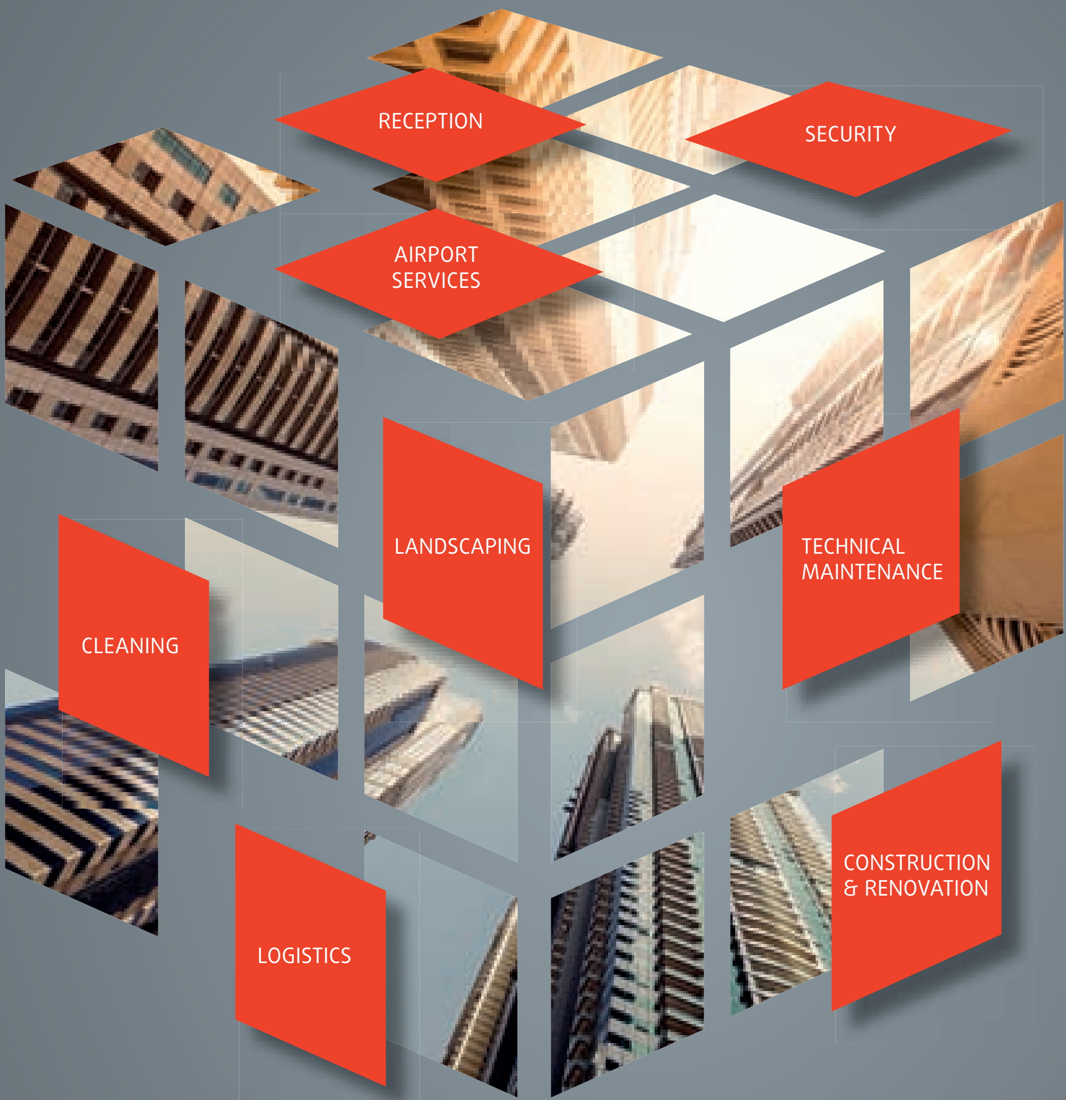
Annual report 2013



ATALIAN
GLOBAL SERVICES

CONTENTS

ATALIAN KEY DATES

1944
Creation of **TFN**. Its original business: **cleaning** services.

1977
First diversification: creation of **Lancry. (Security and Safety).**

1999
Launch of **Technical** activity. **(Multiservice - Multi-technical).**

2000
Founding of the **TFN Group - Franck JULIEN appointed Chairman of the Management Board.** The TFN Group brought together the Cleaning and Safety domains under a single brand name.

2001
Opening of the Group's first **foreign subsidiaries** in **Hungary** and **Poland.**

2002
Launch of the **Construction** business with the purchase of **Lagrange.** (HVAC, roofing, plumbing).

2003
Creation of **MTO** (Optimized Technical Maintenance).
(Facility management - Multiservice - Multi-technical).

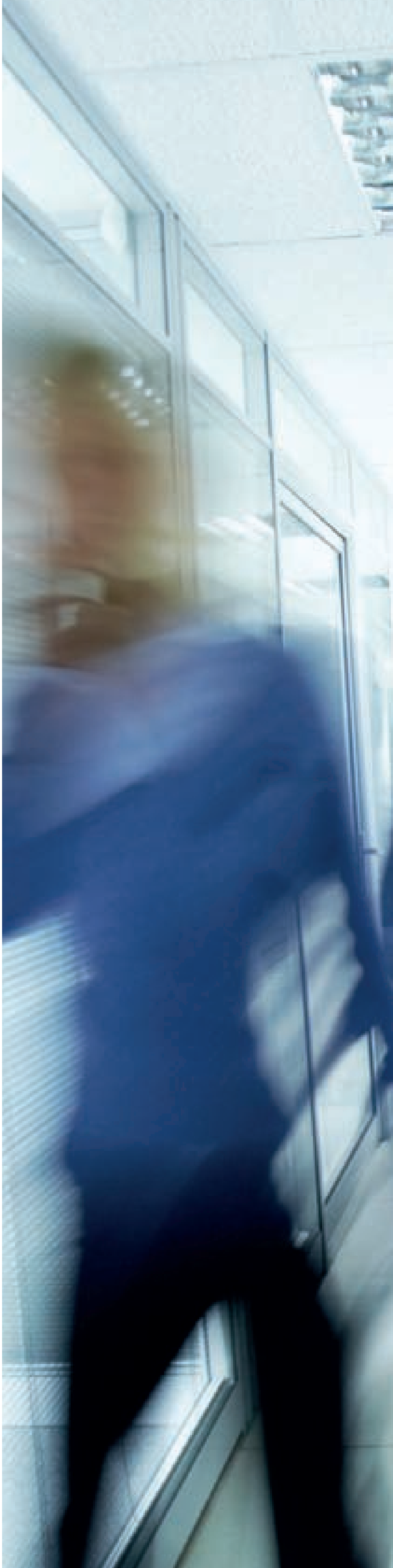
2006
Development of **Reception** business with the acquisition of **Hôtesses et Grooms de Paris.** (In-company front of house services, special event management, airport assistance, field marketing).

2007
Launch of the **Landscaping** business with the purchase of **Pinson Paysage**. (Development and maintenance of parks and gardens).
Signature of an exclusive partnership with the **City One** Group (Reception business).

2009
TFN becomes **ATALIAN Global Services.**
International Development with openings of the Group's first subsidiaries in **Slovakia** and the **Czech Republic.**

2009
Acquisition of **VEOLIA Cleaning and Multiservices** (Ranked sixth on the French cleaning services market) and **EUROGEM** (subsidiary of the ICADE group and pioneer in multi-technical and services engineering).

2010



Purchase of the companies **EKUS** and **KADUS** in **Croatia**, **ESCORT** and **BFM** in Hungary and **PFM** in the **Czech Republic.**

2011

Purchase of **AGOM** and **ATLANTIS** in Belgium, **VIP GROUP** in **Morocco** and **KAF Facility** in the **Czech Republic.**

2012

ATALIAN becomes **100% JULIEN family-owned.**
The Group sought new investors in 2009 at Marceau Capital, which acquired 8.22% of the shares. **Transfer of operating facilities in Spain.**

2013

The Group placed a **250-million-euro bond issue** maturing in 2020 at the rate of 7.25%. Purchase of **Carrard Services.**
Establishment in Turkey with the acquisition of **ARTEM.**
United Facility Solutions: creation of a pan-European alliance.

Our key brands, businesses and companies

LA FINANCIÈRE ATALIAN

SUPPORT FUNCTIONS
· Information Technology
· Quality, Safety, Environment
· Finance
· Human Resources
· Legal
· Purchasing

ATALIAN

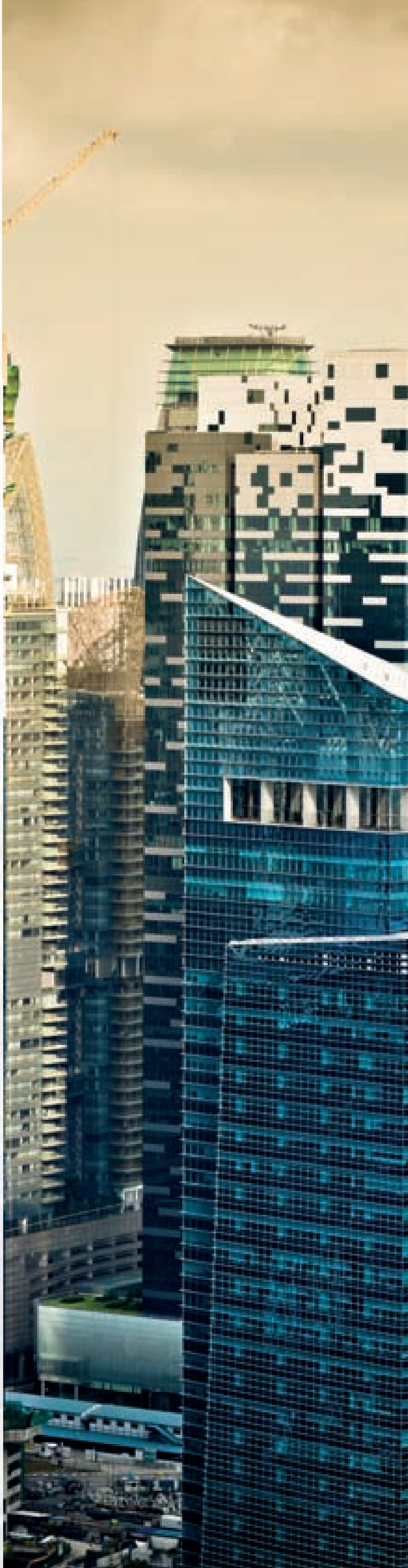
FACILITY MANAGEMENT	ATALIAN FACILITIES
CLEANING	TFN PROPRETÉ CARRARD SERVICES RIP TNEX
SERVICES ENGINEERING	MTO EUROGEM TFN BÂTIMENT- MTO TRAVAUX ELALE - MTO ÉCLAIRAGE PUBLIC
SAFETY	LANCRY APFS
LANDSCAPING	PINSON PAYSAGE ARPAJA SUPERSOL
RECEPTION	CITY ONE EXCLUSIVE PARTNER
PARQUET FINISHING AND FLOOR COVERINGS	JEAN LÉTUVÉ LAGRANGE COUVERTURE GERMOT & CRUDENAIRE IDF
TRANSPORTATION	TFN AFFRÈTEMENT ET LOGISTIQUE LOGISMARK
INTERNATIONAL	BELGIUM LUXEMBOURG CROATIA HUNGARY POLAND CZECH REPUBLIC ROMANIA SLOVAKIA MOROCCO TURKEY LEBANON MAURITIUS THAILAND INDONESIA MALAYSIA

An independent French group of companies,

ATALIAN Global Services is

a major global services provider for businesses and local authorities.

With more than 60,000 employees, ATALIAN is operational in 13 countries offering solutions to more than 25,000 customers in both the public and private sectors. ATALIAN deploys its activities along two lines of development: International and Facility Management.



1

PROFILE

OUR GOALS

- **To create value for our customers** and enable them to concentrate on their core business.

- **To deliver the best service every day,** improving the quality of life and comfort of all employees in the companies we work for.

- **To embed our growth in a logic of sustainable development.**

- **To become the leading player** in our field of business.

To find out more: www.atalian.com

OUR VALUES

- **Entrepreneurial spirit**
- **Integrity**
- **Sustainable responsibility**
- **Adaptability**
- **Simplicity**

INTERVIEW WITH FRANCK JULIEN,
ATALIAN GROUP CHAIRMAN

Objectives achieved, a clear vision, a restored agility

ECONOMIC CONDITIONS ARE DIFFICULT IN FRANCE AND EUROPE. HOW DID ATALIAN NAVIGATE THE 2012-2013 FISCAL YEAR?

Overall, the past year went well, despite a difficult economic context and tougher competition. We met our objectives and the results reflect that achievement. We're proud to announce that ATALIAN succeeded in recording nearly 3% growth despite some very aggressive competitors that lowered their margins considerably, in an attempt to conquer new markets. We also succeeded in renewing 96% of our contracts under tender while maintaining our margins.

HOW DO YOU ACHIEVE THIS?
DO YOU HAVE A WINNING FORMULA?

I think that our first asset is being fundamentally and viscerally, entrepreneurs. I'm an entrepreneur, the staff who have supported me for many years are entrepreneurs. Being an entrepreneur means being attentive to the market, being proactive, acting in time and quickly, taking the lead.... This attitude is vital for success today, especially in our businesses, which are increasingly complex, and where margins are trending downward.
More precisely, in the field, this means always offering higher quality, greater responsiveness and greater proximity to our customers. We work in a partnership approach, continuously suggesting new ideas and proposing solutions to our customers. And of course, we stick to a "one-stop" approach, a strategy that enables us to constantly offer our customers new services within our businesses, and expand the volume of our local sales, but also, where necessary, to support them as they set up operations abroad.

SO YOU'RE PURSUING THE STRATEGY THAT YOU COMMITTED TO SEVERAL YEARS AGO?

Absolutely! We started out as a single-business company, a cleaning services firm. We've gradually brought in the other businesses that make ATALIAN a key player in the field of Total Facility Management.
We quickly realised that we also needed to develop our know-how beyond France. We have managed to do this: in all of the countries where we've established operations, we're profitable and growing. I think you need a simple strategy. Ours is strong and effective. Our results indicate this. So I don't see any reason to change it. The French and European economic climate is complicated, we must keep moving and look to even more distant horizons....

> We gained new financial freedom.

...KEEP MOVING AND HAVE TRUE FREEDOM OF MOVEMENT. IS THAT THE IDEA BEHIND ATALIAN'S NEW FINANCIAL STRUCTURE?

Yes, and it was actually the major action of the year. In January 2013 we announced the placement of our 250-million-euro bond issue maturing in 2020, at a 7.25% interest rate, aimed at refinancing our debt and freeing us from any restraints on our capital.
We gained new financial freedom. Today, we realize that with the decline in the economic situation and the reinforcement of the Basel III criteria, banks find it more difficult to support companies. Because of disintermediation, we address investors directly. We are one of the first French players to do this in our sector, and we're pleased that it enabled our company to bounce back. This operation has given our teams a new burst of energy. The Group has gained in agility and flexibility, which is essential for us because we're an external growth company in a historically highly fragmented market, currently under reconstruction and in a state of permanent change.

WHAT ARE YOUR PLANS FOR THE COMING YEAR?

Without question, our ambition is to continue growing. We will pursue the sales strategy to which we committed more than four years ago with key accounts. During the 2012-2013 fiscal year, we also won more than €20 million in new business. We will continue in this direction, both for our business expertise and internationally. The reality is that our future is undeniably global because our customers are becoming global. We began our international expansion in Central Europe, when it was still emerging and the markets were relatively unstructured. Today, it increasingly resembles Western Europe... which penalizes it... so we must go to where things are moving. This is particularly true of Asia.

