systems; and the positive effect of the capitalization of personnel costs that principally relate to ongoing Group information technology projects.

Depreciation and amortization. Depreciation and amortization relates to depreciation and amortization of intangible and tangible assets.

Provisions and impairment losses. Provisions primarily relate to restructuring costs occurring in the ordinary course of business, pension provisions, and provisions for claims and litigation with employees, customers, suppliers and other parties. They also include the impairment of receivables and inventories.

Net financial expenses. Net financial expenses reflects the impact of the Group's financing transactions and comprises net finance costs, which include interest paid on the Group's borrowings, the amortization of issuing costs and interest received on available cash, as well as other financial income and expenses. Other financial income and expenses consists of dividends received from non-consolidated entities, net financial provisions, disposals of shares and other financial assets, write-offs and other gains and losses.

Share of profit (loss) of equity-accounted companies. Share of profit (loss) of equity-accounted companies comprises the share of profit (loss) after tax of equity-accounted companies. Equity-accounted companies include the joint venture subsidiaries with City One, one operating entity in Slovakia and certain operating entities in Malaysia.

Income tax expense. Income taxes consist of (i) income tax, including CVAE, and (ii) changes in deferred tax assets.

Results of Operations

Results of operations for the four months ended December 31, 2016 and December 31, 2015

	For the four months ended December 31,	
	2015	**2016**
	€ in millions	
Revenue	**477.9**	**618.0**
Purchases consumed	(109.0)	(126.9)
External charges	(29.1)	(37.4)
Personnel costs	(305.0)	(407.5)
Taxes other than on income	(6.7)	(8.8)
Other recurring operating income and expenses	0.1	2.6
EBITDA	**28.2**	**40.0**
Depreciation and amortization, net	(8.1)	(11.5)
Provisions and impairment losses, net	(0.4)	(1.1)
Operating profit	**19.7**	**27.5**
Financial income	0.0	0.1
Finance expenses	(9.2)	(12.2)
Finance costs, net	**(9.2)**	**(12.1)**
Other financial income and expenses	(0.3)	0.0
Net financial expense	**(9.5)**	**(12.1)**
Income tax expense	(4.2)	(8.1)
Share of profit (loss) of equity-accounted companies	0.0	0.0
Net profit from recurring operations	**6.0**	**7.3**
Net profit (loss) from discontinued operations	—	—
Profit for the period	**6.0**	**7.3**

Revenue

The following table sets forth the breakdown of our revenue for the periods indicated by reporting segment:

	For the four months ended December 31,	
	2015	**2016**
	€ in millions	
Revenue		
Cleaning	229.3	256.0
Facility Management	140.6	137.7
International	112.0	228.6
Other	(4.0)	(4.3)
Total Revenue	**477.9**	**618.0**

Revenue increased by €140.1 million, or 29.3%, to €618.0 million in the four months ended December 31, 2016, as compared to €477.9 million in the four months ended December 31, 2015. The increase was mainly attributable to external growth in the International segment, primarily resulting from the acquisition of Temco in January 2016. See "*—Factors Affecting Our Results of Operations—Acquisitions and divestments—Acquisitions*."

Revenue by segment

Cleaning. Cleaning segment revenue increased by €26.7 million, or 11.6%, to €256.0 million in the four months ended December 31, 2016, as compared to €229.3 million in the four months ended December 31, 2015. This increase was primarily attributable to external growth, which contributed €16.5 million to Cleaning segment revenue in the four months ended December 31, 2016. This external growth was mainly due to the acquisition of Net'Express and HEI, in February and March 2016, respectively, as well as the acquisition of DPS in September 2016. This increase was also due to organic growth, primarily as a result of the strengthening of our commercial teams focusing on key accounts.

Revenue from the Cleaning segment represented 41.4% of our revenue in the four months ended December 31, 2016, as compared to 48.0% in the four months ended December 31, 2015, as a result of the significant increase in our International segment revenue in the four months ended December 31, 2016.

Facility Management. Facility Management segment revenue decreased by €2.9 million, or 2.1%, to €137.7 million in the four months ended December 31, 2016, as compared to €140.6 million in the four months ended December 31, 2015. This decrease was principally due to the following:

– a decrease of €3.1 million, or 5.0%, in revenue generated by our multi-technical business in the four months ended December 31, 2016, as compared to the four months ended December 31, 2015, due to increased competition in this market, primarily due to large competitors beginning to compete in the medium-sized customer segment in which we mainly operate; and

– the discontinuation of our waterproofing services activity, which accounted for €1.0 million in revenue in the four months ended December 31, 2015.

This decrease was partially offset by an increase in revenue of € 1.7 million generated by our landscaping business, partially due to our focus on more profitable contracts and the gain of new contracts.

Revenue from the Facility Management segment represented 22.3% of our revenue in the four months ended December 31, 2016, as compared to 29.4% in the four months ended December 31, 2015, principally as a result of the significant increase in our International segment revenue in the four months ended December 31, 2016.

International. International segment revenue increased by € 116.6 million, or 104.1%, to €228.6 million in the four months ended December 31, 2016, as compared to €112.0 million in the four months ended December 31, 2015. This increase was mainly due to the acquisition of Temco in January 2016, which contributed €88.3 million to our International segment revenue in the four months ended December 31, 2016. This increase was also due to the acquisition of Luxor in Croatia in March 2016 and MT&T in Romania in June 2016, which contributed €5.3 million and €3.3 million, respectively, to our International segment revenue in the four months ended December 31, 2016, and the acquisition of various entities in the four months ended December 31, 2016, including:

– AB Facility in Slovakia and the Czech Republic in November 2016, which contributed €14.3 million to our International segment revenue in the four months ended December 31, 2016; and

– Espro Service and Atalian Global Services in Russia in December 2016, which together contributed €0.6 million to our International segment revenue in the four months ended December 31, 2016.

The revenue of our existing operations in Turkey, Malaysia, Hungary, Indonesia, Serbia, Slovakia, Croatia and Russia also increased in the four months ended December 31, 2016, as compared to the corresponding period in the previous year. This increase was partly offset by a decrease in organic growth in the Philippines, Thailand (due to our decision not to renew certain contracts with lower profit margins in these Southeast Asian countries) and in Poland, primarily as a result of a change in the presentation of the revenue of our energy trading subsidiary, Atalian Energy, acquired in May 2015.

Revenue from the International segment represented 37.0% of our revenue in the four months ended December 31, 2016, as compared to 23.4% in the four months ended December 31, 2015.

Purchases consumed

Purchases consumed increased by €17.9 million, or 16.4%, from € 109.0 million in the four months ended December 31, 2015 to € 126.9 million in the four months ended December 31, 2016, principally reflecting the increase in our revenue during the period. As a percentage of our revenue, purchases consumed increased slightly, representing 20.5% of our revenue in the four months ended December 31, 2016, as compared to 22.8% of our revenue in the four months ended December 31, 2015.

External charges

External charges increased by €8.3 million, or 28.4%, from € 29.1 million in the four months ended December 31, 2015 to € 37.4 million in the four months ended December 31, 2016, principally reflecting the increase in our revenue during the period. As a percentage of revenue, external charges decreased slightly, representing 6.0% of our revenue in the four months ended December 31, 2016, as compared to 6.1% of our revenue in the four months ended December 31, 2015. This decrease was mainly due to the impact of the integration of Temco, which used less operating-leases relating to equipment than the rest of our business during that period.

Personnel costs

Personnel costs increased by €102.5 million, or 33.6%, from € 305.0 million in the four months ended December 31, 2015 to € 407.5 million in the four months ended December 31, 2016. The increase in personnel costs was principally attributable to the growth of the International segment, including the acquisition of Temco. As a percentage of revenue, personnel costs increased, representing 65.9% of our revenue in the four months ended December 31, 2016, as compared to 63.8% of our revenue in the four months ended December 31, 2015. This increase was primarily due to higher personnel costs in relation to Temco's contracts in the public education sector in the state of New York. The increase in personnel costs associated with Temco was partially offset by a decrease in personnel costs due to the positive impact of the CICE in France. The CICE's positive impact increased by €1.1 million in the four months ended December 31, 2016 as compared to the four months ended December 31, 2015, amounting to €10.9 million in the four months ended December 31, 2016, as compared to €9.8 million in the four months ended December 31, 2015.

Taxes other than on income

Taxes other than on income increased by €2.2 million, or 32.3%, from €6.7 million in the four months ended December 31, 2015 to € 8.8 million in the four months ended December 31, 2016. Taxes other than on income mainly include taxes on salaries. As a percentage of personnel costs, taxes other than on income remained stable at 1.4% in the four months ended December 31, 2016 and the four months ended December 31, 2015.

Other recurring operating income and expenses

Other recurring operating income and expenses increased by €2.5 million, from a net income of €0.1 million in the four months ended December 31, 2015 to a net income of €2.6 million in the four months ended December 31, 2016. This increase was mainly due to the disposal of assets related to Temco and to operating subsidies related to DPS.

EBITDA

The following table sets forth the breakdown of our EBITDA for the periods indicated by reporting segment:

	For the four months ended December 31,	
	2015	**2016**
	€ in millions	
Cleaning	23.0	27.5
Facility Management	9.1	10.0
International	4.9	11.7
Other	(8.8)	(9.2)
EBITDA	**28.2**	**40.0**

EBITDA increased by €11.9 million, or 42.1%, to €40.0 million in the four months ended December 31, 2016, as compared to € 28.2 in the four months ended December 31, 2015. Our EBITDA margin increased to 6.5% in the four months ended December 31, 2016, as compared to 5.9% in the four months ended December 31, 2015.

Cleaning. EBITDA for the Cleaning segment increased by €4.5 million, or 19.6%, to €27.5 million in the four months ended December 31, 2016, as compared to €23.1 million in the four months ended December 31, 2015. The Cleaning segment EBITDA margin increased to 10.7% in the four months ended December 31, 2016, as compared to 10.0% in the four months ended December 31, 2015. These increases in EBITDA and EBITDA margin in this segment principally reflected organic growth during the period and the acquisition of HEI and Net'Express, which had higher margins than the average Cleaning segment margin during the period, as well as improved margins in our cleaning businesses in the Ile-de-France region.