ASIA IS A LONG WAY FROM WHERE YOU ARE BASED. WHAT ARE YOUR PLANS ON THIS CONTINENT?

We initiated buisinss there last year, and I'm happy to announce that a certain number of transactions are already under way in Thailand and Indonesia. Others may also see the light of day in Malaysia and Vietnam. Africa is also of great interest and today looks more promising than Latin America, which is restrained by its slowing growth. Whoever fails to move forward, falls behind. That's not happening to us!

THE INTERNATIONAL DEVELOPMENT IS A GROWTH DRIVER. WHAT ABOUT FRANCE?

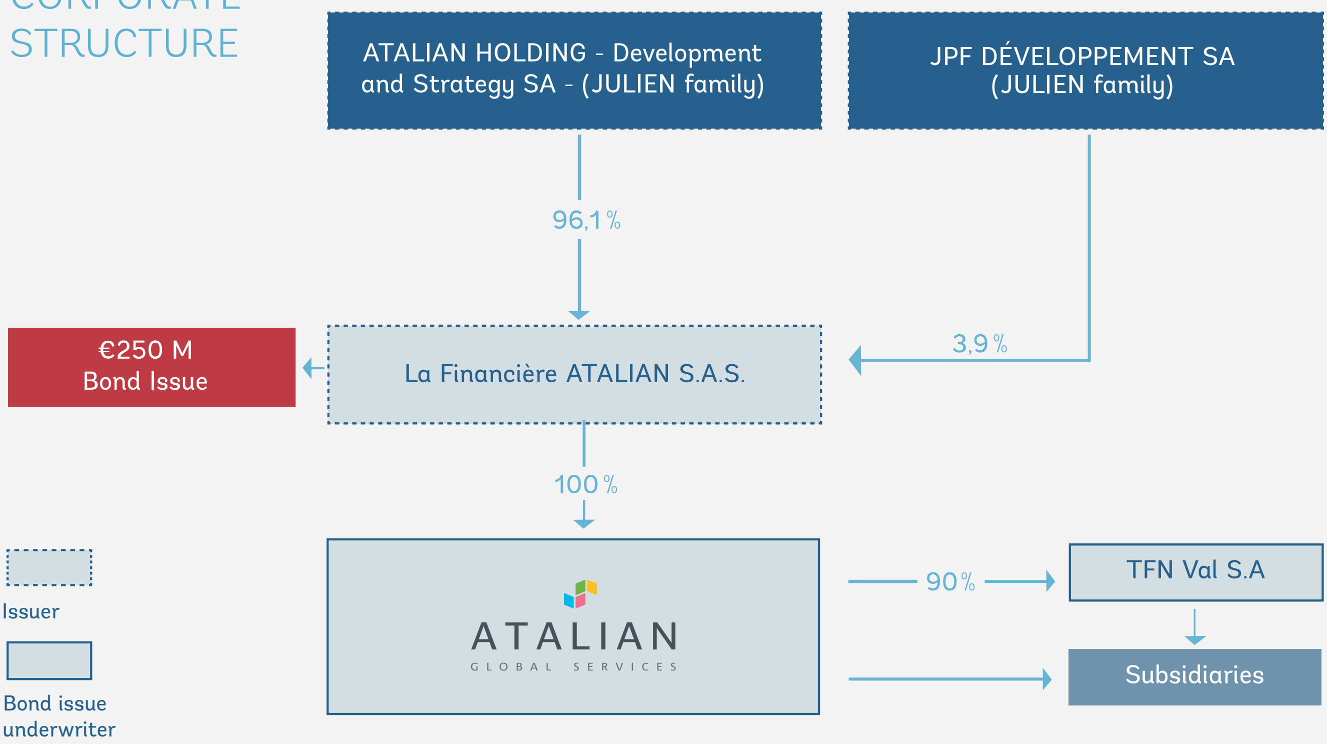
We will pursue our internationalization because the strongest growth drivers are clearly outside Europe. But this development does not change our attachment to our roots - in less than 20 years, we've directly or indirectly created 40,000 jobs in France! We shall continue because our development is in hand and uninterrupted. With organic growth of 2% in 2013, we demonstrate that it's possible to combine employment and profitability. As long as we make the right choices!

GOVERNANCE

In 2013 the ATALIAN group was reorganized and strengthened its governance.

EAB Finances S.A. became ATALIAN Holding Development and Strategy S.A.

CORPORATE STRUCTURE




Franck JULIEN


Thierry BRÉMENT


Antoine TERZIKHAN


Richard TRANCHE


Jean-Claude SALTIEL

ATALIAN HOLDING - DEVELOPMENT AND STRATEGY (AHD&S) BOARD OF DIRECTORS

FRANCK JULIEN

SOPHIE PÉCRIAUX-JULIEN

JEAN-PIERRE JULIEN

LOÏC ÉVRARD

DAVID HUDSON

QUENTIN VERCAUTEREN DRUBBEL

LA FINANCIÈRE ATALIAN

The company La Financière ATALIAN changed its status from an incorporated company to that of a simplified joint stock company held 100% by the JULIEN family, and three management committees were set up.

CHAIRMAN OF THE BOARD

JEAN-CLAUDE SALTIEL

INVESTMENT COMMITTEE

JEAN-CLAUDE SALTIEL

LOÏC ÉVRARD

MATTHIEU DE BAYNAST DE SEPTFONTAINES

ANTOINE TERZIKHAN

PIERRE VACHERON

RICHARD TRANCHÉ

ACCOUNT CLOSING COMMITTEE

AHD&S (formerly EAB) represented by FRANCK JULIEN

JEAN-CLAUDE SALTIEL

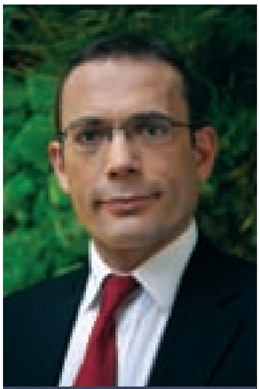
LOÏC ÉVRARD

REMUNERATION COMMITTEE

AHD&S (formerly EAB) represented by FRANCK JULIEN

JEAN-CLAUDE SALTIEL

LOÏC ÉVRARD

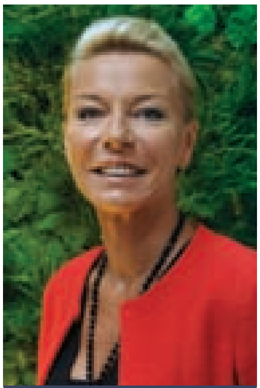


Pierre VACHERON

Matthieu de BAYNAST

Loïc ÉVRARD

Serge VIVIER



Sophie PÉCRIAUX-JULIEN

AN INDEPENDENT FRENCH GROUP

2013 MILESTONES

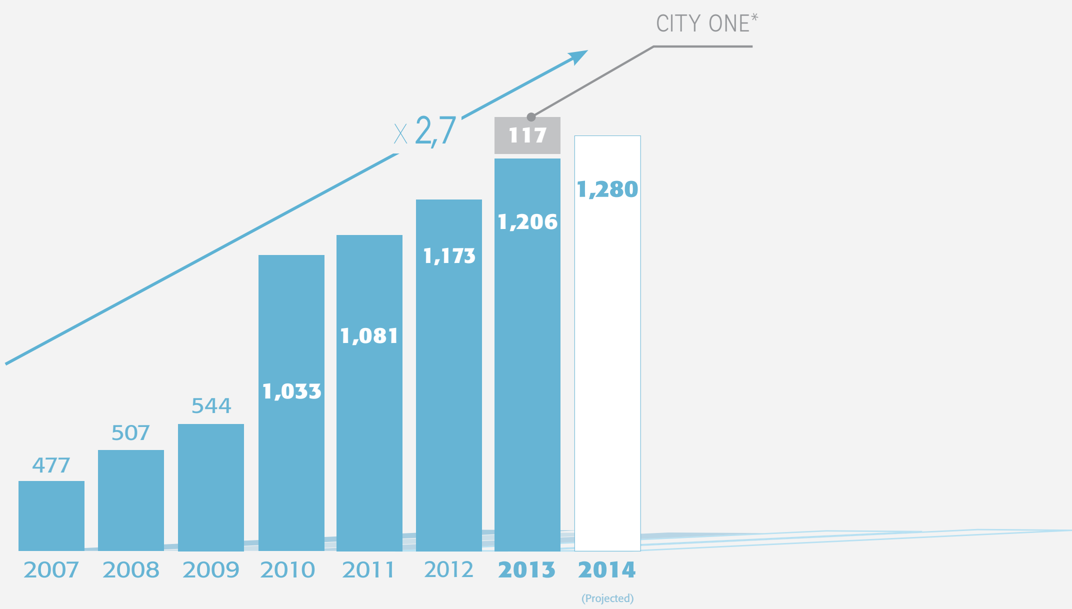
60,000 EMPLOYEES

25,000 CUSTOMERS

€1.274bn PRO FORMA REVENUE*

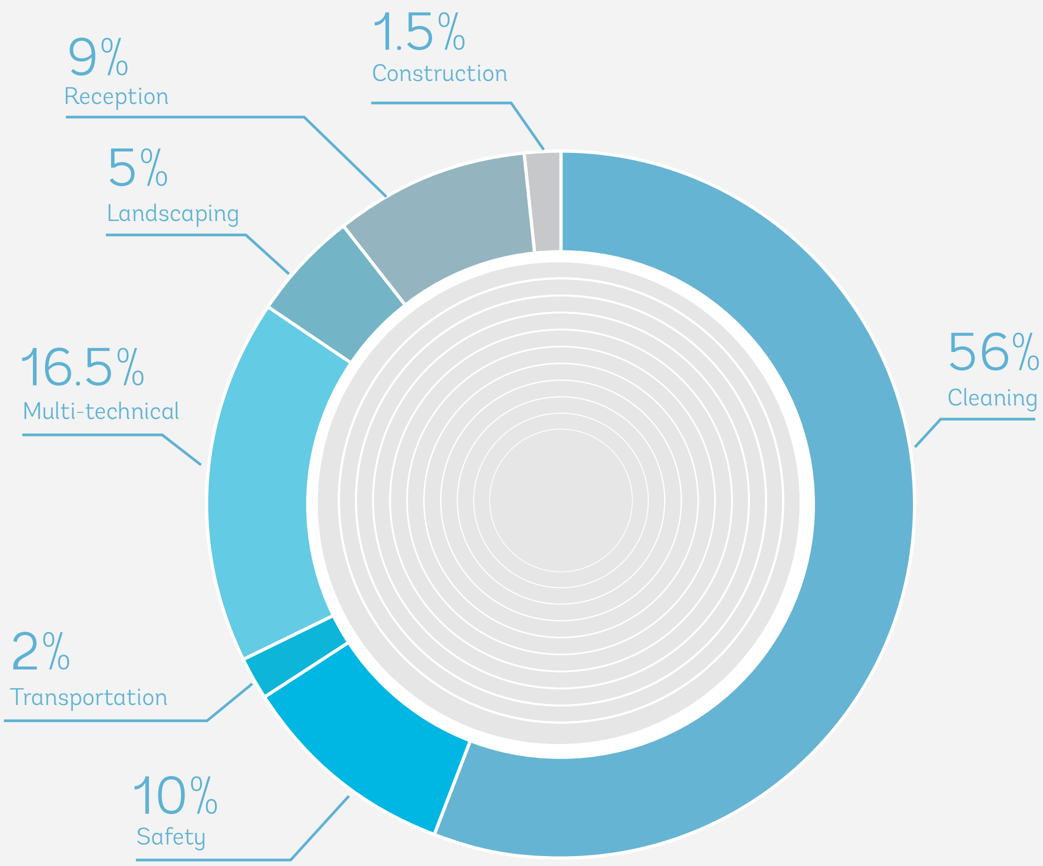
*Including Carrard and ARTEM in full year

CONSOLIDATED REVENUE IN MILLIONS OF EUROS

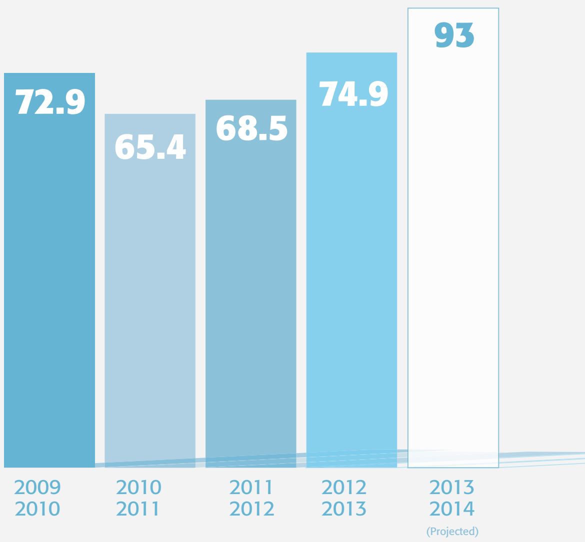


*Exclusive Partner

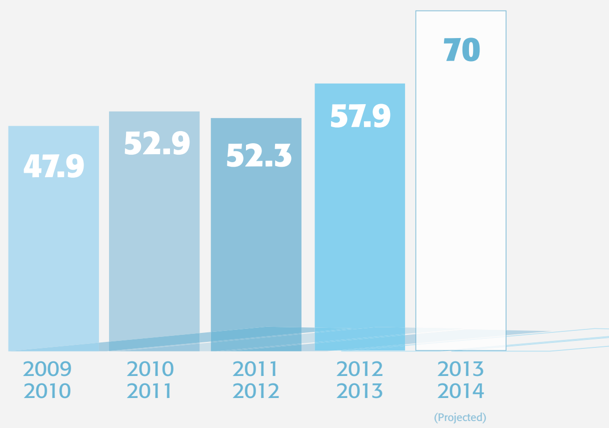
BREAKDOWN OF REVENUE BY ACTIVITY



EBITDA IN MILLIONS OF EUROS



EBIT IN MILLIONS OF EUROS

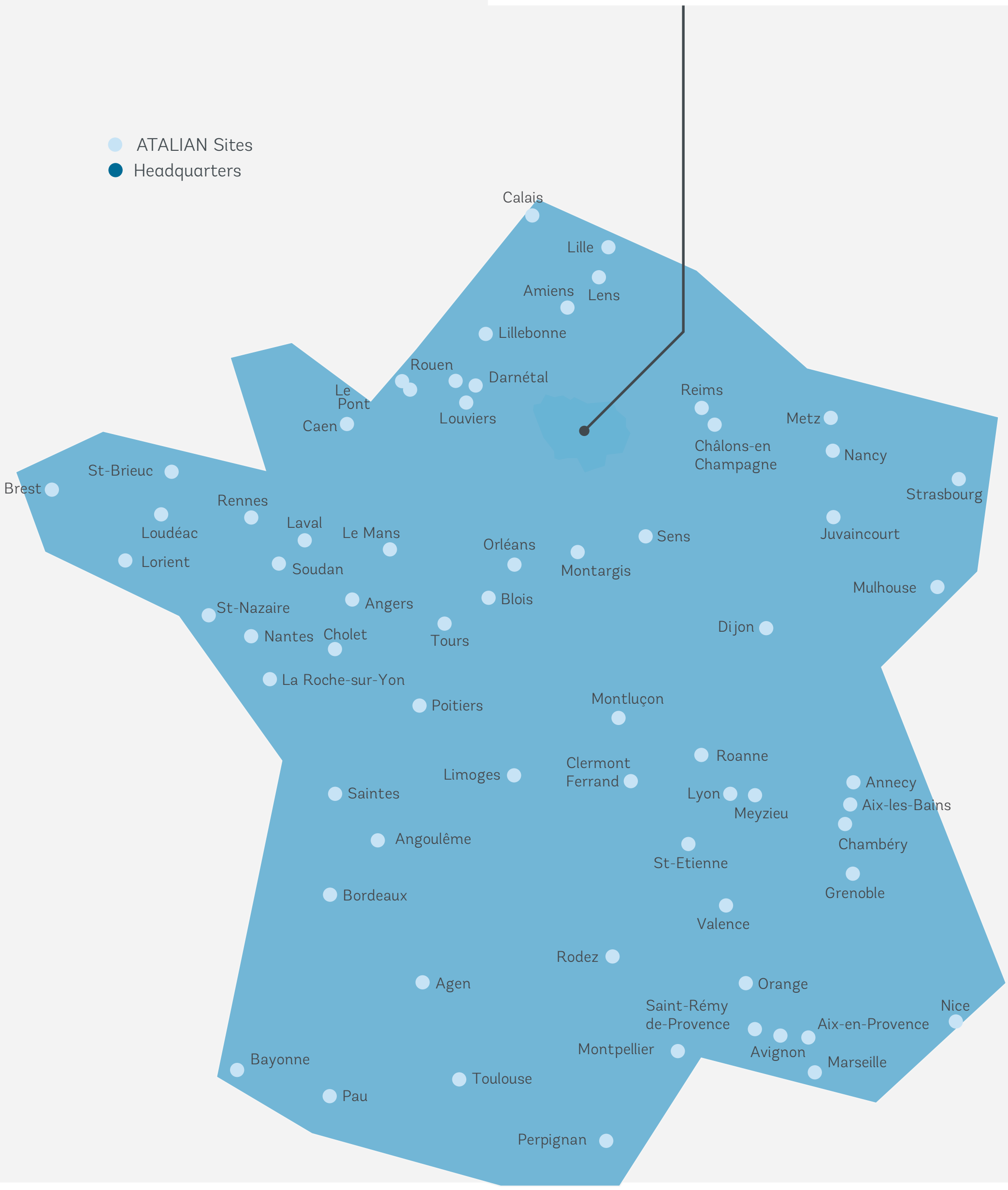


...THAT COMBINES LOCAL PRESENCE...

ATALIAN continues to develop its geographic network to better accompany every one of its customers in France.

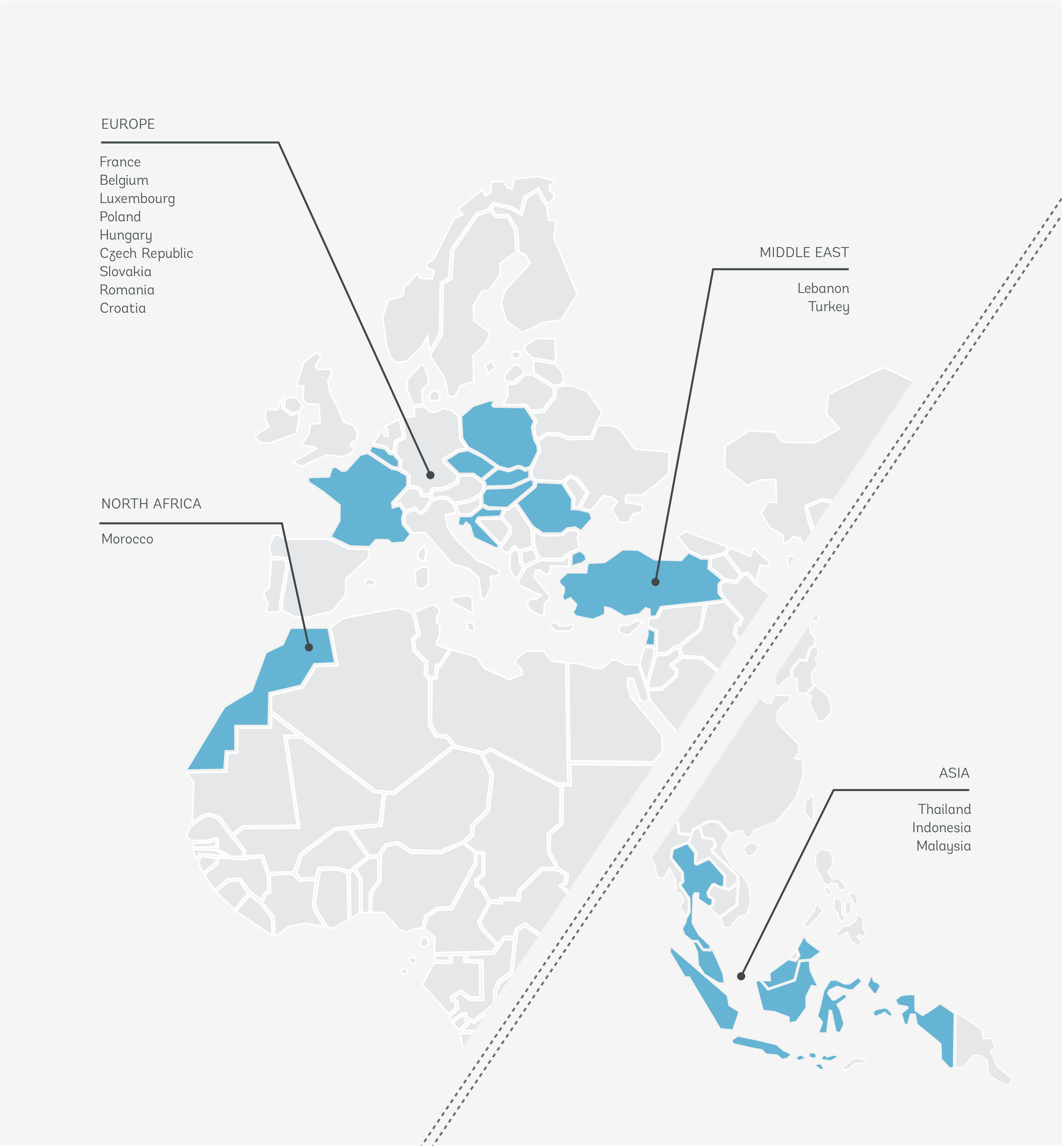
IN FRANCE, ATALIAN RELIES ON A NETWORK OF MORE THAN 100 LOCAL OFFICES

1- Andilly
2- Arcueil
3- Bobigny
4- Bonneuil-sur-Marne
5- Clichy
6- Crosne
7- Fontenay-sous-Bois
8- Paris
9- Poissy
10- Quincy
11- Rungis
12- Sarcelles
13- Villejuif
14- Vitry-sur-Seine



...AND INTERNATIONAL REACH

Internationally, ATALIAN is present in nine European countries and in Lebanon, Morocco, Mauritius and Turkey. In 2014, it will also be present in Thailand, Indonesia and Malaysia.



Historically, the Group's expansion strategy was built around cleaning service activities and has progressively integrated a broadened range of high-value-added services.

Strengthened by its financial independence, ATALIAN continues along this path, successfully developing two key lines: International and Facility Management.

2 STRATEGY

2013 HIGHLIGHTS

IN FRANCE

In June and July, ATALIAN made several acquisitions that strengthen its positions in France:

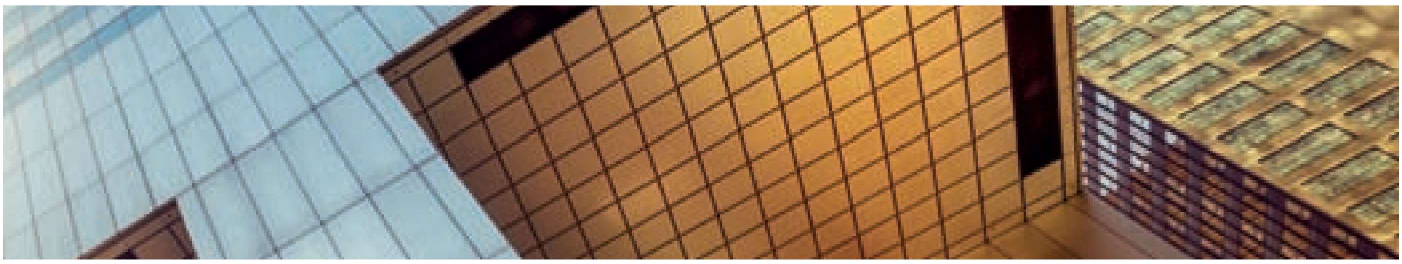
· **CARRARD SERVICES** - Established throughout France, this Rheims-based company brings an annual revenue of €75 million and 4,500 employees. With 40 years' experience, Carrard Services offers services to 2,500 customers for cleaning, multiservice and special works.

· **TDN and ANAPURNA,** two companies in southwestern France with consolidated revenue of €10.2 million.

OUTSIDE FRANCE

ARTEM - In February 2013, ATALIAN entered the Turkish market by purchasing ARTEM, a cleaning services specialist based in Ankara and present in Istanbul, Izmir, Kayzeri, Bursa and Batman. Founded in 1984, ARTEM generates annual revenue in excess of €10 million and employs more than 1,500 full-time employees. It is also ISO 9001, 14001 and 18001 certified.

UFS-UNITED FACILITY SOLUTIONS - In July 2013, ATALIAN formed an alliance with CLECE and MANUTENCOOP, Facility Management leaders in Spain and Portugal, and Italy respectively, to create the United Facility Solutions (UFS) joint venture based in Brussels.
With their membership, the MITIE (United Kingdom, Ireland and Norway), PIEPENBROCK (Germany and Austria) and FACILICOM (the Netherlands) groups strengthen the European Facility Management alliance, whose mission is to offer major international groups a complete range of standardized services, on a Europe-wide basis.



INTERNATIONAL

For some 15 years, ATALIAN has served its international customers far from their geographical location. The development of international activities, a true growth lever for the Group, is a strategic priority.

Our goal: to offer the same quality of service to our customers everywhere by entering those markets that offer the strongest growth potential.

After Central Europe, our course is set for Asia!

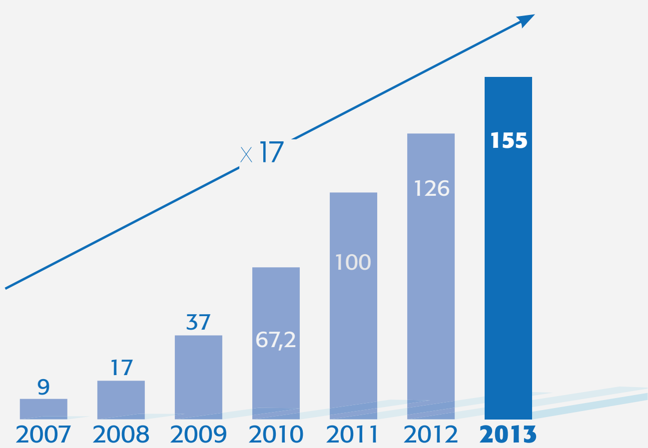
2013 MILESTONES

10,400 EMPLOYEES

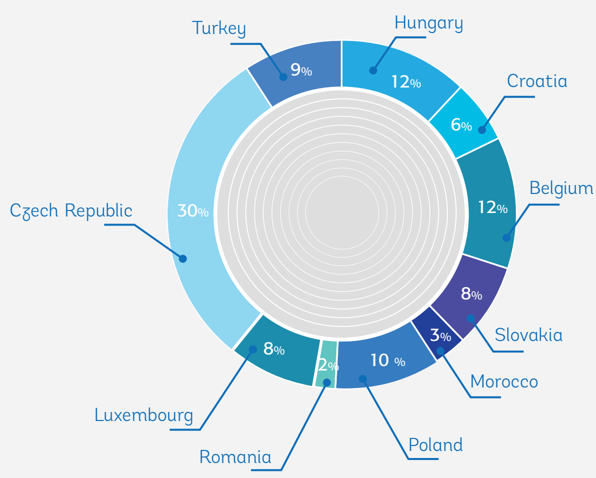
I.e. ~ 5,700 FTE (full-time equivalent)

€155 M PROFORMA REVENUE

REVENUE OUTSIDE FRANCE
(IN MILLIONS OF EUROS)



BREAKDOWN OF INTERNATIONAL
REVENUE BY COUNTRY



ATALIAN INTERNATIONAL

Starting with the opening of subsidiaries in Hungary and Poland, our international development means we have operations in a number of European countries as well as in Lebanon, Morocco, Turkey and Mauritius.

A/ Czech Republic
Annual revenue: **€47 m**
Employees: ***3,250***

B/ Slovakia
Annual revenue: **€12,5 m**
Employees: ***600***

C/ Hungary
Annual revenue: **€19 m**
Employees: ***3,000***

D/ Romania
Annual revenue: **€3 m**
Employees: ***200***

E/ Croatia
Annual revenue: **€8,5 m**
Employees: ***500***

F/ Poland
CA annuel : **€16 m**
Employees: ***500***

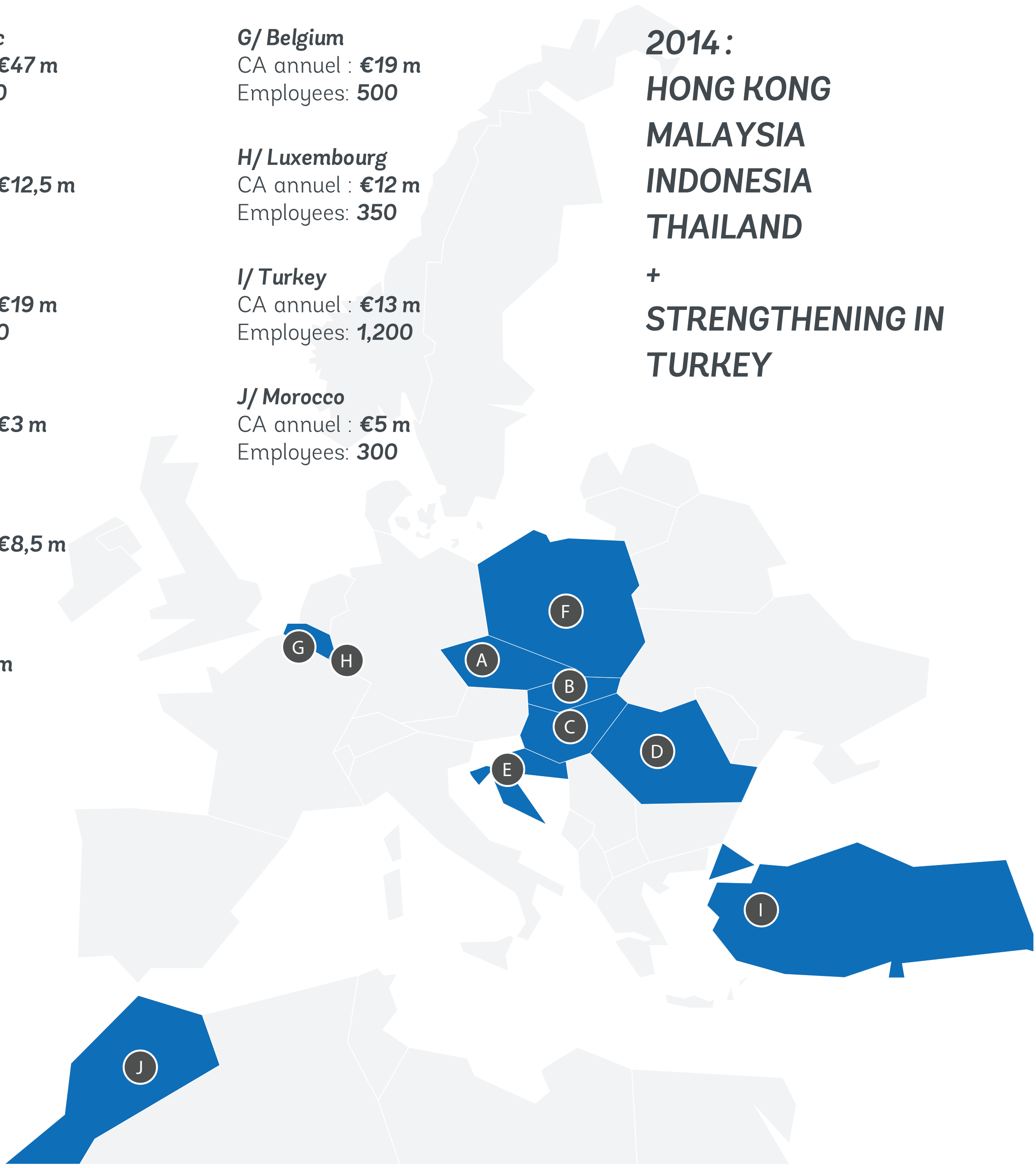
G/ Belgium
CA annuel : **€19 m**
Employees: ***500***

H/ Luxembourg
CA annuel : **€12 m**
Employees: ***350***

I/ Turkey
CA annuel : **€13 m**
Employees: ***1,200***

J/ Morocco
CA annuel : **€5 m**
Employees: ***300***

2014 :
HONG KONG
MALAYSIA
INDONESIA
THAILAND
+
STRENGTHENING IN TURKEY



MEDITERRANEAN BASIN & CENTRAL EUROPE: INCREASINGLY MATURE MARKETS

For the first year of activity, the performance of our sites in **Turkey** was promising. The signature of several new contracts is planned in 2014 in addition to the development of activities in the safety sector. In **Central Europe**, we have continued to improve our productivity by reinforcing the integration process, applying economies of scale and transferring skills. New contracts have been won in various countries (including Poland and Romania) whose markets are still dynamic. However, this area is maturing, a trend that reduces profitability as margins are pushed downward.
We will therefore seek new growth areas in the **emerging countries of Southeast Asia**, which are enjoying double-digit growth rates.