Facility Management. EBITDA for the Facility Management segment increased by €0.9 million, or 9.9%, to €10.0 million in the four months ended December 31, 2016, as compared to €9.1 million in the four months ended December 31, 2015. The Facility Management segment EBITDA margin increased to 7.2% in the four months ended December 31, 2016, as compared to 6.5% in the four months ended December 31, 2015. This increase in EBITDA and EBITDA margin in this segment principally reflected the higher profitability of our landscaping business and airport security business, which was offset by a decrease in profitability in other activities within our safety and security business.

International. EBITDA for the International segment increased by € 6.8 million, or 138.8%, to €11.7 million in the four months ended December 31, 2016, as compared to €4.9 million in the four months ended December 31, 2015, principally reflecting our expansion strategy. Temco contributed €4.9 million, or 41.9%, to the EBITDA of this segment in the four months ended December 31, 2016. The EBITDA margin of the International segment increased to 5.1% in the four months ended December 31, 2016 from 4.4% in the four months ended December 31, 2015. This increase was mainly due to cost savings and operational synergies realized in Belgium following the successful integration of the local Temco operations.

Depreciation and amortization, net

Depreciation and amortization increased by €3.4 million, or 42.1%, from €8.1 million in the four months ended December 31, 2015 to €11.5 million in the four months ended December 31, 2016, mainly due to the increase of the total amount of intangible and tangible assets following several acquisitions made in 2016, principally in the International segment and to a lesser extent in France.

Provisions and impairment losses, net

Provision and impairment losses increased by €0.7 million, from €0.4 million in the four months ended December 31, 2015 to € 1.1 million in the four months ended December 31, 2016, mainly due to the change of accounting policies.

Operating profit

Operating profit increased by €7.8 million, or 39.3%, from € 19.7 million in the four months ended December 31, 2015 to € 27.5 million in the four months ended December 31, 2016, for the reasons explained above.

Net financial expense

Net financial expense increased by €3.0 million, or 32.3%, from € 9.2 million in the four months ended December 31, 2015 to €12.1 million in the four months ended December 31, 2016. This increase was principally due to the issuance of the additional 2020 Notes in January 2016.

Income tax expense

Income tax expense increased by €1.2 million, or 22.0%, from € 5.6 million in the four months ended December 31, 2015 to €6.8 million in the four months ended December 31, 2016. This increase was principally due to the significant increase in our international operations, particularly in the United States, which were generally subject to higher income taxes than our businesses in France, where we had a tax deficit.

Profit for the period

Profit for the period increased by €3.4 million from €4.7 million in the four months ended December 31, 2015 to €8.6 million in the four months ended December 31, 2016, for the reasons stated above.

Liquidity and Capital Resources

Capital Resources

Our cash requirements consist mainly of the following:

- operating activities, including our net working capital requirements;
- servicing our indebtedness and the indebtedness of our subsidiaries;
- funding acquisitions;
- funding capital expenditures; and
- paying taxes.

Our sources of liquidity have historically consisted mainly of the following:

- cash generated from our operating activities;
- issuances of debt securities; and

- borrowings under our existing credit facilities

As at December 31, 2016, we had net debt of €405.1 million. We define net debt as the sum of non-current financial liabilities and short-term bank loans and overdraft and current portion of other financial debt, plus the fair value of financial instruments, less cash and cash equivalents.

Several of the Group's subsidiaries sell their trade receivables on a monthly basis under factoring contracts. Some of these contracts involve the transfer of substantially all the risks and rewards of ownership of the receivables concerned to the factoring companies. Factored receivables for which the Group has not transferred substantially all the risks and rewards of ownership remain recorded on the balance sheet under "Trade receivables," with the recognition of a corresponding financial liability. We had net debt (including the liability relating to off-balance sheet factoring) of €435.2 million as of December 31, 2016.

As of December 31, 2016, we had cash and cash equivalents net of short-term bank loans and overdrafts of €89.1 million.

Cash flows

The following table summarizes our consolidated cash flow statements for the periods indicated:

	For the four months ended December 31,	
	2015	**2016**
	€ in millions	
Net cash from (used in) operating activities	(4.6)	1.8
Excluding off-balance sheet factoring of receivables	*(8.4)*	*(10.0)*
Net cash used in investing activities	(14.1)	(11.8)
Net cash used in financing activities	(1.4)	(5.4)
Exchange gains (losses) on cash and cash equivalents	(0.5)	(1.6)
Net increase (decrease) in cash and cash equivalents	**(20.6)**	**(17.0)**

Net cash from (used in) operating activities

The following table sets out our net cash flows from or used in operating activities for the periods indicated:

	For the four months ended December 31,	
	2015	**2016**
	€ in millions	
Profit from continuing operations	6.0	7.3
Adjustment for and elimination of non-cash items	8.9	10.6
Elimination of net finance costs	9.2	12.1
Elimination of income tax expense	4.2	8.1
Cash generated from operations before financial expenses and income tax	**28.3**	**38.1**
Decrease/(increase) in inventories	(0.3)	0.9
Increase/(decrease) in total receivables	(5.4)	3.0
Of which decrease/(increase) in receivables	(9.2)	(8.8)
Of which increase/(decrease) in off-balance sheet factoring of receivables	3.8	11.8
Increase/(decrease) in payables	(19.2)	(31.1)
Change in working capital	**(25.1)**	**(27.4)**
Change in working capital excluding off-balance sheet factoring of receivables[(1)]	(28.8)	(39.1)
Income tax paid	(7.8)	(8.9)
Cash from discontinued operations generated (used) by operating activities	—	—
Net cash from (used in) operating activities	**(4.6)**	**1.8**
Net cash from (used in) operating activities excluding off-balance sheet factoring of receivables	*(8.4)*	*(10.0)*

(1) Trade receivables sold under factoring contracts involving the full transfer of the risks and rewards of ownership to the factoring companies resulted in a derecognized liability of €65.1 million in the four months ended December 31, 2015 and €30.0 million in the four months ended December 31, 2016.

After giving effect to the factoring of receivables not recorded on our balance sheet, we experienced variations in our net working capital during the period under review, from a net working capital requirement of €25.1 million in the four months ended December 31, 2015 to a net working capital requirement of €27.4 million in the four months December 31, 2016.

Before giving effect to the factoring of receivables not recorded on our balance sheet, our working capital increased by €39.1 million in the four months ended December 31, 2016, mainly resulting from the combined effect of an increase of €8.8 million in receivables and a decrease of €31.1 million in payables. The €8.8 million increase in receivables was principally due to an increase in the CICE receivable in France over the four-month period, which was settled after its close, offset in part by a decrease in "days sales outstanding" ("DSO") in France, principally in our security services business. The € 31.1 million decrease in payables reflected a decrease in our "days payable outstanding" ("DPO"), principally related to our Cleaning segment in France due to the year-end settlement deadline of many of our suppliers, as well as a decrease in social security payables in our international business.

Before giving effect to the factoring of receivables not recorded on our balance sheet, our working capital increased by €28.8 million in the four months ended December 31, 2015, mainly resulting from the combined increase of €9.2 million in receivables and a decrease of €19.2 million in payables. The €9.2 million increase in receivables was principally due to an increase in trade receivables in France and, to a lesser extent, an increase in international trade receivables. The €19.2 million decrease in payables reflected a decrease in our DPO related to our Cleaning segment in France due to the year-end settlement deadline of many of our suppliers.

Our DPO were 78 as at December 31, 2016, while our DSO were 61 days as at December 31, 2016.

Net cash provided by investing activities

The following table sets out the principal components of our net cash flow provided by investing activities for the periods indicated:

	For the four months ended December 31,	
	2015	**2016**
	€ in millions	
Purchase of fixed assets[(1)]	(7.8)	(9.7)
Proceeds from sales of fixed assets	(0.1)	2.7
Purchase of consolidated companies less cash held by subsidiaries acquired or sold	(4.8)	(4.1)
Other cash flows from investing activities	(1.4)	(0.8)
Cash from discontinued operations used in investing activities	—	—
Net cash used in investing activities	**(14.1)**	**(11.8)**

(1) Including change in net payables due on fixed assets.

Net cash used in investing activities amounted to €11.8 million in the four months ended December 31, 2016, and mainly related to the purchase of fixed assets. Net of cash held by entities acquired or sold, our acquisitions accounted for €4.1 million of our net cash used in investing activities in the four months ended December 31, 2016 and was mainly related to our acquisition of Able in the Philippines.

Our decrease in net cash used in investing activities by 15.9% from €14.1 million in the four months ended December 31, 2015 to €11.8 million in the four months ended December 31, 2016 was primarily attributable to proceeds of sales of fixed assets, including disposals related to buildings acquired through our recent international growth.

Net cash used in financing activities

The following table sets out the principal components of our net cash flow used in financing activities for the periods indicated:

	For the four months ended December 31,	
	2015	2016
	€ in millions	
Proceeds from new borrowings	5.9	0.4
Repayments of borrowings	(4.8)	(4.4)
Finance costs, net[1]	(2.6)	(1.4)
Dividends	—	—
Operations in share capital	—	—
Other	0.0	0.0
Cash from discontinued operations generated by financing activities	—	—
Net cash used in financing activities	**(1.4)**	**(5.4)**

(1) Amount net of capitalized interests and other non-cash interest expenses.

Net cash used in financing activities amounted to €5.4 million in the four months ended December 31, 2016. Our financing activities consisted primarily of:

- €0.4 million of proceeds from new borrowings;
- €4.4 million of repayments of borrowings, primarily comprising €4.3 million under finance leases; and
- €1.4 million of net interest paid on ongoing borrowings, including €0.9 million of commission fees paid on the Factoring Facility.

Off-Balance Sheet Arrangements

As of December 31, 2016, our off-balance sheet arrangements primarily related to (i) collateral securing a revolving credit facility, entered into on January 2013 and subsequently terminated, consisting of the pledge of 89.9% of the share capital of Atalian Cleaning S.A.S. (formerly TFN Val S.A.S.) and 100% of the shares of Atalian Propreté; (ii) the Company's guarantee under such revolving facility agreement; and (iii) the guarantees of the issue of the 2020 Notes by the Guarantors.

The off-balance sheet arrangements also include contractual commitments received under the Factoring Facility.

Contractual commitments

The following table sets forth the aggregate maturities of our financial debt as of December 31, 2016:

		Payment due by period		
€ in millions	As of December 31, 2016	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
2020 Notes[1]	410.2	12.6	397.6	—
Loans and other borrowings from credit institutions	34.7	20.7	13.9	0.1
Liabilities from finance leases[2]	21.0	8.9	11.8	0.2
Other loans and financial debts	1.1	1.1	—	—
Employee profit sharing liabilities	2.7	—	2.7	—
Borrowings under on-balance sheet factoring facilities[3]	22.5	22.5	—	—
Total	**492.2**	**65.7**	**426.1**	**0.4**

(1) Represents €400.0 million in aggregate principal amount of 2020 Notes, €13.4 million of accrued interest and €3.2 million of amortized issuance costs.

(2) Represents contractual commitments under finance lease contracts.

(3) Represents liabilities incurred under contracts pursuant to which we sell receivables to factoring companies.

As of December 31, 2016, our total obligations in respect of pension liabilities amounted to €14.5 million. Pension liabilities and other post-employment benefits as of December 31, 2016 are described in note 7 to our Unaudited Interim Condensed Consolidated Financial Information, which is included elsewhere in this document. See also "—*Critical Accounting Policies and Estimates.*"

Qualitative and Quantitative Disclosure of Market Risk

We are exposed to market risk primarily from changes in interest rates and foreign currency exchange rates. In certain situations, we seek to reduce earnings and cash flow volatility associated with fluctuations in interest rates and foreign currency exchange rates by entering into financial arrangements to hedge against a portion of the risks associated with such volatility. We do not use derivatives for trading or speculative purposes; we only use these instruments to hedge risk. Financial instruments are measured and recognized at fair value, which is determined based on market value valuations. As at December 31, 2016, these derivatives included:

- a forward on the U.S. Dollar (U.S.$ 13.6 million);
- a forward on the Hungarian Forint (HUF 120.3 million);
- a forward on the Turkish Lira (TRY 1.5 million);
- a forward on the Russian Ruble (RUB 30.2 million);
- a forward on the Thailand Baht (THB 19.5 million);
- a forward on the Czech Koruna (CZK 58.7 million);
- a forward on the Polish Zloty (PLN 18.5 million);
- a forward on the Moroccan Dirham (MAD 4.7 million) ; and
- a forward on the Croatian Kuna (HRK 23.0 million).

These derivatives have all been entered into with leading French financial institutions and we believe that they do not present a liquidity risk in the event of trend reversal. The use of these derivatives, the choice of counterparties and more generally the management of foreign currency risk and interest rate risk are specifically reported in statements submitted regularly for the attention of the management of the relevant entities.

Foreign currency exchange rate risk. The international expansion of our operations outside the Eurozone increases our exposure to various currency risks. Accordingly, our results of operations are, and may further be, subject to currency effects, primarily currency translation risk. The results of our operations or our subsidiaries operating outside the Eurozone are translated into euro, our functional and reporting currency, at the applicable exchange rate for inclusion in our consolidated financial statements. A decline in the value of foreign currencies against the euro will therefore have a negative effect on our revenue and EBITDA as reported in euro. We are particularly exposed to such risk as a result of our operations in Turkey, Malaysia, Indonesia and Poland, as the currencies in these countries have recently tended to decrease in value against the euro and, since our acquisition of Temco, we are also exposed to fluctuations in the value of the U.S. dollar against the euro. We may also be exposed to currency exchange rate risk in connection with any profits from our international operations that are paid as dividends or otherwise to our holding companies in France. We expect our exposure to transaction risk at our subsidiaries to be relatively limited because their revenue and operating costs are, generally, generated and incurred in their respective operating and functional currencies. We incur currency transaction risk whenever one of our subsidiaries generates revenue or operating costs in a different currency from the currency in which it operates. We experienced a negative foreign exchange impact of €1.5 million of our International segment revenue attributable to changes in foreign currency exchange rates in the four months ended December 31, 2016, as compared to the four months ended December 31, 2015, mainly attributable to the depreciation of the Turkish Lira, the Malaysian Ringgit and the Polish Zloty against the euro. We expect, however, that the fluctuations in our reported results of operations from period to period caused by changes in foreign currency exchange rates will likely become more significant in the future as the proportion of our operations outside the Eurozone, and particularly in the United States, Turkey, Poland, Malaysia and Indonesia, increases. We use currency exchange swaps to cover our exposure to the exchange rates of the U.S. Dollar, Hungarian Forint, Turkish Lira, Russian Ruble, Thailand Baht, Czech Koruna, Polish Zloty, Moroccan Dirham, and Croatian Kuna. See above.

Interest rate risk. In the normal course of business, we are exposed to the impact of interest rate changes due to our borrowings. Our objective is to manage the risk of interest rate fluctuations on our results of operations and cash flows by creating an appropriate balance between fixed and floating-rate debt. Hedging instruments consist of interest rate swaps and options to cover certain variable-rate financial indebtedness. The principal indebtedness of the Group is our 2020 Notes, which were issued at a fixed rate.

Liquidity risk. In order to manage our liquidity risk, we contract bank facilities for an appropriate amount and maturity to ensure that we have adequate available funds to meet our commitments. We finance our working capital requirements through the Factoring Facility, cash on hand and other short-term facilities (such as authorized overdrafts). In our Cleaning segment, we use the Factoring Facility to finance receivables with a minimum of 5% held as guarantee. The Factoring Facility is without recourse against the Group's companies in the event of insolvency proceedings opened in respect of transferred debtors. In our Facility Management and International segments, we finance receivables not exceeding 60 days after the due date with a minimum of 10% held as guarantee. All overdue receivables not paid within these time limits are returned to the Group for payment (*i.e.* there is no transfer of payment risk).

Credit and counterparty risk. We are exposed to credit risk in the event of default by our customers and to counterparty risk in respect of our investments of cash (*e.g.*, credit balances at banks, term deposits), subscription to derivatives, commitments received (*e.g.*, sureties and guarantees), unused authorized credit facilities, and financial receivables. We consider that the concentration of credit risk associated with trade receivables is limited because of our large number of customers and the fact that our customers are spread across France and internationally. No customer individually accounted for more than 6% of our revenue in the four months ended December 31, 2016. We monitor our counterparty risk related to financial institutions by choosing financial institutions with a high credit rating.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our audited consolidated financial statements, which were prepared in accordance with the International Financial Reporting Standards as of the date of preparation of the financial statements, including the International Accounting Standards ("IAS") and IFRS standards and the International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The preparation of this financial information requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities.

We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our financial information, so we consider these to be our critical accounting policies. Due to the uncertainty inherent in these matters, actual results could differ from the estimates we use in applying the critical accounting policies described below.

Goodwill impairment testing

Goodwill and intangible assets arise in connection with acquisitions. We do not amortize goodwill and intangible assets with indefinite lives. Intangible assets with finite lives are amortized on a straight-line basis over the assets' respective useful lives. Goodwill is tested for impairment at least annually, at year-end, using the method described in note 3.1 to the 2016 Unaudited Interim Condensed Consolidated Financial Information. Goodwill is allocated to cash-generating units ("CGU") by brand and region for impairment testing purposes. An impairment loss is recognized when the recoverable amount of a CGU is estimated to be less than its carrying amount. The recoverable amount of the CGU is the higher of its net selling price (fair value less costs to sell) or its value-in-use. Value-in-use is assessed based on estimated future cash flows discounted to their present value. The outcome of such an assessment is subjective, and the result sensitive to the assumed future cash-flows to be generated by the CGU or assets and discount rates applied in calculating the value-in-use. Any impairment arising is charged to the income statement.

Retirement obligations

We offer our employees a retirement plan, termination benefits and other long-term benefits in accordance with regulations and market practices in France. There are two types of benefit plans: defined benefit plans and defined contribution plans. In the case of defined contribution plans we pay fixed contributions into a separate entity (a fund) and have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. We account for our defined benefit plans in accordance with IAS 19 "Employee benefits."

Accounting for post-employment benefit plans requires us to make assumptions including, but not limited to, discount rates, rates of inflation and life expectancies. The use of different assumptions could have a material effect on the accounting values of the relevant assets and liabilities which could result in a material change to the cost of such liabilities as recognized in the income statement over time. These assumptions are subject to periodic review.

Deferred taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that the deductible temporary differences can be realized. The probability that we are able to realize such differences is based on fiscal forecasts drawn up for each tax consolidation group. We estimate deferred tax assets as well as expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets.

Provisions

Provisions mainly concern provisions for legal risks and restructuring costs. A provision is a liability of uncertain timing or amount. We record provisions for liabilities when we have a current obligation (legal or implied) resulting from a past event; it is likely that an outflow of resources representative of economic benefits will be necessary in order to clear the obligation; and the amount of the obligation can be estimated reliably. The provisions are determined and updated based on assumptions made by the Group at each reporting date. When the impact is significant, we discount provisions based on a discount rate that reflects the risk-free interest rate and the risks specific to the asset. We record provisions for restructuring when a standardized and detailed restructuring plan is approved and when we have either started implementing or have published the plan. Due to the uncertainty inherent in these matters, actual results could differ from the estimates on which these provisions are based.

When the risk materializes or the cost is incurred, the provisions previously set aside are recognized as revenue under operating profit. Correlatively, the cost incurred is recognized as an expense under operating profit.

LA FINANCIÈRE ATALIAN SAS

Statutory Auditor's review report on the interim condensed consolidated financial statements
Four-month period from September 1, 2016 to December 31, 2016

PricewaterhouseCoopers Audit
63 rue de Villiers
92208 Neuilly sur seine cedex

ROBERT MIRRI
18, Rue Spontini
75116 Paris

Statutory Auditor's review report on the interim condensed consolidated financial statements

Four-month period from September 1, 2016 to December 31, 2016

To the sole Shareholder,

In our capacity as Statutory Auditors of La Financiere Atalian and in accordance with your request in connection with the Bonds refinancing project, we have reviewed the accompanying interim condensed consolidated financial statements of La Financiere Atalian for the four-month period from September 1, 2016 to December 31, 2016.