ASIA: GROWING MARKETS WITH NUMEROUS NEEDS

Announced in 2012, our external growth operations in Asia are currently being finalized. ATALIAN acquired three cleaning services companies: two in **Indonesia** and one in **Thailand.** Another cleaning company is planned for the beginning of 2014.

The headquarters of the Asian activities holding company is based in Hong Kong, and a management coordination center is located in Malaysia, Kuala Lumpur. In light of local needs and the economic force of these countries, we project 10% to 15% growth in this zone.

MEETING

WITH MATTHIEU DE BAYNAST CHAIRMAN OF ATALIAN INTERNATIONAL

Compared to ATALIAN Group's history, our international network is young, but it is being built on the same foundations and with the same methods as those used in Central Europe. We remain clearly and totally in line with the ATALIAN model. We invest in entrepreneur-founded companies, who have become leaders in their markets. We hold the majority market share 51% and we will progressively increase our share. We bring our experience and tools to optimize their performance.

The idea is to also play the business diversification card to develop our offering and increase our market share.

We are still facing a number of challenges, but with our new UFS-United Facility Solutions European alliance, the broadening of our range of services and the force of the Asian continent, we have every reason to be optimistic! We will continue to pursue our organic growth! Our objective is to reach revenue of €500 million in our international businesses in four years.

"We invest in entrepreneur founded companies who have become leaders in their market."

WESTERN EUROPE: UFS-UNITED FACILITY SOLUTIONS, THE ALLIANCE OF EUROPEAN LEADERS

Formalized in the summer of 2013, this alliance brings together partners that are all leaders on their domestic markets. UFS-United Facility Solutions' annual turnover exceeds €7 billion and the Group has a workforce of over 250,000 employees in 18 European countries.
Each of the companies within the Group has a solid background in their respective fields of operation and thus benefit from a strong and widely recognized image. By combining local presence with a global vision, UFS provides its clients with tailor-made solutions, guaranteeing a homogenous level of quality and efficiency throughout the countries in which it operates.

UFS - UNITED FACILITY SOLUTIONS IS:

· **partners** that are **leaders** in their countries,
· **full coverage** throughout Europe,
· **internal control** of all the SOFT and FULL FM services,
· **legal structures** suited to international tenders,
· **teams of specialized experts** in eight different industries.

KEY FIGURES
MEMBERS OF UFS-UNITED FACILITY SOLUTIONS

ATALIAN

Annual revenue: ***€1.3 billion***

Employees: ***60,000***

Sites:

Belgium, Croatia, France,
Hungary, Lebanon, Luxembourg,
Poland, Czech Republic,
Romania, Slovakia,
Mauritius, Morocco and Turkey.

CLECE

Annual revenue: ***€1.14 billion***

Employees: ***65,000***

Sites:

Spain and Portugal

Website: www.clece.es

MITIE

Annual revenue: ***€2.5 billion***

Employees: ***63,000***

Sites:

United Kingdom, Ireland and
Norway

Website: www.mitie.com

FACILICOM

Annual revenue: ***€1 billion***

Employees: ***30,000***

Sites:

The Netherlands and Belgium

Website: www.facilicom.com

MANUTENCOOP

Annual revenue: ***€1.07 billion***

Employees: ***18,000***

Sites: Italy

Website: www.manutencoopfm.it

PIEPENBROCK

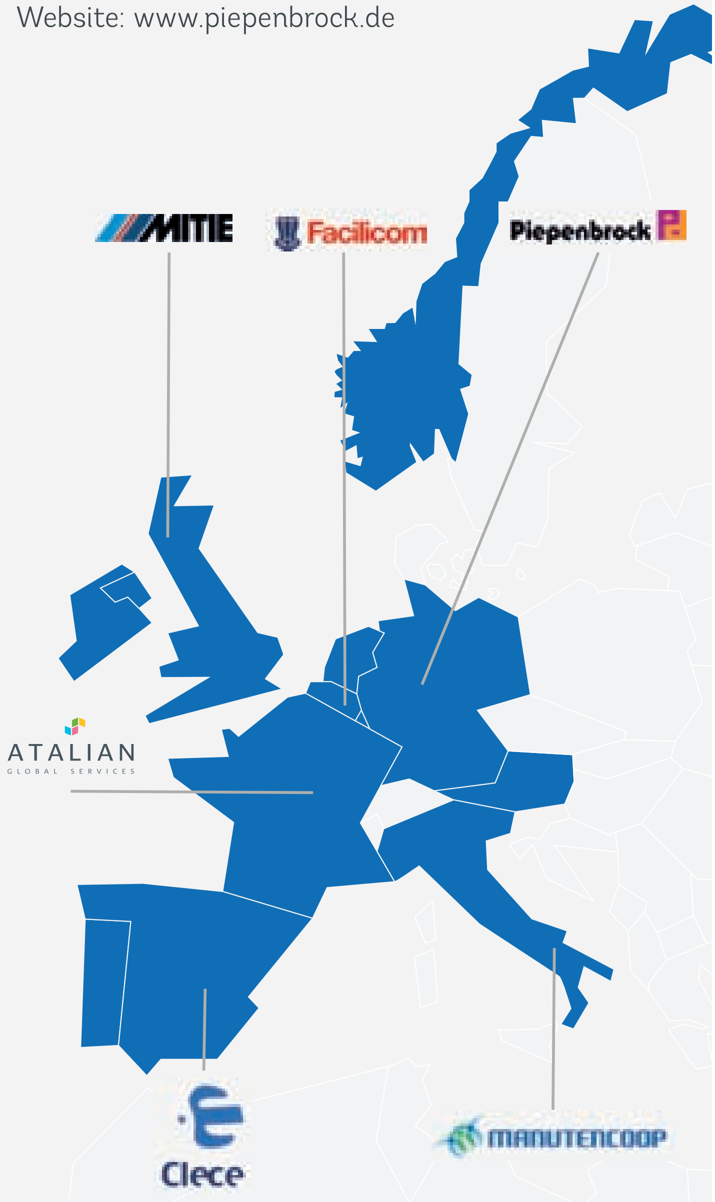
Annual revenue: ***€0.5 billion***

Employees: ***27,000***

Sites:

Germany and Austria

Website: www.piepenbrock.de



FACILITY MANAGEMENT

The ATALIAN Group strengthens its Facility Management (FM) approach through a dedicated entity: **ATALIAN Facilities.** This entity coordinates the Group's various business lines in and outside France.

Facility Management comprises **Multi-technical** ("hard" FM) which includes heavy technical services (building and office maintenance, support services, fluid and energy management, etc.) and **Multiservices** ("soft" FM), which includes cleaning, Reception services, mail, safety, catering services and the maintenance of landscaped areas. These diverse fields of expertise are all essential for the smooth functioning of a business or community.

GREAT POTENTIAL FOR AN UNDER-DEVELOPED MARKET

In France, the facility management market progressed primarily for cost efficiency reasons. The recession strengthened demand, forcing private companies and public bodies to outsource services. However, it also increased pressure on prices.

Yet we believe that facility management still offers significant potential. In particular, there is a strong need for services related to the improvement of buildings' and facilities' energy performance, waste management, etc. We strive to reinforce the added value that we offer through the quality of our services, efficient operations management and our capacity to innovate. At the heart of our system lies the technical, advisory, organizational and social engineering expertise of our teams.

A FULL RANGE OF SERVICES

Strengthened by its expertise and the reputation of its brands, ATALIAN is one of the few market players to propose an integrated offer with a broad spectrum of services for different tertiary activity sectors, mass retailing and distribution, industries, health care, education.... We can therefore offer increasingly complex multiservice and multi-technical solutions that enable our offer to be as close as possible to companies and local authorities expectations.

And thanks to UFS-United Facility Solutions, the Multiservice/Multi-technical activities are offered on a Europe-wide basis.

AN ORGANIZATION AND TOOLS THAT ENSURE EFFECTIVENESS AND RESPONSIVENESS

As the sixth French player in the multi-technical/multiservice market, ATALIAN Facilities drives facility management projects and develops high-performance tools to strengthen the quality of its services.
Service provision coordination is supported by a three-pronged computer system: an internet workflow portal called **"FM Space"**, a Computerized Maintenance Management System **(CMMO)** and mobile **Personal Digital Assistant** (PDA) entrusted to each manager. These tools are all interconnected.

FOR EXAMPLE:

· The **service request** module enables us to be highly responsive. The request may be transmitted either internally or by the customer. The requests are rerouted to the technician, who notified by an SMS on his cell phone, consults his PDA and can deliver the service needed in the shortest time. This enables true priority management for optimum responsiveness in our operations.

· The **document management** module can also operate either internally or as an exchange with the customer. This module renders quality plans, reports and other operational procedures accessible.

· The **Building Sanitation and Technical Dossier (BSTD)** enables us to share with our customers, regulatory documents, updated in real time.

· Among the other services that our customers particularly appreciate are: the **energy management and monitoring** module, a Reception module for visitor management, the **electronic guest ledger for security,** which enables customers to check events on their site even when they are not present…

·**The CMMO application** is used for multi-technical service provisions, and offers comprehensive monitoring of site management. It is composed of several modules: **planning, preventive and corrective maintenance, management of quotations, service requests and energy metering.** The **AMDEC** module is specifically designed for critical facilities that require essential maintenance.

"Our organization and methodology favor the development of **synergies** between businesses, resulting in an **integrated approach**, enabling our customers to **optimize costs**

...

Each customer benefits from a **dedicated contact person** who manages different interventions, and optimizes them on a large and small scale, to favor a dynamic that creates **value.**"

3

BUSINESSES

CLEANING & ASSOCIATED SERVICES

Cleaning, on-site waste management, sanitation, pest control, air purification, minor maintenance, handling, stock and supplies management, meeting room set-up, shared space management, office-to-office moves....

Our know-how and services are numerous, but our teams are dedicated and trained in the characteristics and requirements specific to our customers' various activity sectors.

2013 MILESTONES

2ND OPERATOR

IN THE FRENCH CLEANING INDUSTRY

€692M

REVENUE*

* PROFORMA

35,000

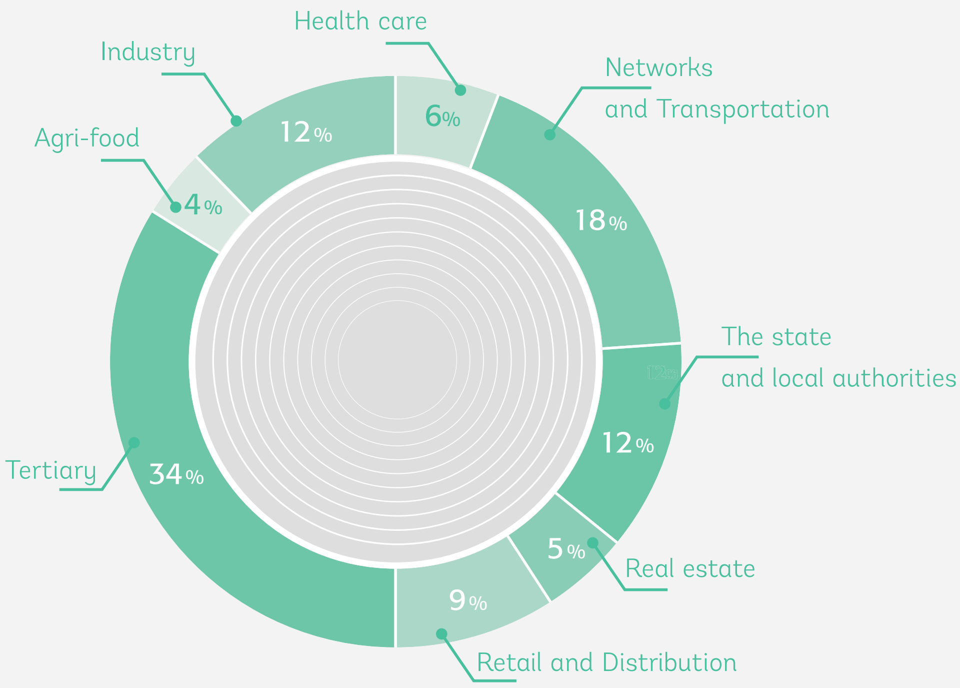
EMPLOYEES*

*18 400 FTE

96%

OF CONTRACTS RENEWED

ACTIVITY DISTRIBUTION



A FRAGMENTED MARKET AND HEIGHTENED COMPETITION

Our Cleaning Services business recorded good results in 2012-2013: consolidated revenue was **€626.9 million,** producing an EBITDA of **€63.1 million.** These results are even more remarkable in light of the fierce competition that has emerged over the past few years, bringing with it a significant risk of eroded margins. For the record, the cleaning services market in France generates revenue of around €10 billion and comprises 15,000 staff.

SERVICE STRATEGY: EVER GREATER RESPONSIVENESS, CLOSER CONTACT AND MORE PARTNERSHIPS WITH OUR CUSTOMERS

To maintain our margins while continuing to offer our customers quality services, we have continued to strengthen our **organization, quality management system** and **operational support tools.** Of our many advantages, the quality of our teams is unquestionably the most significant. In addition, we rely on a strong network of offices in France, that enable us rapid optimization of synergies following acquisitions. Within this logic, we acquired Carrard Services this year (annual revenue of €75 million; 4,500 employees, more than 2,500 customers). Outside France, the cleaning services business remains a lever for market penetration. When the Group sets up operations in a new country, it often seeks acquisitions in the same sector to expand its activities to other businesses.