The Chairman is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements. Our role is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34—the standard of IFRS as adopted by the European Union applicable to interim financial information.

Without qualifying the conclusion expressed above, we draw your attention to

- Note 2.4 to the interim condensed consolidated financial statements relating to the impact on comparative information of error corrections that have been accounted for in accordance with IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors;

- Note 7.2 to the interim condensed consolidated financial statements regarding the potential impact of an optional redemption of the € 400 million bonds on financial expenses.

This report is governed by French law. French courts have exclusive jurisdiction to judge any dispute, claim or disagreement that may result from our letter of engagement or this report or any related question. Each party irrevocably renounces his or her rights to oppose legal action brought before these courts, to contend that the action was brought before a court that was not competent, or that these courts do not have jurisdiction.

Neuilly-sur-Seine and Paris, March 21, 2017

The Statutory Auditors

PricewaterhouseCoopers Audit
Eric Bertier

Robert MIRRI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands of euros	Note	31 December 2016	31 August 2016 restated[(1)]
ASSETS			
Goodwill	3.1	**501,311**	**486,341**
Intangible assets	3.2	**21,047**	**17,758**
Property, plant and equipment	3.3	**68,277**	**66,439**
Other non-current financial assets	3.4	**21,729**	**19,233**
Deferred tax assets	3.5	**63,181**	**65,070**
NON-CURRENT ASSETS		**675,545**	**654,841**
Inventories	4.1	**4,162**	**4,332**
Prepayments to suppliers	4.2	**4,915**	**2,377**
Trade receivables	4.3	**339,768**	**331,677**
Current tax assets	4.3	**2,387**	**3,089**
Other receivables	4.3	**180,729**	**170,037**
Cash and cash equivalents	4.5	**91,226**	**108,110**
CURRENT ASSETS		**623,187**	**619,622**
TOTAL ASSETS		**1,298,732**	**1,274,463**
EQUITY AND LIABILITIES			
Equity			
—Share capital	5.1	**112,728**	**112,728**
—Share premium and other reserves		**(3,329)**	**(697)**
—Translation reserves	5.2	**(6,202)**	**(5,624)**
—Net income for the period		**5,918**	**13,934**
Equity attributable to owners of the Company		**109,115**	**120,341**
Non-controlling interests		**20,888**	**19,543**
TOTAL EQUITY		**130,003**	**139,884**
Non-current financial liabilities	7.1	**426,461**	**442,866**
Non-current provisions	6.1	**14,543**	**15,476**
Deferred tax liabilities	3.5	**3,715**	**3,529**
NON-CURRENT LIABILITIES		**444,719**	**461,871**
Customer prepayments	9.1	**797**	**599**
Current portion of financial liabilities	7.1	**65,686**	**39,008**
Current tax liabilities	9.1	**5,154**	**8,150**
Trade payables	9.1	**171,796**	**166,253**
Short-term provisions	6.2	**17,602**	**17,788**
Liabilities related to payroll tax credit prefinancing	9.1	**98,812**	**98,812**
Other current liabilities	9.1	**359,936**	**338,601**
Short-term bank loans	9.2	**2,174**	**2,051**
Financial instrument		**2,053**	**1,446**
CURRENT LIABILITIES		**724,010**	**672,708**
TOTAL EQUITY AND LIABILITIES		**1,298,732**	**1,274,463**

(1) The figures as of 31 August 2016 have been restated as described in note 2.4 of condensed interim consolidated financial statements for the four-month period ended 31 December 2016

CONSOLIDATED INCOME STATEMENT

in thousands of euros	Note	Four-month period ended 31 December 2016	Four-month period ended 31 December 2015
REVENUE		**617,997**	**477,859**
Raw materials & consumables used		**(126,856)**	**(108,996)**
External expenses		**(37,358)**	**(29,092)**
Staff costs		**(407,488)**	**(305,029)**
Taxes (other than on income)		**(8,824)**	**(6,669)**
Other operating revenue		**7,846**	**2,568**
Other operating expenses		**(5,286)**	**(2,462)**
OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT LOSSES		**40,031**	**28,179**
Depreciation and amortization, net		**(11,475)**	**(8,078)**
Provisions and impairment losses, net		**(1,055)**	**(352)**
OPERATING PROFIT		**27,501**	**19,749**
Cost of gross debt		**(12,198)**	**(9,218)**
Income from cash and cash equivalents		**90**	**42**
NET FINANCE COSTS	11	**(12,108)**	**(9,176)**
Other financial income and expenses		**49**	**(327)**
NET FINANCIAL EXPENSE	11	**(12,059)**	**(9,503)**
Income tax expense	12	**(8,093)**	**(4,191)**
Share of net income (loss) of equity-accounted companies		**—**	**(7)**
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**7,349**	**6,048**
Net income (loss) from discontinued operations		**—**	**—**
NET INCOME FOR THE PERIOD		**7,349**	**6,048**
Attributable to owners of the Company		**5,918**	**5,104**
Attributable to non-controlling interests		**1,431**	**944**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of euros	Four-month period ended 31 December 2016	Four-month period ended 31 December 2015
NET INCOME FOR THE PERIOD	**7,349**	**6,048**
Other items of comprehensive income that may be reclassified to income	**(578)**	**69**
Foreign exchange gains and losses	(578)	69
Fair value adjustments on derivatives		
Related income tax expense		
Other items of comprehensive income that may not be reclassified to income	**490**	
Actuarial gains and losses on pension obligations	490	
Related income tax expense		
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**(88)**	**69**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**7,261**	**6,117**
Attributable to owners of the Company	**5,830**	**5,173**
Attributable to non-controlling interests	**1,431**	**944**

CONSOLIDATED CASH FLOW STATEMENT

in thousands of euros	Four-month period ended 31 December 2016	Four-month period ended 31 December 2015
I—CASH FLOW FROM CONTINUING OPERATIONS		
A—NET CASH FROM OPERATING ACTIVITIES		
Operating cash flow before changes in working capital		
Net income for the period	7,349	6,048
Share of net income (loss) of equity-accounted companies	—	7
Operating depreciation, amortization, provisions and impairment losses	11,385	8,421
Gains/losses on disposal	(624)	461
Other non cash items	(196)	—
Operating cash flow before changes in working capital	17,914	14,937
Net finance costs	12,108	9,176
Income tax expense	8,093	4,191
Operating cash flow before changes in working capital, net finance costs and income tax expense	38,115	28,304
Income taxes paid	(8,947)	(7,824)
Changes in operating working capital (excluding change in deconsolidated factoring)	(27,350)	(25,064)
NET CASH FROM (USED IN) OPERATING ACTIVITIES A	1,818	(4,584)
B—NET CASH USED IN INVESTING ACTIVITIES		
Purchases of intangible assets, property, plant and equipment	(9,651)	(7,837)
Proceeds from disposals of intangible assets, property, plant and equipment	2,696	(50)
Changes in consolidation scope		
Purchases of consolidated companies (net of cash acquired and sold)	(4,057)	(4,752)
Other cash flows from investing activities	(809)	(1,422)
NET CASH USED IN INVESTING ACTIVITIES B	(11,821)	(14,061)
C—NET CASH USED IN FINANCING ACTIVITIES		
Increase in borrowings	371	5,951
Decrease in borrowings	(4,372)	(4,839)
Net finance costs	(12,108)	(9,176)
Non-cash interest expenses	10,713	6,603
Other cash flows from financing activities	(19)	32
NET CASH USED IN FINANCING ACTIVITIES C	(5,415)	(1,429)
D—EFFECT OF FOREIGN EXCHANGE RATE CHANGES AND OTHER D	(1,589)	(542)
CHANGE IN NET CASH AND CASH EQUIVALENTS (A + B + C + D)	(17,007)	(20,616)
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	106,059	54,349
Net cash flows for the period	(17,007)	(20,616)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	89,052	33,733

STATEMENT OF CHANGES IN EQUITY

in thousands of euros	Share capital and share premium	Reserves / Retained earnings	Net income for the period	Translation reserves	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	Non-controlling interests	TOTAL EQUITY
AS OF 31 AUGUST 2015 (reported)	112,728	(2,900)	10,304	(5,198)	114,934	17,071	132,005
Error correction[(1)]...........		1,244			1,244		1,244
AS OF 31 AUGUST 2015 (restated)[(1)]	112,728	(1,656)	10,304	(5,198)	116,178	17,071	133,249
Net income for the year ..			13,934		13,934	3,692	17,626
Income and expenses recognised directly in equity...........................		(3,156)		(426)	(3,582)	82	(3,500)
Net income for the year and income and expenses recognised directly in equity.........		(3,156)	13,934	(426)	10,352	3,774	14,126
Appropriation of 2015 net income		10,304	(10,304)				
Dividends paid		(4,800)			(4,800)		(4,800)
Error correction[(1)]...........		473			473		473
Changes in consolidation scope		(1,862)			(1,862)	(1,302)	(3,164)
AS OF 31 AUGUST 2016 (restated)[(1)]	112,728	(697)	13,934	(5,624)	120,341	19,543	139,884
Net income for the period			5,918		5,918	1,431	7,349
Income and expenses recognised directly in equity...........................		490		(578)	(88)	(455)	(543)
Net income for the period and income and expenses recognised directly in equity...........................		490	5,918	(578)	5,830	976	6,806
Appropriation of 2016 net income		13,934	(13,934)				
Dividends payable...........		(15,800)			(15,800)		(15,800)
Changes in consolidation scope		(1,256)			(1,256)	369	(887)
AS OF 31 DECEMBER 2016..............................	112,728	(3,329)	5,918	(6,202)	109,115	20,888	130,003

(1) The figures as of 31 August 2015 and 2016 have been restated as described in note 2.4 of condensed interim consolidated financial statements for the four-month period ended 31 December 2016

NOTE 1 GENERAL INFORMATION AND SIGNIFICANT EVENTS

The terms “the Atalian Group” and “the Group” refer to the parent company, La Financière Atalian, and its consolidated subsidiaries. The term “the Company” refers solely to the parent company, La Financière Atalian.