Customer References

INDUSTRIAL

- LAFARGE
- CALCIA
- EADS
- EBREX
- GEFCO
- FAURECIA
- DCNS
- HUNTSMAN TIOXIDE

AGRIFOOD

- SOCOPA
- LABEYRIE
- DAVIGEL
- ENTRACTE (LDC)

TERTIARY

- BNP PARIBAS
- CREDIT AGRICOLE
- ERNST & YOUNG
- DEXIA
- MINISTÈRE DU BUDGET ET DES FINANCES

LARGE RETAIL

- CARREFOUR
- AUCHAN
- GALERIES LAFAYETTE

HOSPITALS

- HIA PERCY
- INSTITUT CURIE
- APHP
- HIA VAL DE GRÂCE

PHARMACEUTICAL,
COSMETICS, ULTRA-CLEAN

- APTAR
- GALDERMA
- ST MICROELECTRONICS
- SANOFI
- STALLERGENES
- ASTRIUM

MEETING WITH PIERRE VACHERON

President of Cleaning and Associated Services

> At ATALIAN, we prefer the 'service war' to the price war

The price war is very fierce in our industry. Some of our competitors are very aggressive, lowering their margins substantially, when trying to win new markets.

At ATALIAN we prefer the service war to the price war and we have succeeded in renewing 96% of our contracts under tender while maintaining our margins. We have also eliminated from our portfolio, customers who are not profitable and/ or bad payers. Some were large accounts, but we considered their demands to be unacceptable and incompatible with the way operate. In terms of cash flow, we have been able to reduce our working capital requirements (WCR) by €8 million, and our Days Sales Outstanding (DSO) currently stands at 64 days, a 2-day improvement.

MULTI-TECHNICAL & MULTISERVICE

Building management, multi-technical maintenance, air-conditioning, heating, plumbing, ventilation, lighting, laying underground electricity and telecom services (ERDF and France Telecom), remote network monitoring... MTO-EUROGEM manages 85% of support services using ATALIAN's own resources.

MILESTONES 2013

6 TH LARGEST
FRENCH OPERATOR

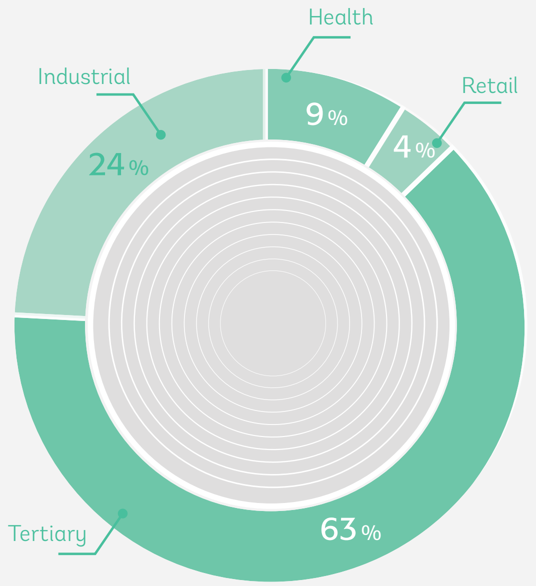
€192 M
REVENUE

1,600
EMPLOYEES

6 M
M² USED

14 REGIONAL
DEPARTMENTS

BREAKDOWN OF ACTIVITY



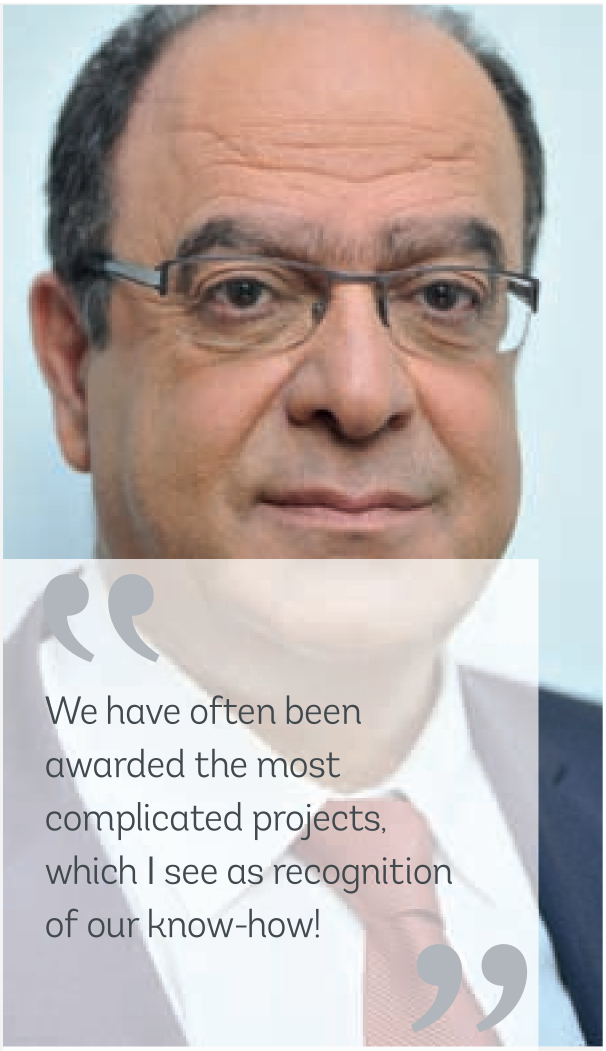
MEETING WITH ANTOINE TERZIKHAN

President of MTO-Eurogem

The economic context is difficult, but MTO-EUROGEM has many advantages: the energy and age of our people (our regional technicians and directors are all aged between 29 and 32), their experience (they all acquired their credentials in large corporate groups), and above all their entrepreneurial spirit.

Today we have very strong references and we won substantial contracts this year, in both the public (Elysée, Matignon, etc.) and private sectors (Unibail-Rodamco, General Electric, etc.).

I also note, with considerable pride, that we have often been awarded the most complicated projects, which I see as recognition of our know-how!



Customer References

PUBLIC-PRIVATE PARTNERSHIPS

- 3M
- AIRBUS
- AIR FRANCE
- ASTRAZENECA
- AXA
- BRISTOL MYERS SQUIBB
- BNP
- BULL
- CLUB MED
- COFINOGA
- SAFRAN
- CONSEIL GENERAL DES BOUCHES-DU-RHÔNE
- DANISCO
- FRANCE TELECOM
- GROUPE GALERIES LAFAYETTE
- HÔTEL HILTON
- ICADE
- LAFARGE
- LA POSTE
- MBDA EADS
- MERCK
- NATIXIS
- OCDE
- UGAP

LONG-TERM CONTRACTS*

- CENTRE HOSPITALIER LABORIT
- CENTRE HOSPITALIER - LAVAL
- CENTRE HOSPITALIER DE SAINT NAZAIRE
- CENTRE HOSPITALIER NATIONAL OPHTALMOLOGIQUE DES QUINZE VINGTS
- CENTRE HOSPITALIER RENÉ DUBOS - PONTOISE
- HÔTEL DE POLICE - MEAUX
- MINISTÈRE DES AFFAIRES ÉTRANGÈRES - PÔLE D'ACTIVITÉ DIPLOMATIQUE

*Contract including financing, design, construction and maintenance, linking the Public Entity (state, municipality, health authority) to a project firm or emphyteutic lease arrangement consisting of a group of partners that includes MTO-EUROGEM.

SAFETY, SECURITY, SURVEILLANCE

Premises security/Reception, security screening, central security station manning, event services, security for sensitive and classified sites, patrol and intervention services, audits and advisory... Under the Lancry brand, ATALIAN's Safety and Security services have long been synonymous with quality and trust. A leader in the French market, ATALIAN Sécurité has seen its revenue climb from €109 million to €125 million.

MILESTONES 2013

€125 M
REVENUE

4,000
EMPLOYEES

12 BRANCHES
7 OF WHICH ARE OVER 10 YEARS OLD

5 TH LARGEST OPERATOR
IN SECURITY IN FRANCE

90%
SATISFIED CUSTOMERS

Customer References

ADMINISTRATIVE SITES/ HEADQUARTERS
- FNAC
- DIOR PARFUMS
- CBRE
- GAÏA

SERVICES
- ACCOR
- DISNEY
- LA POSTE
- FRANCE TELECOM
- FRANCE TÉLÉVISIONS
- PARIS SAINT-GERMAIN

TRANSPORTATION
- SNCF
- RTE
- HERTZ
- SEDP/RATP
- AD TOULOUSE

INDUSTRIAL SITES
- TRAPIL
- PSA
- TOTAL
- LAFARGE CIMENTS
- BOSCH
- SCHLUMBERGER
- EDF

RETAIL
- CARREFOUR
- PPR
- MONOPRIX
- CONFORAMA
- LEROY MERLIN
- LECLERC
- SYSTEM U
- GROUPE GALERIES - LAFAYETTE
- PRINTEMPS

BANKS & INSURANCE
- BNP PARIBAS
- AXA
- CREDIT AGRICOLE
- CAISSE DES DÉPÔTS ET CONSIGNATIONS
- GOLDMAN SACHS
- GROUPAMA
- NATIXIS
- BPCE

LABORATORIES
- ASTRAZENECA
- SANOFI-AVENTIS
- BOEHRINGER
- FRÉSENIUS

PUBLIC CONTRACTS
- CPAM
- MINISTÈRE DES FINANCES
- CH DE LENS

MEETING WITH RICHARD TRANCHE

President of ATALIAN Sécurité

At the heart of our business is our customers' trust, and with that the management of our teams who work on our customers' sites. Knowledge and recognition of our security guards are essential in our business. We must be close to them, to manage the incidents they encounter daily during their working hours. Some 75% of our business covers nights or weekends!

Being highly efficient in security, also means having the right tools for time management and for monitoring day-to-day activity. The trust in our teams and in their management ability has certainly played a decisive role in our 23% growth in sales this year. We are confident for 2014, as the security market is growing and our customers include several key accounts, with needs which are economically or structurally growing. Carrefour, the SNCF with Paris Gare du Nord (3rd busiest train station in the world), France Telecom, FNAC, Monoprix and EDF that wiill streamline four of its plants and whose needs are ever growing. We are prepared: we have already hired the right people to tackle this constant growth.

RECEPTION

For 21 years, the CITY ONE Group has won the trust of major manufacturing corporations thanks to its innovative approach to the organization and management of Reception activities. Today, CITY ONE is ATALIAN's exclusive partner and manages its Reception business.

MILESTONES 2013

€117M REVENUE

3,400 EMPLOYEES

21 YEARS OF EXPERIENCE

2ND LARGEST OPERATOR IN FRANCE

Customer References

CITY ONE RECEPTION

- FRANCE TÉLÉVISIONS
- DASSAULT
- BANQUE LAZARD

CULTURAL RECEPTION SERVICES

- MAISON DE LA CULTURE DU JAPON À PARIS
- RENNES MÉTROPOLE
- LA CINÉMATHÈQUE FRANÇAISE

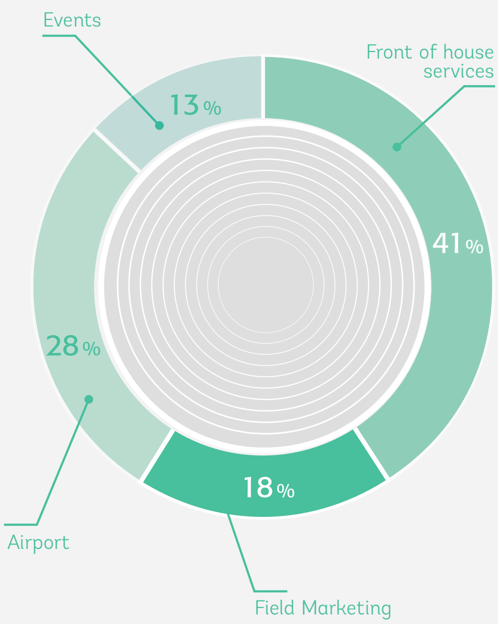
SALES PROMOTION INITIATIVES

- L'ORÉAL
- PERNOD RICARD
- FFA

AIRPORT RECEPTION SERVICES

- ADP
- ACNA
- AIR FRANCE

BREAKDOWN OF ACTIVITY



MEETING WITH SOPHIE PÉCRIAUX-JULIEN

President of City One

For over 23 years our priority has been client satisfaction. This satisfaction is attained through proximity, flexibility, listening to our clients, and also creativity. It's our ability to think outside the box, to anticipate our clients' needs that now enables us to offer a complete, diversified and homogenous range of services in France, Belgium and Luxembourg. Our €117 million turnover in 2013, and our 10% growth already achieved in 2014 have placed us as the second biggest player on the French market.

City One is an independent group, which strives off excellence and service, two values that ensure we are responsive enough to roll out our diversification strategy. We thus operate in various different areas such as:
Reception desks, event host staffing, sales promotion, cultural event host staffing, airport and train station welcoming staff.
We maintain our position amongst the leaders in the hospitality industry by building win-win relationships with our clients, our teams, and our partners; efficient exchanges in which each party finds its place and is valued as it should be. A winning strategy, as our clients have rewarded us with a 98% satisfaction rate.

"It's our ability to think outside the box, that now enables us to offer a complete, diversified and homogenous range of services"

LANDSCAPING

Size and tree care, pruning, "Activasport" smart fertilization, guying, thermal weed control, mulching, eco-pasturing, reforestation, tree management, protection and rehabilitation of natural sites... Pinson Paysage has been a leading landscaper for over a century.

MILESTONES 2013

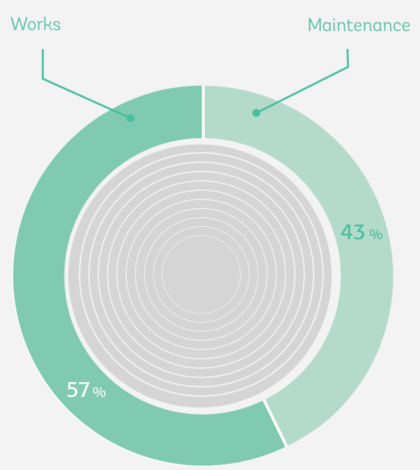
€62 M
REVENUE

650
EMPLOYEES

2ND LEADING PLAYER LANDSCAPING IN FRANCE

1,575 PROJECTS
IN 2013 (AND 4,150 STUDIES)

BREAKDOWN OF ACTIVITY



Customer References

MUNICIPALITIES
- DOMONT
- ENGHIEN LES BAINS
- PARMAIN

CORPORATE HEADQUARTERS
- GROUPAMA
- LAFARGE
- LA MONDIALE

LEISURE
- PARC ASTERIX
- DISNEYLAND PARIS

STADIUMS
- DOMONT
- GARGENVILLE
- SARCELLES

URBAN COMMUNITIES
- SAINT QUENTIN
- EN YVELINES
- CERGY PONTOISE

MEETING WITH THIERRY BRÉMENT

President of ATALIAN Espaces Verts

The landscaping business is extremely fragmented and largely subject to the weather. This sector is valued at €5 billion in France, 42% for private individuals, and 58% for public and private contracts which is our business segment.

It is served by 28,400 companies in France, 90% of which have fewer than 10 staff and it employs 92,000 people.

These figures are key to understanding how we work and how we differ from competition. ATALIAN's Landscaping division is made up of 650 people who bring added value to our customers, following specifications rigourously in liaison with our design offices. This enabled us to win market share and increase our sales by 13.5% (and EBITDA by 25%) this year.

Another reason for satisfaction is that in France, we won €245 million of competitive tenders (versus €209 million the previous year) with a final conversion rate of nearly 21%!

So we are confident about the future!