La Financière Atalian—the Group holding company—is a simplified joint-stock company incorporated under French law (*société par actions simplifiée*), whose registered office is located at 110 rue de l’Ourcq, 75019 Paris, France. The Atalian Group provides cleaning services and other support services to companies and organisations, in France and abroad.

The condensed interim consolidated financial statements for the four-month period ended 31 December 2016 are presented in thousands of euros unless otherwise specified and were authorised for issue by the Chairman on 2 March 2017.

At 31 December 2016 the Company’s share capital was composed of 112,727,800 ordinary shares with a par value of €1 each. A breakdown of the Company’s share capital is provided in Note 5—“Equity”.

Significant events between 1 september 2016 and 31 december 2016

Business combination—Acquisition of several companies outside of France

The key acquisition for Atalian Group since 1 September 2016 is the AB Facility Group in Czech Republic and Slovakia, with an annual revenue of €75 million. The AB Facility Group’s main activities are Facility Management, Cleaning, Energy, Safety, Security and Landscaping.

Thanks to this acquisition, Atalian is now market leader in Czech Republic.

The Group has also invested further in Russia with Espro (Technical Maintenance, €1.5 million in revenue), in the Philippines with Able (Cleaning, €2 million in revenue) and in Belgium with Hectas (Cleaning, €1.8 million in revenue).

The impact of this business combination on the Group’s financial statements is presented in Note 3—“Non-current assets”.

Significant events after 31 december 2016

No significant event took place between 31 December 2016 and the issue date of these financial statements.

NOTE 2 ACCOUNTING PRINCIPLES AND METHODS

2.1 Basis of preparation

The principal accounting policies applied in the preparation of the Group’s condensed interim consolidated financial statements for the four-month period ended 31 December 2016 are set out below.

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, as amended by European Regulation 297/2008 of 11 March 2008, the condensed interim consolidated financial statements of the Atalian Group for the four-month period ended 31 December 2016 have been prepared in accordance with IAS 34, Interim Financial Reporting. Since they are condensed financial statements, they do not include all the disclosures required under IFRS for annual financial statements and must be read in conjunction with the Group’s consolidated financial statements for the fiscal year ended 31 August 2016, prepared in accordance with the IFRS standards and interpretations as adopted by the European Union at that date.

These condensed interim financial statements have been drawn up in accordance with the principles used for the preparation of the 2016 consolidated financial statements, except for the items presented below and the specific requirements of IAS 34.

The preparation of condensed interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying Atalian’s accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 2.2.3.

The condensed interim consolidated financial statements have been prepared under the historical cost convention, with the exception of the remeasurement at fair value of the underlying assets and liabilities of acquired subsidiaries at the date when the control is achieved.

2.2 New standards and interpretations

2.2.1 Accounting standards and interpretations issued by the IASB and not yet endorsed by the European Union

IFRS 16 “Leases” deals with the principles for the recognition, measurement, presentation and disclosures of leases.

IFRS 16 provides an accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The lessor accounting approach remains unchanged. The standard will supersede IAS 17, “Leases” and will be effective for accounting periods beginning on or after 1 January 2019.

2.2.2 Accounting standards and interpretations issued by the IASB and endorsed by the European Union and applicable for financial years beginning on 1 January 2016 or future periods

IFRS 9 “Financial Instruments”

On 24 July 2014, the International Accounting Standards Board (IASB) completed the final element of its comprehensive response to the financial crisis by issuing IFRS 9, “Financial Instruments”. The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially-reformed approach to hedge accounting. The new standard will come into effect as of 1 January 2018 with early application permitted.

IFRS 15 “Revenue from Contracts with Customers”

This new standard supersedes IAS 11 “Construction contracts” and IAS 18 “Revenues” on revenue recognition. Revenue will be recognised to depict the transfer of goods or services to customers in amounts that reflect the payment to which the company expects to be entitled in exchange for those goods or services. The new Standard will come into effect as of 1 January 2018 with early application permitted.

IFRS 15 is not expected to have a significant impact on the Group’s consolidated financial statements.

2.2.3 Accounting estimates and judgments

The preparation of condensed interim consolidated financial statements requires management to exercise judgement and make estimates and assumptions. These estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances.

They serve as the basis for any judgement required for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources. Actual amounts may differ from these estimates.

The main sources of uncertainty relating to estimates used to prepare the condensed interim consolidated financial statements were the same as those described in the full year annual consolidated financial statements for the year ended 31 August 2016, with the exception of changes in estimates that are required in determining the provision for income taxes.

2.2.4 Specific items concerning the preparation of interim financial statements

For the purposes of preparing the Group’s condensed interim consolidated financial statements, the following calculations and estimates are applied in addition to the recognition, measurement and presentation rules described in Note 2.1.

- The current and deferred tax expense for the period is calculated by applying the estimated average annual tax rate for the current fiscal year to pre-tax income for the four-month period ended 31 December 2016. The estimate average annual tax rate results from taxes on income accrued at the level of each entity of the Group, using the tax rate that would be applicable to expected total annual profit or loss. In France, a decrease in the income tax rate was enacted end-December 2016. The estimated rate for France includes the impact of re-measuring closing deferred tax balances at the end of 2017. Based on this approach the impact of re-measuring deferred tax balances is recognised as the re-estimated ‘effective’ annual tax rate is applied to interim pre-tax profits.

- Expenses relating to pensions and other post-employment benefit obligations are estimated based on the prorata amount expected for the full year, except where specific events (such as a significant change in the discount rate) occur having a material impact on the consolidated financial statements, in which case adjustments are made. During the four-month period ended 31 December 2016 the discount rate increased from 0.79% to 1.31% with a positive impact of €0.5 million in other comprehensive income.

2.3 Seasonality of Group’s activities

Revenue from some of our businesses is subject to seasonal fluctuations, principally in France. During the summer and winter school holidays, we typically experience an increase in revenue from our cleaning services contracts with our customers in the transportation sector in France (namely, the RATP, the state-owned public transportation system in Paris and its surrounding region and the SNCF, the state-owned national railway company). In addition, revenue from our security services contracts with our mass market retail customers, such as Carrefour and Galeries Lafayette, usually increase during November and December. In contrast, we generally experience a lower level of activity in our landscaping business in the winter months due to weather conditions.

Our net working capital is also subject to seasonal variations, principally in connection with our French activities. Our net working capital requirements are generally significant in most of the first half of the calendar year, during which time we are opening new accounts with larger customers and existing large accounts are in the process of allocating their annual budget for outsourced services. Our net working capital requirements are also negatively impacted during this period by a number of cash payments relating to, among other things, pension contributions, insurance premium payments, holiday payments and the payment of bonuses earned in the prior year. Our net working capital requirements therefore generally tend to be the highest between March and April of every year. Our net working capital requirements are typically the lowest in August, when public and private sector customer accounts are settled in respect of services rendered since the beginning of the calendar year, and in December, when we focus on cash collection at calendar year end.

2.4 Comparability of the financial statements

The Group has corrected a number of errors whose impact was treated in accordance with IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors”. As a result of these errors, the accounts for financial years ended 31 August 2016 or earlier have been restated.

As a result of the above, the statement of financial position at 31 August 2016 presented in the condensed interim consolidated financial statements for comparative purposes, has been restated to reflect the reinvoicing of expenses outside the Group. The impacts are presented in the “Corrections” column.

The consolidated income statement for the four-month periods ended 31 December 2016 and 2015 does not include impacts on income statement for the corresponding periods.

Impact on the consolidated statement of financial position at 31 August 2015:

In millions of euros	31 August 2015 reported	Corrections	31 August 2015 restated
Goodwill	425.7		425.7
Intangible assets	10.1		10.1
Property, plant and equipment	54.9		54.9
Other non-current financial assets	19.4		19.4
Deferred tax assets	51.7		51.7
Non-current assets	**561.8**	**—**	**561.8**
Inventories	3.6		3.6
Prepayments to suppliers	0.6		0.6
Trade receivables	245.1	1.2	246.3
Curret tax assets	1.7		1.7
Other receivables	146.7		146.7
Cash and cash equivalents	56.3		56.3
Current assets	**454.0**	**1.2**	**455.2**
TOTAL ASSETS	**1,015.8**	**1.2**	**1,017.0**

In millions of euros	31 August 2015 reported	Corrections	31 August 2015 restated
Equity attributable to owners of the parent	114.9	1.2	116.1
Non-controlling interests	17.1		17.1
Total equity	**132.0**	**1.2**	**133.2**
Non-current financial liabilities	260.7		260.7
Non-current provisions	9.4		9.4
Deferred tax liabilities	0.1		0.1
Non-current liabilities	**270.2**	**—**	**270.2**
Customer prepayments	0.3		0.3
Current portion of financial liabilities	58.4		58.4
Current tax liabilities	8.1		8.1
Trade payables	147.0		147.0
Short-term provisions	17.1		17.1
Other current liabilities	379.4		379.4
Short-term bank loans	2.0		2.0
Financial instruments	1.3		1.3
Current liabilities	**613.6**	**—**	**613.6**
TOTAL EQUITY AND LIABILITIES	**1,015.8**	**1.2**	**1,017.0**

Impact on the consolidated statement of financial position at 31 August 2016:

In millions of euros	31 August 2016 reported	Corrections	31 August 2016 restated
Goodwill	486.3		486.3
Intangible assets	17.8		17.8
Property, plant and equipment	66.4		66.4
Other non-current financial assets	19.2		19.2
Deferred tax assets	65.1		65.1
Non-current assets	**654.8**	**—**	**654.8**
Inventories	4.3		4.3
Prepayments to suppliers	2.4		2.4
Trade receivables	330.0	1.7	331.7
Curret tax assets	3.1		3.1
Other receivables	170.0		170.0
Cash and cash equivalents	108.1		108.1
Current assets	**617.9**	**1.7**	**619.6**
TOTAL ASSETS	**1,272.7**	**1.7**	**1,274.4**