> "Another reason for satisfaction is that in France, we won €245 million of competitive tenders"

OUR STRENGTHS

- **Regional and national sites,** combined with international projects
- A **QHSE policy** that guarantees the safety of our employees and the public
- A **dedicated organization** (design office, supervision structures, field teams, training service)
- Highly efficient technical **resources and equipment** with an integrated maintenance workshop

QUALIFICATIONS AND GUARANTEES

Qualipaysage, Qualigolf, Qualisport, ISO 9001 version 2008, Certificates (phytosanitary,...), Certiphyto, MASE..., Member of UNEP, Member of the Regesports Group, F2S

PARQUET FINISHING & FLOOR COVERINGS

Flooring, parquets, paint and wall coverings, masonry, joinery and premises refurbishment, plumbing and heating systems, troubleshooting and maintenance... Our position as contractor for the finshing industries, our ability to meet deadlines and budgets, the excellent finish and recognized quality of our services have all led to a 7% increase in sales this year.

MILESTONES 2013

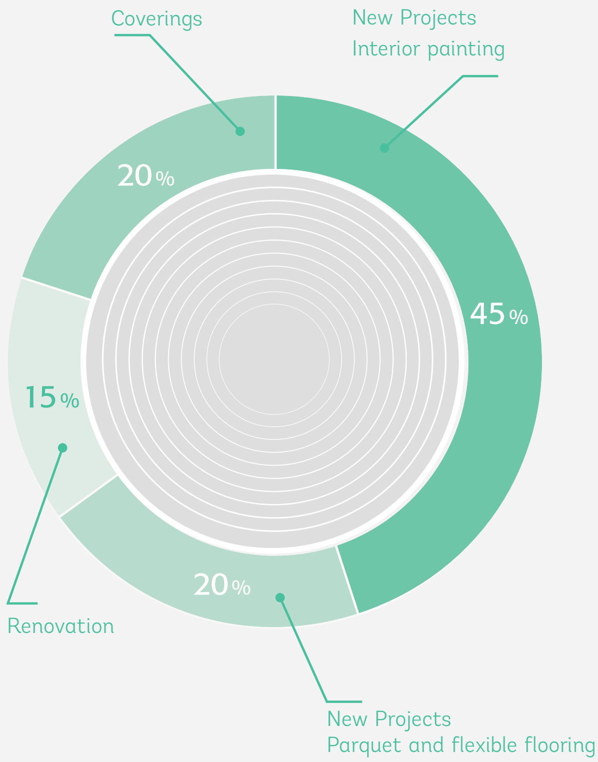
€20M

REVENUE

200

EMPLOYEES

BREAKDOWN OF ACTIVITY (% OF SALES)



MEETING WITH SERGE VIVIER

President of ATALIAN Peinture, Parquet et Revêtement de sol

We are mainly present in the finishing business. Our customers are key players in construction: Bouygues, Eiffage, Vinci, and other developers/construction players such as BNP Immobilier, Kaufman & Broad et Cogedim...

Every year we win new customers, and our existing ones such as SPIE SCGPM trust us with an increasing number of projects. Our center of gravity remains the Ile de France region, because regardless of the economic climate, for demographic reasons alone, this zone is always a booming market.

As a result, our sales are growing, and I am proud to say that with close to 12% EBITDA, we are one of the highest-performing businesses in the Group. And we are going to stay that way!

Customer References

- LE PETIT PALAIS
- MUSÉE GREVIN
- ECOLE BOULLE
- BOUYGUES BÂTIMENT
- KAUFMAN & BROAD
- EIFFAGE CONSTRUCTION
- VINCI
- BNP PARIBAS IMMOBILIER
- NEXITY
- CRÉDIT AGRICOLE IMMOBILIER
- SOGEPROM
- ALTAREA
- COGEDIM

AIRPORT SERVICES

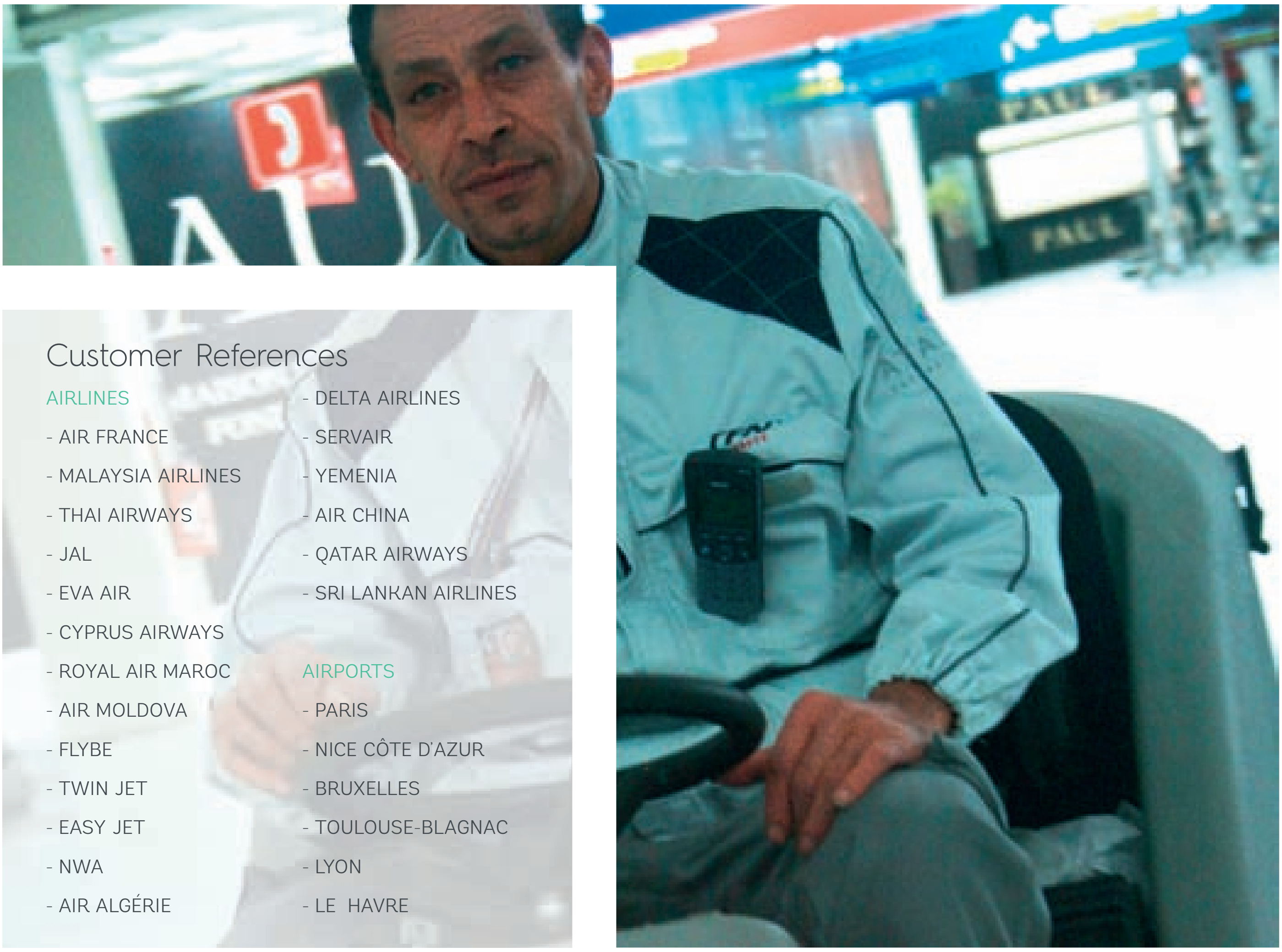
Runway assistance and baggage handling, passenger assistance, installation of cabin equipment (blankets, pillows, earphones, etc.) and cabin cleaning, baggage handling and sorting, taxi rank management, VIP services, etc.

MILESTONES 2013

€90M

REVENUE

IN AIRPORT INTERVENTIONS FOR ALL ACTIVITIES



Customer References

AIRLINES

- AIR FRANCE
- MALAYSIA AIRLINES
- THAI AIRWAYS
- JAL
- EVA AIR
- CYPRUS AIRWAYS
- ROYAL AIR MAROC
- AIR MOLDOVA
- FLYBE
- TWIN JET
- EASY JET
- NWA
- AIR ALGÉRIE
- DELTA AIRLINES
- SERVAIR
- YEMENIA
- AIR CHINA
- QATAR AIRWAYS
- SRI LANKAN AIRLINES

AIRPORTS

- PARIS
- NICE CÔTE D'AZUR
- BRUXELLES
- TOULOUSE-BLAGNAC
- LYON
- LE HAVRE

TRANSPORTATION & LOGISTICS

Logistics and storage, order preparation, chartering, handling, product packaging...

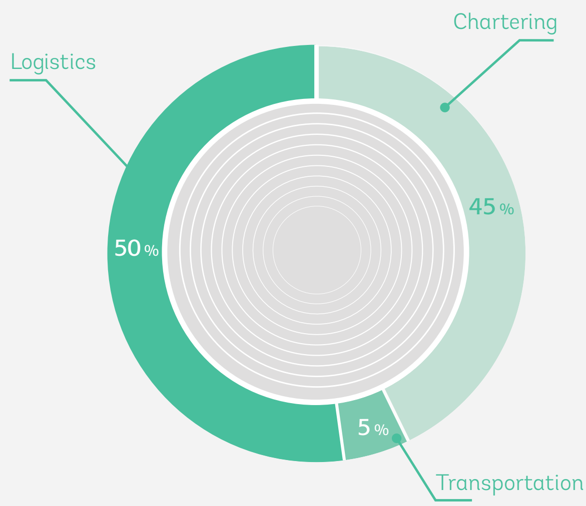
MILESTONES 2013

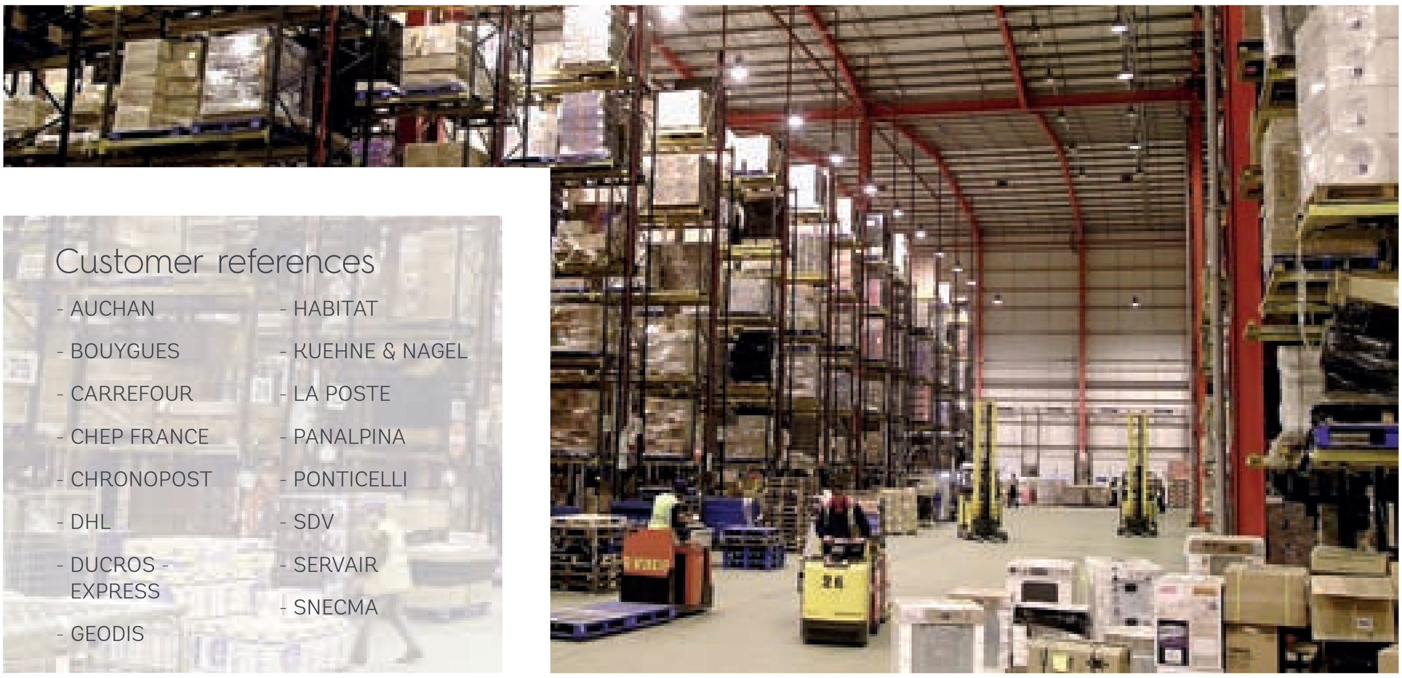
€28M REVENUE

50,000M² WAREHOUSE STORAGE

300 EMPLOYEES

BREAKDOWN OF ACTIVITY





Customer references

- AUCHAN
- BOUYGUES
- CARREFOUR
- CHEP FRANCE
- CHRONOPOST
- DHL
- DUCROS - EXPRESS
- GEODIS
- HABITAT
- KUEHNE & NAGEL
- LA POSTE
- PANALPINA
- PONTICELLI
- SDV
- SERVAIR
- SNECMA

For 20 years, ATALIAN has demonstrated that it is possible to reconcile strong economic growth, social progress and environmental protection.

As this is a guarantee of the quality and sustainability of its business, the Group is continuing this strategy...

4

SENSE OF RESPONSIBILITY

MEETING WITH TAYEB BELDJOUDI

QSE Director of the ATALIAN Group

WHY IS ATALIAN COMMITTED TO ISO 26000?

To go further! Our business primarily covers technical trades, which require certification to guarantee expertise. Our Environment Management System, implemented at certain sites enables us to strengthen our environmental awareness through more ambitious deployment on other sites. In addition, our environmental and social practices as a supplier are already evaluated by some of our Key Accounts via the EcoVadis collaborative platform, a tool for assessing our Sustainable Development performance. It therefore seemed timely to make this a Group-wide assessement initiative.

THIS IS A COMPLEX AND AMBITIOUS PROJECT. IS THE WHOLE COMPANY BEHIND IT?

We took the first step by signing a Quality-Safety-Environment Charter in October 2011. This sets out the framework for all Group entities and alongside customer satisfaction, prioritizes the health and safety of our people and protection of the environment. It also advocates a management style of leading by example and a true corporate culture based on these principles and eco-citizenship.

It certainly is a complex project. It brings our eight businesses together. The initiative for an assessment was developed in conjunction with the Human Resources Department and management from Business Development and Customer Relations. Its scope extends to the Group's stakeholders, notably institutions, service providers and customers.

THE GLOBAL COMPACT
WE SUPPORT

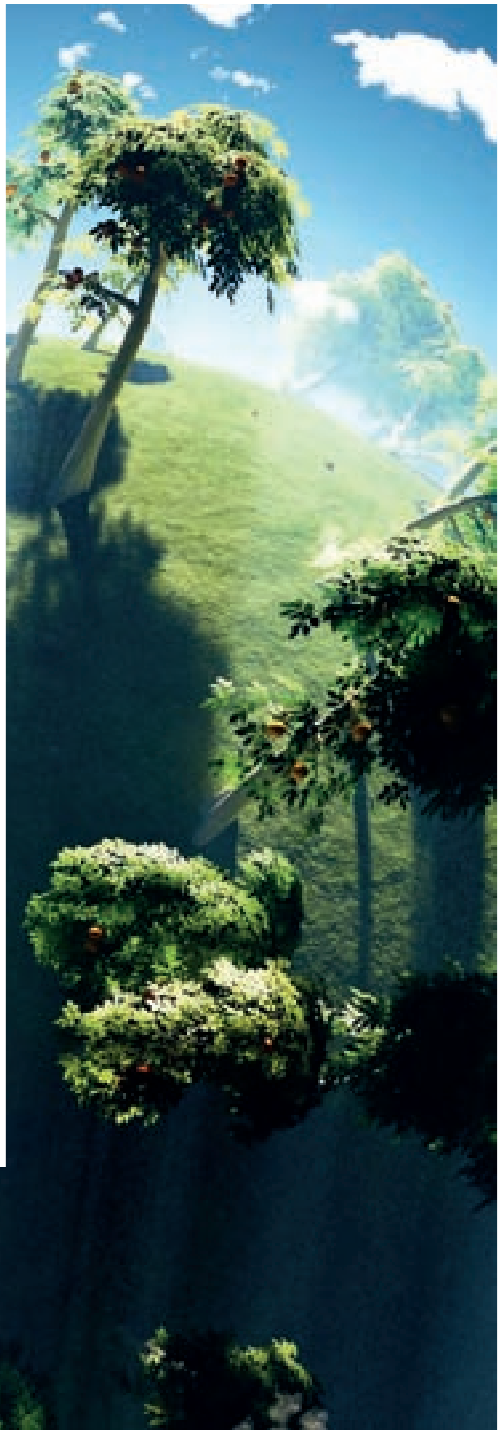
This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact.**

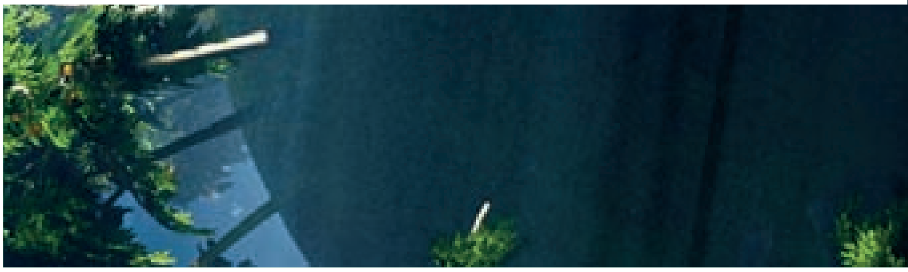
We welcome feedback on its contents.

Since 2012, ATALIAN has been a signatory of the United Nations Global Compact. Through this initative, the Group affirms its commitment to the 10 founding principles, grouped into four fundamental themes: human rights, labor standards, the environment and the work against corruption.

ATALIAN'S CODE OF ETHICS

The commitment shown by ATALIAN's senior management to the Group's Code of Ethics provides a shared vision of sound professional conduct that reflects the culture and values of the Group: entrepreneurial spirit, integrity, long-term responsibility, adaptability and simplicity.





ISO 26 000: an initiative that fosters a culture of eco-citizenship and provides a global, consistent means of evaluation. With certifications such as ISO 9001:2008 (Quality), MASE (Safety, Security and Environment) and ISO 14001 (Environment) for certain entities, ATALIAN is unifying its global Quality, Safety, and Environment policy.

For over a year, the Group has engaged in a global eco-environmental evaluation process that incorporates the ethical dimension of social responsibility, as laid out by the new ISO 26000 international standard.

SOCIAL & SOCIETAL COMMITMENTS

Our employees work on our customers premises, not on our premises. Issues or problems that we do not see, that have not been discussed or anticipated, will be felt by our customers. For ATALIAN, respect for individuals and recognition of the work accomplished are more than simple words in a charter. It is how we behave on a daily basis and a question of culture that we share with our teams, whether in France or elsewhere.

MILESTONES 2013

44 % MEN

WOMEN 56 %

+60,000 EMPLOYEES

131 NATIONALITIES

192,889 H TRAINING IN 2012

TRAINING TO BOOST LOYALTY, QUALIFICATIONS AND EMPLOYABILITY

ATALIAN is a group on the move: our businesses are too. To anticipate change, support the development of new business sectors and promote the integration and personal development of all its employees, the Group has been reorganized and is continually strengthening its training policy.

A large number of occupations today do not correspond to specific study courses. Work/study programs and vocational training contracts are an excellent way of training young people, creating a pool of candidates for our medium-term hiring needs.

A PARTNERSHIP WITH IDRAC

To pursue its school-to-work transition program, ATALIAN has teamed up with IDRAC, a multi-campus business school with locations in 10 major cities in France. The objective is to offer high school graduates who already have a two-year university level, a vocational training program, leading to a degree.

This paid training program will enable young people with a vocational training contract to obtain a state-certified diploma, equivalent to three years higher education. At the end of their training, they can apply for a permanent job as a Junior Operations Manager within the Group.

With this partnership, employees are encouraged, along with the teachers at IDRAC, to offer courses applicable to the Group. This original approach anchors ATALIAN's values right from the start of the course and facilitates the students' future professional integration.

AN INTEGRATED TRAINING CENTER

Created in 2011, FORMATIO harmonizes know-how across all the international subsidiaries, to raise the quality of our services and ensure long-term customer satisfaction.

Based in the Czech Republic, FORMATIO offers technical training in each of the Group's activities (Cleaning, Safety, Technical Maintenance, etc.) in addition to specific training for strategic functions such as Commerce, Finance, Procurement, Reception, etc.

PROMOTING DIVERSITY AND INCLUSION

Men, women, young, not so young, engineers, non-graduates, French, other nationalities, people with disabilities... At ATALIAN, diversity is part of our structure. It is not an objective, but a fact. Moreover, it is a source of pride: the nature of our businesses allows us to open doors to the job market, for many people struggling to enter employment.

OUR INCLUSION AND DISABILITY MISSION

The Recruitment and Employment department centralizes the recruitment of managers for the entire Group. The Inclusion and Disability Mission is part of the Group's HR department, providing advice and support for recruitment in different regions.

To go one step further and contribute to a better global Corporate Social Responsibility (CSR) initiative for the Group, efforts are being made to harmonize procedures between regional agencies. This will primarily include extended annual reporting for all businesses, to obtain consolidated indicators on disability and inclusion.

A pioneer in this initiative, the Cleaning business (accounting for nearly two thirds of total employees) has already set up monthly reporting , showing a consolidated ratio of 7.3% of employees with declared disabilities, far higher than the legally required 6%.

To assist ATALIAN's regional HR managers in developing good practices, the mission provides a dedicated tool: the Disability diagnosis.
The development of work/study contracts constitutes another major challenge for the inclusion of job seekers. To encourage inclusion contracts, regional HR teams schedule meetings with schools, apprenticeship centers and training bodies. This partnership model is already operational in the Ile-de-France region.

KEEPING SENIORS IN EMPLOYMENT

At ATALIAN, nearly 30% of employees are seniors (over 45) who joined the company 15 or 20 years ago. Their experience is an important advantage for the Group. Consistent with this, ATALIAN fully respects the Seniors Agreements signed in 2009. In line with these agreements, ATALIAN is commited to maintaining the same level of senior employees and to ensuring that more than 5% of hires are seniors. More specifically, the Group has institutionalized a mentoring program and closely monitors the individuals involved (training for job changes, rearranging working conditions, etc.).

SAFETY IN THE WORKPLACE: CONSTANT TRAINING AND AWARENESS

A priority for the Group, safety in the workplace is part of ATALIAN's culture. It is reiterated through information campaigns and continuous training. Since 1998, the Group uses a Safety Management System (SMS) based on the industry-standard occupational safety improvement manual MASE (Manuel d'Amélioration Sécurité des Entreprises). One in 20 employees is a certified first aid officer. Training is given at ATALIAN's internal training center. Industrial risk reduction plans are rolled out on a continual basis and a panel of experts accompanies teams throughout France. ATALIAN also regularly holds "Safety Discussions".

ENVIRONMENT/ SUSTAINABLE DEVELOPMENT

To ensure that economic growth is not detrimental to the environment, ATALIAN continues to improve its practices and asses its performance...

MILESTONES 2013

30%

OF THE PRODUCTS USED
IN OUR CLEANING BUSINESSES
ARE ECOLOGICALLY FRIENDLY

USE OF ECO-EFFICIENT PAPER

REDUCES TREE FELLING BY 37% AND PRODUCES 13% LESS WASTE

17 CONIBI* COLLECTION POINTS

FOR RECYCLING OFFICE WASTE

*Consortium specializing in the collection and recycling of printer consumables

10%

TARGET FOR GREENHOUSE
GAS REDUCTION OVER
3 YEARS

100%

OF OUR LANDSCAPING
OPERATIONS HAVE OBTAINED
THE CERTIFPHYTO
CERTIFICATE

TRAIN, INVOLVE AND INCREASE THE RESPONSIBILITY OF OUR TEAMS

Training plays a key role in adopting the right behavior, to provide our customers with added value. Our people are continually reminded of good environmental practices – key topics include product recyclability and waste recovery.

For companies, waste sorting and recycling has become a prime element in economic performance. Some of our customers are able to recycle up to 80% of their waste: quite significantly, saving hundreds and even thousands of euros.

Because environmental protection means implementing good practices as well as the small gestures that make a difference, we also regularly ask our teams in the field to submit suggestions for improving our operations.

LIMITING OUR ENVIRONMENTAL IMPACT

At our customers' premises, our main actions consist of reducing our consumption of raw materials, water, power and reducing toxic emissions. The use of clean vehicles, EU Ecolabel* products, using water to clean windows, and recyclable waste sorting are part of our day-to-day actions. Our ISO 14001 and 18001 initiatives are the foundations that confirm the Group's eco-efficiency.

On our own sites, we commit to communicating transparently on our environmental impact. In 2013 for the second year running, ATALIAN produced **a report on the Greenhouse Gas impact** of its various businesses. It followed the "Method for producing greenhouse gas emission reports" in the carbon audit tool Bilan Carbone® V 7.1.02.

The report follows MEDDTL guidelines (French Ministry of Ecology, Sustainable Development, Transportation and Housing) entitled "Method for producing greenhouse gas emissions reports in accordance with article 75 of law 2010-788 of July 12, 2010, on the national commitment to the environment (ENE) – Version 2".

* EU: the official Europe-wide ecolabel is the only label that guarantees the efficiency of products and the limitation of their environmental impacts (water, air, waste, energy).

RESULTS OF ATALIAN'S GREENHOUSE **GAS EMISSIONS REPORT**

	CLEANING	SAFETY	MULTI-TECHNICAL	LANDSCAPING
Combustion engines	4,824	248	359	85
Cooling fluid	36	4	51	0
Electricity consumption	182	34	48	10
TOTAL	5,042	286	458	95
TOTAL after 10% reduction	4,538	257	412	86

*The unit of value used in the table is "tonnes of CO2 equivalent" abbreviated as "TCO2e"

A PROACTIVE POLICY OF CERTIFICATION

CLEANING & ASSOCIATED SERVICES

ISO 9001 VERSION 2008

OHSAS 18001

ISO 14001

M.A.S.E (SECURITY IMPROVEMENT MANUAL)

CERTIPHYTO

ACTIVITÉS 3D

TRANSPORTATION

ISO 9001 VERSION 2008

ECOCERT

RECEPTION

NF SERVICE

SECURITY

ISO 9001 VERSION 2008

MASE (SECURITY IMPROVEMENT MANUAL)

TECHNICAL & CONSTRUCTION SERVICES

QUALIBAT

QUALIFELEC

MASE 9001, VERSION 2008

HQE BUILDING OPERATIONS

LANDSCAPING

ISO 9001 VERSION 2008

QUALIPAYSAGE

QUALISPORT

QUALIGOLF

MASE

CERTIPHYTO

NUCLEAR

CEFRI E

UTO 85-114

CEFRI

ISO 9001
BUREAU VERITAS
Certification

MASE

QualiPaysage
Organisme de Qualification des Entreprises du Paysage

Quali sport

QUALIGOLF

QUALIFELEC

2014
CSR Rating
ecovadis

afaq
ISO 9001
Qualité
AFNOR CERTIFICATION

afaq
ISO 14001
Environnement
AFNOR CERTIFICATION

afaq
OHSAS 18001
Santé Sécurité au Travail
AFNOR CERTIFICATION

The ATALIAN Group continues its growth both in France and abroad with a €1,206 million turnover in FY 2012-2013, up by 3%.

The €150M point (+19%) has been reached on our international markets, with the inauguration of our new and first ever subsidiary in Turkey. We will continue our international development strategy, in particular in Asia, as we firmly believe it is the key to the Group's future success.

In France, our territorial coverage was further developed through the acquisition of Carrard services, as well as two other companies in the Southwest of the country, in June 2013.

We have thus strengthened our regional presence and aim to increase our market shares on the French territory.

EBITDA has reached €75M (highest level ever for the ATALIAN Group) and the WCR has remained stable in a very complex French economic environment.

Over the last year we have also successfully implemented our disintermediation by proceeding to a debt restructuring on the high yield market. By doing so, the ATALIAN Group has entirely refinanced its debt through a 250 million euro bond issue at a 7.25% rate, quite a success for a family-owned group. Moreover, we opened the issue to the European market in 2013, and our bond is currently performing at a 5.56% rate. We will remain driven and confident in 2014 in order to reach our goals.

5

FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

Robert Mirri
18, rue Spontini
75016 Paris

Statutory Auditors' report on the consolidated financial statements

For the year ended 31 August 2013

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

La Financière Atalian SAS
110, rue de l'Ourcq
75019 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 August 2013, on:
- the audit of the accompanying consolidated financial statements of La Financière Atalian;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Chairman. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 August 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the following matters set out in the notes to the consolidated financial statements:

- Note 2.3 describes 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. This note indicates that these errors are due to certain long-term leases of operating equipment, which are now treated as finance leases rather than operating leases as was previously the case, as well as errors identified in prior-year calculations of provisions for paid leave of the employees of certain subsidiaries. These errors were identified when reliability tests were conducted during the year on the pay systems of the subsidiaries concerned. The impact of these corrections on the consolidated financial statements is as follows:

- With respect to the corrections relating to long-term leases: "Equity attributable to owners of the parent" decreased by €0.05 million at 31 August 2011; "External charges" for the 2011-2012 financial year decreased by €1.5 million with a contra-entry recognised as an increase in "Depreciation and amortisation, net" and "Financial expenses" of €1.1 million and €0.3 million respectively. Accordingly, "Profit attributable to owners of the parent" increased by €0.2 million. "Property, plant and equipment" increased by €5.0 million at 31 August 2012. Accordingly, "Long-term financial liabilities" and "Short-term portion of long-term financial liabilities" increased by €2.8 million and €1.9 million respectively.
- With respect to corrections relating to paid leave: "Equity attributable to owners of the parent" decreased by €0.8 million at 31 August 2011 with a contra-entry recognised in payables to employees.

• Note 2.2.2b ("Long-term provisions") which describes the impact on the consolidated financial statements of the first-time application of IAS 19R – Employee Benefits, which your company elected to early adopt.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

• The Group systematically tests goodwill and assets with indefinite useful lives for impairment at the end of each financial year and also determines whether there is an indication of impairment of non-current assets. We reviewed the methods used by the Group to test for impairment and the cash flow forecasts and assumptions used, and verified that Note 2.2.1.a ("Non-current assets") and Note 3.1 ("Goodwill") provided appropriate disclosures.