In millions of euros	31 August 2016 reported	Corrections	31 August 2016 restated
Equity attributable to owners of the parent	118.6	1.7	120.3
Non-controlling interests	19.5		19.5
Total equity	**138.1**	**1.7**	**139.8**
Non-current financial liabilities	442.9		442.9
Non-current provisions	15.5		15.5
Deferred tax liabilities	3.5		3.5
Non-current liabilities	**461.9**	**—**	**461.9**
Customer prepayments	0.6		0.6
Current portion of financial liabilities	39.0		39.0
Current tax liabilities	8.1		8.1
Trade payables	166.3		166.3
Short-term provisions	17.8		17.8
Other current liabilities	437.4		437.4
Short-term bank loans	2.1		2.1
Financial instruments	1.4		1.4
Current liabilities	**672.7**	**—**	**672.7**
TOTAL EQUITY AND LIABILITIES	**1,272.7**	**1.7**	**1,274.4**

NOTE 3 NON-CURRENT ASSETS

3.1. Goodwill 501,311 k€

An impairment loss is recognised if the carrying amount of the CGU exceeds its recoverable amount. Any impairment losses on a CGU are deducted first from the goodwill allocated to that CGU and then from the CGU's other assets proportionately to their respective carrying amounts. The Group's CGUs are as follows:

- A "Cleaning" CGU, comprising all of the companies in the Cleaning division.
- An "International" CGU, comprising all companies outside France belonging to the same Operating Division, as the cash flows of these companies are independent from those of France.
- A "Multi-technical" CGU, comprising all the business lines specialised in technical fields (the Technical, Landscaping, Security divisions etc.), for which the Atalian Group can propose its customers a comprehensive "Facilities Management" offering and whose cash flows are therefore closely correlated.

An impairment loss is recognised if the carrying amount of the CGU exceeds its recoverable amount. Any impairment losses on a CGU are deducted first from the goodwill allocated to that CGU and then from the CGU's other assets proportionately to their respective carrying amounts.

As there was no indicator for impairment of any CGU, management has not adapted any of the impairment calculations.

3.1.1 Movements

(in thousands of euros)	Gross	Impairment	Net
August 31, 2016	**491,236**	**(4,895)**	**486,341**
Definitive goodwill	2,239		2,239
Impact of changes in Group structure, exchange rates and other	12,870	(7)	12,863
Impairment		(132)	(132)
December 31, 2016	**506,345**	**(5,034)**	**501,311**

3.1.1.1 Acquisition of AB Facility subsidiaries

In December 2016, the Group acquired 100% of the shares of the AB Facility group subsidiaries for a total of €2.5 million.

Provisional goodwill arising on this acquisition amounted to €10.7 million and was allocated to the International CGU.

The fair values of this company's working capital, non-current assets and other liabilities were in the process of being measured at the period end.

The AB Facility group subsidiaries contributed €14.3 million to consolidated revenue for the four-month period ended 31 December 2016.

The table below sets out the allocation—estimated on a provisional basis at December 31, 2016—of the identifiable assets acquired and liabilities assumed of the AB Facility subsidiaries.

(in millions of euros)	
Acquisition price	**2.5**
Assets acquired and liabilities assumed:	
Non-current assets	6.2
Current assets	17.5
Financial liabilities	
Trade and other payables	(31.9)
Net identifiable liabilities assumed	**(8.2)**
Provisional goodwill	**10.7**

NOTE 3 NON-CURRENT ASSETS

3.1.2 Breakdown of goodwill by CGU

(in thousands of euros)	31 August 2016	31 December 2016
Cleaning	329,982	330,320
Multi-technical	62,837	62,835
International	93,522	108,156
Total	**486,341**	**501,311**

The increase in goodwill in the International CGU is notably attributable to the acquisitions completed during the four-month period (mainly the AB Facility subsidiaries).

3.2. Intangible assets 21,047 k€

The following tables show the opening and closing balances and changes in intangible assets for the four-month period ended 31 December 2016. As there was no indicator for impairment of any intangible asset, management has not adapted any of the impairment calculations.

GROSS (in thousands of euros)	Concessions, software, patents and similar rights	Other intangible assets	TOTAL
31 August 2016	**26,656**	**12,616**	**39,272**
Translation differences	(21)	511	490
Inter-item transfers	548	(548)	
Changes in Group structure	530	5,512	6,042
Investments	1,648	525	2,173
Sundry disposals and reductions	(12)		(12)
31 December 2016	**29,349**	**18,616**	**47,965**

AMORTISATION AND IMPAIRMENT (in thousands of euros)	Concessions, software, patents and similar rights	Other intangible assets	TOTAL
31 August 2016	**(19,128)**	**(2,386)**	**(21,514)**
Translation differences	15	(83)	(68)
Inter-item transfers			
Changes in Group structure	(374)	(3,153)	(3,527)
Sundry disposals and reductions	9		9
Amortisation expense	(1,247)	(571)	(1,818)
31 December 2016	**(20,725)**	**(6,193)**	**(26,918)**

NET (in thousands of euros)	Concessions, software patents and similar rights	Other intangible assets	TOTAL
31 August 2016	**7,528**	**10,230**	**17,758**
31 December 2016	**8,624**	**12,423**	**21,047**

NOTE 3 NON-CURRENT ASSETS

3.3. Property, plant and equipment — 68,277 k€

The following tables show the opening and closing balances and changes in property, plant and equipment for the four-month period ended 31 December 2016.

GROSS (in thousands of euros)	**Land and buildings**	**Plant and equipment**	**Other**	**Assets under construction and prepayments to suppliers**	**TOTAL**
31 August 2016	**8,635**	**158,112**	**90,432**	**3,312**	**260,491**
Of which finance leases & long-term leases (France)		*33,952*	*7,102*		*41,054*
Translation differences	(6)	(224)	(183)	5	(408)
Inter-item transfers and other	165	547	1,141	(2,512)	(659)
Changes in Group structure	558	6,937	4,709		12,204
Investments	5	4,675	3,945	881	9,506
Sundry disposals and reductions	(912)	(1,656)	(1,813)	(15)	(4,396)
31 December 2016	**8,445**	**168,391**	**98,231**	**1,671**	**276,738**
Of which finance leases & long-term leases (France)		*34,895*	*7,439*		*42,334*

DEPRECIATION AND IMPAIRMENT (in thousands of euros)	**Land and buildings**	**Plant and equipment**	**Other**	**Assets under construction and prepayments to suppliers**	**TOTAL**
31 August 2016	**(4,873)**	**(122,016)**	**(67,147)**	**(16)**	**(194,052)**
Of which finance leases & long-term leases (France)		*(19,308)*	*(3,470)*		*(22,778)*
Translation differences	5	114	67		186
Inter-item transfers	2	458	711		1,171
Changes in Group structure	(207)	(5,472)	(3,569)		(9,248)
Sundry disposals and reductions	611	1,083	1,302	16	3,012
Depreciation expense	(136)	(5,685)	(3,709)		(9,530)
31 December 2016	**(4,598)**	**(131,518)**	**(72,345)**	**—**	**(208,461)**
Of which finance leases & long-term leases (France)		*(20,669)*	*(3,998)*		*(24,667)*

NET (in thousands of euros)	**Land and buildings**	**Plant and equipment**	**Other**	**Assets under construction and prepayments to suppliers**	**TOTAL**
31 August 2016	**3,762**	**36,096**	**23,285**	**3,296**	**66,439**
Of which finance leases & long-term leases (France)	—	*14,644*	*3,632*	—	*18,276*
31 December 2016	**3,847**	**36,873**	**25,886**	**1,671**	**68,277**
Of which finance leases & long-term leases (France)	—	*14,226*	*3,441*	—	*17,667*

NOTE 3 NON-CURRENT ASSETS

3.4. Other non-current financial assets 21,729 k€

The categories of financial assets held by the Group are as follows:

Investments in non-consolidated companies and other long-term investments

Investments in non-consolidated companies and other long-term investments are classified as “available-for-sale” and are recorded in the statement of financial position at fair value.

Changes in fair value—including unrealised gains and losses—are recognised in other comprehensive income except in the event of a prolonged decline in the value of the investment, in which case a corresponding impairment loss is recorded in the income statement for the period. When the financial asset is derecognised, the change in fair value previously recognised in other comprehensive income is taken to the income statement.

Shares held in certain companies that do not represent material amounts for the Group are recognised as investments in non-consolidated companies.

Loans, guarantees and deposits:

Loans (including loans and advances to subsidiaries and associates), guarantees and deposits are measured at fair value on initial recognition and subsequently at amortised cost.

(in thousands of euros)	Equity-accounted companies	Factoring security deposits	Investments in non-consolidated companies and related receivables	Other	Total gross value	Amortisation and impairment	Net value
31 August 2016	**95**	**4,997**	**1,529**	**13,759**	**20,380**	**(1,147)**	**19,233**
Changes in Group structure			126	1,545	**1,671**	(7)	**1,664**
Translation differences	9		3	(32)	**(20)**	(4)	**(24)**
Inter-item transfers					**—**	—	**—**
Sundry increases and reductions		(252)	169	697	**614**	—	**614**
Additions and reversals	—	—	—	—	**—**	242	**242**
31 December 2016	**104**	**4,745**	**1,827**	**15,969**	**22,645**	**(916)**	**21,729**

The “Equity-accounted companies” column relates to the Group’s share of the net equity of entities over which it exercises significant influence.

Factoring security deposits concern factoring contracts that transfer substantially all the risks and rewards of ownership of the underlying receivables to the factoring company. (see Notes 7.1 and 7.2).

3.5. Non-current tax assets and liabilities

3.5.1. Main sources of deferred taxes by nature

(in thousands of euros)	31 August 2016	31 December 2016
Deferred tax assets	**65,070**	**63,181**
Employee benefits	4,468	4,647
Temporary differences	8,901	8,704
Tax loss carryforwards	51,568	49,767
Other sources of deferred tax assets	133	63
Deferred tax liabilities	**3,529**	**3,715**
Other sources of deferred tax liabilities	3,529	3,715
TOTAL	**61,541**	**59,466**

Deferred tax liabilities relate to the Group’s non-French subsidiaries (mainly TEMCO).

NOTE 4 CURRENT ASSETS

4.1. INVENTORIES 4,162 k€

The Group's inventories do not represent a material amount and essentially correspond to maintenance products distributed amongst the various entities of the Group.

Inventories are stated at the lower of cost (weighted average unit cost) and market price. An impairment loss is recognised when the cost of an item of inventory falls below its realisable value.

	31 August 2016			31 December 2016		
INVENTORIES (in thousands of euros)	**Gross**	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
Raw materials/supplies and finished products	4,540	(208)	4,332	4,258	(96)	4,162
Total	**4,540**	**(208)**	**4,332**	**4,258**	**(96)**	**4,162**

4.2. Prepayments 4,915k€

	31 August 2016			31 December 2016		
PREPAYMENTS (in thousands of euros)	**Gross**	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
Prepayments to suppliers	2,377		2,377	4,915		4,915
Total	**2,377**		**2,377**	**4,915**		**4,915**

4.3. Trade and other receivables 522,884 k€

Trade and other receivables are initially recognised at fair value. In practice, trade receivables are measured at their nominal value in view of their short-term nature.

The Group sells receivables to factoring companies. Following the renegotiation and extension of the Group's factoring programmes in 2013, a portion of its factored receivables for which substantially all the rights and rewards of ownership are transferred to the factoring companies can now be derecognised.

Details of receivables sold for the period ended 31 December 2016 are provided in Note 7, "Long- and short-term financial liabilities".

	31 August 2016 restated(1)			31 December 2016		
(in thousands of euros)	**Gross**	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
Trade receivables(2) (Trade receivables/Revenue accruals)	**347,967**	(15,916)	**332,051**	**356,662**	(16,894)	**339,768**
Current tax assets	**3,089**		**3,089**	**2,387**		**2,387**
Other receivables:	**170,171**	**(134)**	**170,037**	**180,863**	**(134)**	**180,729**
Other operating receivables (Employees/Social security bodies/State/Other)	140,191		140,191	147,674		147,674
Sundry receivables (Current accounts, etc.)	19,324	(134)	19,190	19,526	(134)	19,392
Prepaid expenses	10,656		10,656	13,663		13,663
Total trade and other receivables	**521,227**	**(16,050)**	**505,177**	**539,912**	**(17,028)**	**522,884**

(1) The figures as of 31 August 2016 have been restated as described in note 2.4 of condensed interim consolidated financial statements for the four-month period ended 31 December 2016

(2) Including certain factored trade receivables that have not been derecognised (see Note 7.4)

NOTE 4 CURRENT ASSETS

4.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and have a term of three months or less (notably units in money market mutual funds (OPCVM) carried at fair value through income). This item may also include cash deposits in term accounts that have terms of more than three months but which the Group can withdraw from at any time without incurring significant penalties.

	31 August 2016			31 December 2016		
(in thousands of euros)	**Gross**	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
—Cash	105,128		105,128	88,925		88,925
—Marketable securities	2,982		2,982	2,301		2,301
Total cash and cash equivalents	**108,110**		**108,110**	**91,226**		**91,226**

The Group's cash and cash equivalents are primarily in euros.

Marketable securities mainly comprise money market mutual funds (OPCVM).

NOTE 5 EQUITY

5.1. Share capital 112,728 k€

	31 Aug. 2016	Decrease	Increase	31 Dec. 2016
Shares (number)	112,727,800			112,727,800
Number of shares outstanding	**112,727,800**			**112,727,800**
Par value	€1			€1
Share capital in €	**112,727,800**			**112,727,800**

At 31 December 2016, the company's share capital was composed of 112,727,800 fully paid-up shares with a par value of €1 each.

At 31 December 2016, in accordance with the Company's articles of association, all of the 112,727,800 shares making up its capital were ordinary shares.

5.2. Transactions recognised directly in equity

5.2.1. Translation reserve (6,202) k€

The main translation differences at 31 December 2016 resulting from the conversion into euros of the financial statements of foreign subsidiaries were as follows:

Currency	31 Aug. 2016	Change	31 Dec. 2016
Czech koruna	(523)	2	(521)
Indonesian rupiah	(1,042)	(380)	(1,422)
Turkish lira	(1,045)	(904)	(1,949)
Malaysian ringgit	(1,654)	(620)	(2,274)
US dollar	(706)	1,465	759
Other	(654)	(141)	(795)
Total	**(5,624)**	**(578)**	**(6,202)**

In application of IAS 21, loans constituting in substance a monetary item that is part of the net investment in foreign subsidiaries were analysed in order to identify the loans whose payment is neither planned nor probable in the foreseeable future.

NOTE 6 NON-CURRENT AND CURRENT PROVISIONS

6.1. Non-current provisions 14,543 k€

These provisions essentially concern:

- **Provisions for statutory retirement bonuses (*indemnités de fin de carrière*):**

In accordance with IAS 19R, the Group recognises a provision for statutory retirement bonuses receivable by employees on the day of their retirement which are not covered by insurance policies. The amount of the provision is calculated using the projected unit credit method. This valuation typically takes into account the following elements and assumptions:

- Classification of employees into groups with similar characteristics in terms of status, age and seniority.
- Voluntary departure at the age of 65 for all employees.
- Monthly salary plus a coefficient of currently applicable employer social security contributions.
- Salary increase rate of 3% for managers and 1.5% for non-managerial staff (identical to 2015).
- Discount rate for statutory retirement bonus obligation, projected to the retirement date (10-year iBoxx ++ at 13 December 2016, i.e. 1.30% vs. 0.79% in August 2016).
- Staff turnover rate determined based on age bracket, business sector and socio-professional category. The turnover rates of acquired companies are aligned with the rates used for the Group's historic businesses.
- Life expectancy: "INSEE 2009-2011" table.

All actuarial gains and losses on defined benefit post-employment benefit plans are recorded in "Non-current provisions" with a contra-entry in other comprehensive income.

The actuarial assumptions used to calculate the present value of the Group's obligation for statutory retirement bonuses were updated at 31 August 2016, particularly the discount rate, which was determined by reference to market yields at the reporting date on bonds issued by companies with high credit ratings.

(in thousands of euros)	Employee benefits	Long-service awards and other	Equity- accounted companies	TOTAL
31 August 2016	**14,474**	**1,002**		**15,476**
Translation differences	(4)	(112)		(116)
Changes in accounting methods and Group structure	(287)			(287)
Change in actuarial gains and losses	(544)			(544)
Additions (net of reversals)	14			14
31 December 2016	**13,653**	**890**		**14,543**

6.2. Current provisions 17,602 k€

In view of the nature of the Group's business, current provisions primarily correspond to provisions for legal claims and disputes, and foreseeable difficulties in the Group's operations.

(in thousands of euros)	
31 August 2016	**17,788**
Inter-item transfers	
Translation differences	
Changes in accounting methods and Group structure	207
Additions (net of reversals)	(393)
31 December 2016	**17,602**

NOTE 7 LONG- AND SHORT-TERM FINANCIAL LIABILITIES

Financial liabilities comprise the following:

- bond debt representing a principal amount of €250 million maturing in 2020 and €150 million maturing in 2020;
- borrowings taken out with leading banks;
- employee profit-sharing liabilities;
- factoring liabilities;
- finance lease liabilities;
- minority put liabilities.

Debt issuance costs are recognised in the year of the transaction concerned as a deduction from the underlying financial liabilities and are included in the effective interest rate used to calculate finance costs for the year.

7.1. Breakdown of interest-bearing borrowings by maturity

Financial liabilities (in thousands of euros)	Short-term	Long-term		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total 31 Dec. 2016
Bonds*	12,585	397,634	—	**410,219**
Bank borrowings	20,655	13,902	142	**34,699**
Finance lease liabilities	8,933	11,844	230	**21,007**
Other borrowings and financial liabilities	1,058			**1,058**
Loans from subsidiaries and associates		2,709		**2,709**
Factoring loans	22,455			**22,455**
Total interest-bearing borrowings at 31 Dec. 2016	**65,686**	**426,089**	**372**	**492,147**
Total interest-bearing borrowings at 31 Aug. 2016	**39,008**	**442,305**	**561**	**481,874**

* bonds net of amortisable issuance costs (negative € 3.2 million) that should be fully amortized in case of optional redemption (see note 7.2).

In January 2013, the Group restructured and refinanced its debt through the issuance of €250 million worth of bonds maturing in 2020 with a nominal coupon rate of 7.25% per annum. In addition, factoring contracts that transfer substantially all the risks and rewards of ownership of receivables to the factoring companies were set up in financial year 2012-2013. As a result of these new contracts, the receivables concerned can now be derecognised (see Note 7.4).

In January 2016, the Group issued a further €150 million in bonds paying interest at 5.5% (excluding issuance costs) including the issue premium received and the most probable repayment term. The new bonds have the same terms as the original bonds issued in January 2013, bringing the overall bond issuance to €400 million.

The Group has an €18 million revolving credit facility which was undrawn at the period end, and €60 million in bi-lateral credit lines from top-ranking banking establishments, of which €28 million was drawn down. This financing is subject to limited financial covenants based on the Group's consolidated accounts. At 31 December 2016, all of these covenants were respected.

7.2. Impact of an optional redemption of the €400M bonds on financial expenses

The Group has a refinancing project relating to the € 400 millions bonds maturing 2020.

In case of refinancing before the maturity of Bonds, the Group should redeem at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if redeemed during the twelve-month period beginning on 15 January of the years indicated below:

Year	Percentage
2017	103.6250%
2018	101.8125%
2019 and thereafter	100.0000%

At the date of the approval of these consolidated condensed interim financial statements by the Chairman, the refinancing process is currently in progress. As at this date, Management consider that the financial market conditions are too uncertain to garantee the success of the refinancing of the bonds. As such Management has not recorded in the financial statements the impact of the early redemption of the existing bonds. If the refinancing of the bonds actually occurs, the early redemption of the existing bonds will result in a financial expense of €14.5 million.

7.3. Confirmed credit lines

(in thousands of euros)	Confirmed lines	Utilised lines
Bonds*	400,000	400,000
Bank borrowings	84,699	34,699
Factoring loans	140,000	52,472
Total	**624,699**	**487,171**

* Principal, excluding issuance costs

7.4. Factoring

Several of the Group's subsidiaries sell their trade receivables on a monthly basis under factoring contracts.

At 31 December 2016, some of these contracts involved the transfer of substantially all the risks and rewards of ownership of the receivables concerned to the factoring companies, enabling the sold receivables to be derecognised. The amount of the derecognised receivables totalled €30 million at the period end, giving the Group €25.3 million in cash with the remaining €4.7 million corresponding to a security deposit.

Factored receivables for which the Group has not transferred substantially all the risks and rewards of ownership are not derecognised and remain recorded in the statement of financial position under "Trade receivables", with the recognition of a corresponding financial liability. These receivables totalled €28 million at 31 December 2016 and the related security deposit amounted to €5.5 million. Consequently, the corresponding short-term financial liability recognised amounted to €22.5 million (compared with €22.9 million at 31 August 2016). The Group has been mandated by the factoring companies to manage on their behalf the recovery of the receivables that have been sold to them.

NOTE 8 CHANGES IN NET DEBT

8.1. Changes in net debt

(in thousands of euros)	31 Aug. 2016	Movements	31 Dec. 2016
Cash and cash equivalents	108,110	(16,884)	91,226
Short-term bank loans and overdrafts	(2,051)	(123)	(2,174)
Net cash and cash equivalents(1)	**106,059**	**(17,007)**	**89,052**
Non-current financial liabilities	(442,866)	16,405	(426,461)
Current financial liabilities(2)	(39,008)	(26,678)	(65,686)
Gross debt	**(481,874)**	**(10,273)**	**(492,147)**
Financial instrument (liability)	(1,446)	(607)	(2,053)
Debt	**(483,320)**	**(10,880)**	**(494,200)**
Net debt (A)	**(377,261)**	**(27,887)**	**(405,148)**
Derecognised factoring contract(3)(B)	(17,979)	(12,038)	(30,017)
Net debt as restated (A) + (B)	**(395,240)**	**(39,925)**	**(435,165)**

(1) Net cash and cash equivalents as analysed in the statement of cash flows.

(2) Movements for the period mainly correspond to the change in debt resulting from factoring contracts not involving the transfer of substantially all the risks and rewards of ownership.

(3) Trade receivables sold under factoring contracts involving the full transfer of the risks and rewards of ownership to the factoring companies resulted in a derecognised liability of €30 million. The net debt restated including those receivables is a non GAAP indicator followed by the Group.

8.2. Main changes during the period

(in thousands of euros)		Restated (including derecognised factoring contract)
• **Net debt at 31 August 2016**	**(377,261)**	**(395,240)**
—Cash generated from operations before financial expenses and tax	38,115	38,115
—Change in operating working capital	(27,350)	(39,388)
—Income tax paid (including CVAE)	(8,947)	(8,947)
TOTAL—OPERATING ACTIVITIES	**1,818**	**(10,220)**
—Capital expenditure	(6,955)	(6,955)
—Financial investments	(4,632)	(4,632)
—Finance leases and long-term leases	(2,861)	(2,861)
—Changes in Group structure	(1,343)	(1,343)
TOTAL INVESTING ACTIVITIES	**(15,791)**	**(15,791)**
—Dividends paid		
—Finance costs, net	(12,108)	(12,108)
—Change in other financial assets	(431)	(431)
—Other (translation adjustments on borrowings etc.)	(1,375)	(1,375)
TOTAL—FINANCING ACTIVITIES	**(13,914)**	**(13,914)**
• **Net debt at 31 December 2016**	**(405,148)**	**(435,165)**

NOTE 9 OTHER CURRENT LIABILITIES

9.1. Other current liabilities

- **Trade and other payables**

Owing to their short-term nature, the historical amounts recognised in the consolidated financial statements for trade and other payables are reasonable estimates of their market value.

- **Customer prepayments**

This item includes advances and down payments received from customers for the commencement of building contracts.

- **Liabilities related to payroll tax credit prefinancing**

This item includes the contra-entry for the pre-financing of CICE receivables carried out by the Group in 2016 in relation to the estimated future CICE tax credits of Group companies. As these liabilities are related to CICE pre-financing, there is no expected net cash-out related to these liabilities.

(in thousands of euros)	31 Aug. 2016 restated(1)	31 Dec. 2016
Customer prepayments	**599**	**797**
Current tax liabilities	**8,150**	**5,154**
Trade payables	**166,253**	**171,796**
Liabilities related to payroll tax credit prefinancing	**98,812**	**98,812**
Other current liabilities	**338,981**	**359,936**
Employee-related liabilities and accrued payroll taxes	*200,922*	*211,839*
Other accrued taxes	*99,033*	*86,727*
Other current payables(2)	*33,368*	*55,997*
Deferred income	*5,658*	*5,373*

(1) The figures as of 31 August 2016 have been restated as described in note 2.4 of condensed interim consolidated financial statements for the four-month period ended 31 December 2016

(2) Including in December 2016 a dividend payable of €15.8 million

9.2. Short-term bank loans and overdrafts 2,174 k€

The Group’s short-term bank loans and overdrafts—which are mainly denominated in euros—amounted to €2,174 thousand at 31 December 2016 compared with €2,051 thousand at 31 August 2016.

NOTE 10 SEGMENT REPORTING

- **Identification of segments**

The Group’s business activities are structured around three divisions which each constitute an operating segment within the meaning of IFRS 8 as they sell distinct products and services or serve different customer segments. This segmentation is used by Management for assessing performance and forms the basis of the internal reporting system. The three divisions are as follows:

- A “Cleaning” division, comprising all of the companies in the Cleaning business.
- A “Multi-technical” division, comprising all the business lines specialised in technical fields, for which the Atalian Group can provide its customers with a comprehensive offering and whose cash flows are therefore closely correlated.
- An “International” division, comprising all companies outside France, as the cash flows of these companies are independent from those of France.

In Note 10, the “Other” column includes items that are not components of an operating segment but which the Group has elected to monitor separately, notably the operations of the Group’s holding entities (Executive Management services and central administrative costs) and other items that reconcile the aggregate figures of the segments with the Group’s total consolidated figures.

- **Segment indicators**

For each of its operating segments, the Group presents the following income statement items which are monitored by the chief operating decision maker:

- revenue; and
- recurring operating profit before depreciation, amortisation, provisions and impairment losses.

NOTE 10 SEGMENT REPORTING

The accounting methods applied for each operating segment are those used to prepare the consolidated financial statements.

The information presented for each operating segment corresponds to “contributive data”, i.e. after eliminating inter-segment transactions.

Based on these principles, the Group’s segment information is as follows:

Period ended 31 Dec. 2016

	By operating segment				
(in millions of euros)	**Cleaning**	**Multi-technical**	**International**	**Other**	**GROUP TOTAL**
Revenue	256.0	137.7	228.6	(4.3)	**618.0**
Recurring operating profit before depreciation, amortisation, provisions and impairment losses	27.5	10.0	11.7	(9.2)	**40.0**

Period ended 31 Dec. 2015

	By operating segment				
(in millions of euros)	**Cleaning**	**Multi-technical**	**International**	**Other**	**GROUP TOTAL**
Revenue	229.3	140.6	112.0	(4.0)	**477.9**
Recurring operating profit before depreciation, amortisation, provisions and impairment losses	23.0	9.1	4.9	(8.8)	**28.2**

The Group’s chief operating decision maker does not monitor any other indicators for the operating segments presented above.

NOTE 11 FINANCE COSTS, NET & OTHER FINANCIAL INCOME AND EXPENSES

This line of the condensed interim consolidated income statement reflects the impacts of the Group’s financing transactions and comprises the following:

- Finance costs, net, which include interest paid on the Group’s borrowings, the amortisation of issuing costs and interest received on available cash.

- Other financial income and expenses.

11. 1. Breakdown of finance costs, net (12,108) k€

(in thousands of euros)	**Four-month period ended 31 Dec. 2015**	**Four-month period ended 31 Dec. 2016**
Financial expenses	(9,218)	(12,198)
Financial income	42	90
FINANCE COSTS, NET	**(9,176)**	**(12,108)**
Analysis:		
—Net interest on borrowings	(8,872)	(11,854)
—Income from cash and cash equivalents	42	90
—Interest on finance leases	(346)	(344)
Total	**(9,176)**	**(12,108)**

NOTE 11 FINANCE COSTS, NET & OTHER FINANCIAL INCOME AND EXPENSES

11. 2. Breakdown of other financial income and expenses 49 k€

(en k€)	Four-month period ended 31 Dec. 2015	Four-month period ended 31 Dec. 2016
Dividends received from non-consolidated companies		196
Net (additions to)/reversals of provisions for financial items		17
Waivers of current accounts, gains and losses on disposals of non-consolidated shares and other financial assets, net interest other than on debt, foreign exchange gains and losses, and other	(327)	(164)
OTHER FINANCIAL INCOME AND EXPENSES	**(327)**	**49**

NOTE 12 INCOME TAX EXPENSE

- **CVAE**

In accordance with IAS 12, the Group has elected to classify the CVAE contribution as an income tax and therefore to recognise the CVAE expense under the "Income tax expense" line in the consolidated income statement.

12.1. Breakdown of the net tax charge

	Four-month period ended 31 Dec. 2015			Four-month period ended 31 Dec. 2016		
(in thousands of euros)	France	Other countries	Total	France	Other countries	Total
Current income taxes	(74)	(920)	(994)	(121)	(2,252)	(2,373)
Deferred taxes	1,384	23	1,407	(1,461)	118	(1,343)
CVAE	(4,604)		(4,604)	(4,377)		(4,377)
TOTAL	**(3,294)**	**(897)**	**(4,191)**	**(5,959)**	**(2,134)**	**(8,093)**