• The Group recognises deferred tax assets in accordance with the methods described in Note 2.1.5 ("Current and deferred income tax"). We verified the consistency of the assumptions used and the calculations made by the Group.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information relating to the Group presented in the management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, 4 December 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	Robert Mirri
Eric Bertier	

CONSOLIDATED BALANCE SHEET 31 AUGUST 2013

in thousands of euros

ASSETS	Note	31 Aug. 2013	31 Aug. 2012 restated(1)
Goodwill	3.1	403,819	377,113
Intangible assets	3.2	8,166	9,192
Property, plant and equipment	3.3	43,059	45,465
Other non-current financial assets	3.4	12,418	7,744
Deferred tax assets	7.1	48,907	48,020
NON-CURRENT ASSETS		**516.369**	**487.534**
Inventories	4.1	2,201	2,652
Prepayments to suppliers	4.2	4,980	2,247
Trade receivables	4.3	212,405	295,538
Other receivables	4.3	1,196	795
Cash and cash equivalents	4.3	85,649	67,338
Financial instruments	4.5	52,641	29,721
CURRENT ASSETS		**359,072**	**398,291**
Assets held for sale and discontinued operations			
TOTAL ASSETS		**875,441**	**885,825**

EQUITY AND LIABILITIES	Note	31 Aug. 2013	31 Aug. 2012 restated(1)
Equity			
• Share capital	5.1	117,363	122,674
• Share premium and other reserves		(1,681)	15,888
• Translation reserve	5.2	(30)	335
• Fair value reserves	5.2		(1,804)
• Profit for the period		7,006	11,105
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**122,658**	**148,198**
Non-controlling interests		7,815	6,249
TOTAL EQUITY		**130,473**	**154,448**
Long-term financial liabilities	8.1	258,214	196,223
Long-term provisions	6.1	6,190	6,147
Deferred tax liabilities	7.1	129	145
NON-CURRENT LIABILITIES		**264,533**	**202,515**
Customer prepayments	10.1	620	914
Short-term portion of long-term financial liabilities	8.1	34,611	119,581
Current tax liabilities	10.1	2,718	5,294
Trade payables	10.1	122,149	105,965
Short-term provisions	6.2	18,193	19,534
Other current liabilities	10.1	300,416	271,200
Short-term bank loans and overdrafts	10.2	1,728	3,541
Financial instruments	10.3 / 15		2,833
CURRENT LIABILITIES		**480,435**	**528,862**
Liabilities related to assets held for sale and discontinued operations			-
TOTAL EQUITY AND LIABILITIES		**875,441**	**885,825**

(1) The figures presented in the consolidated balance sheet at 31 August 2012 have been restated to take into account the error corrections and IAS 19R applying, described in Note 2.3.

CONSOLIDATED INCOME STATEMENT 31 AUGUST 2013

in thousands of euros

ASSETS	Note	31 Aug. 2013	31 Aug. 2012 restated[1]
REVENUE	11	**1,206,199**	**1 172 945**
Goodwill		(226,524)	(214,515)
External charges		(128,151)	(131,486)
Payroll costs		(760,368)	(742,902)
Taxes other than on income		(20,373)	(18,396)
Other recurring operating income		11,922	11,520
Other recurring operating expenses		(7,781)	(6,950)
RECURRING OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT LOSSES		**74,924**	**70,216**
Depreciation and amortisation, net		(20,240)	(18,942)
Provisions and impairment losses, net		3,240	(896)
RECURRING OPERATING PROFIT	12	**57,924**	**50,378**
Other operating income			3 294
Other operating expenses			
OPERATING PROFIT	12	**57 924**	**53 672**
Financial income		103	177
Financial expenses		(35,715)	(25,201)
FINANCE COSTS, NET	13	**(35,612)**	**(25,024)**
Other financial income and expenses		(1,474)	(694)
NET FINANCIAL EXPENSE	13	**(37,086)**	**(25,718)**
Income tax expense	14	(13,178)	(15,770)
Share of profit (loss) of associates		441	(292)
PROFIT FROM CONTINUING OPERATIONS		**8,101**	**11,892**
Profit for the period from discontinued operations		0	0
PROFIT FOR THE PERIOD		**8,101**	**11,892**
Profit attributable to owners of the parent		**7,006**	**11,105**
Profit attributable to non-controlling interests		**1,095**	**787**

(1) The figures presented in the consolidated income statement for the year ended 31 August 2012 have been restated to take into account the error corrections and IAS 19R applying, described in Note 2.3.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 31 AUGUST 2013

in thousands of euros

	31 Aug. 2013	31 Aug. 2012 restated(1)
PROFIT FOR THE PERIOD	**8,101**	**11,892**
Exchange differences on translating foreign operations	(365)	(35)
Change in value of hedging instruments	2,833	(1,705)
Change in value of available-for-sale financial assets		
Change in value of non-current assets		
Taxes on equity transactions	(1,029)	587
Other net changes		
Change in actuarial gains or losses IAS 19R		(439)
EQUITY WARRANT BUY-BACK	(359)	(859)
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	1,080	(2,451)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**9,181**	**9,441**
Attributable to owners of the parent	**8,086**	**8,654**
Attributable to non-controlling interests	**1,095**	**787**

(1) The figures presented in the consolidated income statement for the year ended 31 August 2012 have been restated to take into account the error corrections and IAS 19R applying. described in Note 2.3.

CONSOLIDATED STATEMENT OF CASH FLOWS - 31 AUGUST 2013

in thousands of euros

GOODWILL	31 Aug. 2013	31 Aug. 2012 restated[1]
A - OPERATING ACTIVITIES		
Cash generated from operations:		
· Profit from continuing operations	8,101	11,892
· Elimination of share of profit (loss) of associates	(441)	292
· NON-CURRENT ASSETS		
· Elimination of net additions to (reversals of) depreciation, amortisation, impairment and long-term provisions»	17,200	19,610
· Elimination of gains and losses on asset disposals	(2,395)	(4,676)
· Elimination of other non-cash items	50	(3,135)
Total cash generated from operations	**22,515**	**23,983**
· Elimination of net finance costs	35,612	25,024
· Elimination of income tax expense for the period	13,178	15,770
· Elimination of post-acquisition dividends received		
Cash generated from operations before financial expenses and tax	**71,305**	**64,777**
· Income tax paid	(18,433)	(12,563)
· Change in operating working capital	85,861	11,195
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**138,733**	**63,409**
B - INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(12,211)	(14,346)
Change in net payables due on property, plant and equipment and intangible assets		
Proceeds from sales of property, plant and equipment and intangible assets	1,348	6,210
Impact of changes in Group structure		
· Purchases of consolidated companies less cash held by subsidiaries acquired or sold	(4,329)	(6,790)
· Change in net payables due on consolidated companies		
· Proceeds from sales of consolidated companies		
· Other cash flows from investing activities (changes in loans, dividends received from non-consolidated companies)	436	(713)
NET CASH USED IN INVESTING ACTIVITIES (B)	**(14,756)**	**(15,639)**
C - FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	(11,000)	
Equity warrant buy-back	(19,200)	
Dividends paid during the period		
· Dividends paid to shareholders of the parent company	(3,000)	(3,000)
· Dividends paid to non-controlling interests in consolidated companies		
Proceeds from new borrowings	241,337	32,895
Repayments of borrowings	(260,797)	(46,765)
Finance costs, net	(35,612)	(25,024)
Non-cash interest expense	11,725	10,559
Capitalised interest from prévious period, paid	(22,701)	
Other cash flows from financing activities	23	
NET CASH USED IN FINANCING ACTIVITIES (C)	**(99,225)**	**(31,335)**
D - EXCHANGE GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS (D)	**(19)**	**(42)**
CHANGE IN NET CASH AND CASH EQUIVALENTS (A+B+C+D)	**24,733**	**16,393**
Net cash and cash equivalents at the begining of the period	**26,180**	**9,787**
(1) The figures presented in the consolidated balance sheet at 31 August 2012 have been restated to take into account the error corrections and IAS 19R applying, described in Note 2.3.	24,733	16,393
NET CASH AND CASH EQUIVALENTS AT THE PERIOD-END	**50,913**	**26,180**

(1) The figures presented in the consolidated income statement for the year ended 31 August 2012 have been restated to take into account the error corrections and IAS 19R applying, described in Note 2.3.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - 31 AUGUST 2013

Milliers d'euros

PART GROUPE	Share capital and share premium	Reserves/ Retained earnings	Profit for the period	Trans-lation reserve	Fair value reserves	EQUITY ATTRIBU-TABLE TO OWNERS OF THE PARENT	Non-controlling interests	TOTAL EQUITY
AT 31 AUGUST 2011	127,728							
Error correction		(820)	48			(772)	(89)	(861)
AT 31 AUGUST 2011 (RESTATED) (1)	127,728	1,144	14,574	370	(686)	**143,130**	5,456	**148,586**
Other changes in equity								
Appropriation of FY 2011 profit		14,574	(14,574)					
Dividends paid		(3,000)				(3,000)		(3,000)
Translation differences				(35)		(35)		(35)
Profit for the period			10,029			10,029	763	10,792
Income and expenses recognised directly in equity		(436)			(1,118)	(1,554)		(1,554)
PROFIT FOR THE PERIOD AND INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		(436)	10,029	(35)	(1,118)	8,440	763	9,203
Impact of changes in Group structure		(589)				**(589)**	6	**(583)**
AT 31 AUGUST 2012	127,728	11,693	10,029	335	(1,804)	**147,981**	6,225	**154,206**
Error correction			217			217	24	242
EQUITY AND LIABILITIES		(859)	859					
AT 31 AUGUST 2012 (restated)(1)	127,728	10,834	11,105	335	(1,804)	**148,198**	6,249	**154,448**
Other changes in equity	(11,000)	(19,200)				(30,200)		(30,200)
Appropriation of FY 2012 profit		11,105	(11,105)					
Dividends paid		(3,000)				(3,000)		(3,000)
Translation differences				(365)		(365)		(365)
Profit for the period			7,006			7,006	1,095	8,101
Income and expenses recognised directly in equity		(359)			1,804	1,445		1,445
PROFIT FOR THE PERIOD AND INCOME AND EXPENSES RECO-GNISED DIRECTLY IN EQUITY		(359)	7,006	(365)	1,804	8,086	1,095	9,181
Impact of changes in Group structure		(426)				(426)	471	45
AT 31 AUGUST 2013	**116,728**	**(1,046)**	**7,006**	**(30)**		**122,658**	**7,815**	**130,473**

(1) The figures presented in the consolidated statement of changes in equity at 31 August 2012 have been restated to take into account the error corrections and IAS 19R applying, described in Note 2.3.

APPENDICES TO THE CONSOLIDATED ACCOUNTS

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 consolidated financial statements are presented in thousands of euros unless otherwise specified and were approved by the Chairman on 3 December 2013.

At 31 August 2013 the Company's share capital was composed of 117,362,871 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 DURING THE FINANCIAL YEAR

During FY 2012-2013 the Group carried out a major restructuring of its long-term and short-term debt and also reviewed a number of its asset leasing arrangements.

Bond issue
In January 2013 the Group refinanced its long-term debt and reviewed its entire financing structure as shown in Note 8 - «*Long- and short-term financial liabilities*».

As part of this refinancing, on 10 January 2013 the Group issued €250 million worth of bonds redeemable at par on 15 January 2020, with a 7.25% p.a. fixed-rate coupon.

Atalian used the proceeds from the bond issue to repay its various financing facilities set up in 2009, notably a senior bank loan, senior and junior mezzanine debt (*including the buyback of the embedded equity warrants*), and a revolving credit facility which has since been renegotiated and now has available drawdowns of up to €18 million.

The €9.9 million in arranging fees for this new financing are being recognized in net finance costs by the effective interest method over the life of the borrowings, while the €8.1 million in unamortised arranging fees related to the refinanced debt have been written off in full to the income statement under «*Finance costs, net*».

New factoring contract
At the same time as refinancing its long-term debt, the Group also reviewed its trade receivables factoring programme in France which is aimed at financing working capital.

As part of this process the programme's ceiling was increased from €80 million to €130 million and its contractual framework was renegotiated so that the Group can now derecognise a significant portion of its factored receivables.

A description of the characteristics of the Group's factoring contracts in place at the year-end is provided in Note 8.3 - «*Factoring*».

New method of accounting for certain asset leasing arrangements
When the Group restructured its financing it also undertook a major review of its asset leasing arrangements.

In order to perform certain cleaning and multi-service contracts, the Group has to make significant investments in industrial equipment, which are financed either through equity or through finance or long-term leases.

Most of the Group's long-term leases are treated as operating leases.

However, during the review of its leasing arrangements, the Group identified that a number of long-term leases recently entered into concern operating equipment that is similar to that financed with equity or through finance leases and should therefore be accounted for as finance leases, particularly as in practice the Group uses the assets concerned for substantially the whole of their useful lives.

The impact on the Group's financial statements and comparative disclosures of this new method of accounting for long-term leases is provided in Note 2.3 - «*Comparability of the financial statements*».

Business combination - Acquisition of Carrard Services
In June 2013, the Group finalised its acquisition of Carrard Services, a company specialised in cleaning, multi-services and special works which operates throughout France.

The acquisition of Carrard Services - which has 4,500 employees and generated €75 million in revenue in 2012 - has further strengthened Atalian's positions in the cleaning services sector.

The Group acquired control of Carrard Services on 3 July 2013 after the applicable conditions for completion of the deal had been met, notably when clearance had been obtained from the Commercial Court overseeing Carrard Services' bankruptcy protection proceedings (*plan de sauvegarde*).

The impacts of this business combination on the Group's financial statements are presented in Note 3 - «*Non-current assets*».

Also during FY 2012-2013 the Group changed its legal form to become a simplified joint-stock company (*société par actions simplifiée*).

SIGNIFICANT EVENTS AFTER 31 AUGUST 2013

At the Extraordinary General Meeting held on 17 September 2013, the shareholders resolved to reduce the Company's capital by €1,738,290 from €117,362,871 to €115,624,581.

No significant changes in Group structure took place between 31 August 2013 and the issue date of these financial statements.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (IFRS)

The principal accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended 31 August 2013 are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

In compliance with Regulation (EC) No. 1606/2002 of the European Parliament and Council dated 19 July 2002, these consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as at the preparation date, including IASs, IFRSs and the interpretations issued by IFRIC and its predecessor the SIC.

The standards and interpretations adopted by the European Union can be viewed on the European Commission's website at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

A) NEW STANDARDS AND INTERPRETATIONS WHOSE APPLICATION WAS MANDATORY IN FY 2012-2013

The Group has not identified any new standards, interpretations or amendments to existing standards whose application was mandatory for the first time in the financial year ended 31 August 2013, except for the amendments to IAS 1 - Presentation of Financial Statements, which require items of other comprehensive income in the statement of comprehensive income to be grouped into those that may subsequently be reclassified to profit or loss and those that will not be reclassified to profit or loss. The main impact of these amendments for the Group was on the presentation of the statement of comprehensive income.

B) STANDARDS AND INTERPRETATIONS EARLY ADOPTED IN FY 2012-2013

In FY 2012-2013 the Group early adopted the revised version of IAS 19 - Employee Benefits, issued in June 2011 by the IASB and adopted by the European Union in June 2012.

The new standard (IAS 19R) eliminates (i) the option of using the corridor method in accounting for actuarial gains and losses on defined benefit plans, and (ii) the possibility of deferring the recognition of past service cost. Actuarial gains and losses on defined benefit plans now have to be recognised immediately in other comprehensive income (*not reclassifiable to profit*). In the event of a plan amendment, past service cost (*both vested and unvested*) must be recognised in full in profit. IAS 19R also modifies the method for determining the expected return on plan assets and requires additional disclosures about defined benefit plans. The IASB's effective date for IAS 19R is annual periods beginning on or after 1 January 2013, with earlier application permitted.

The impacts of applying IAS 19R are described in Note 2.2.2.b - «*Long-term provisions*».

C) STANDARDS AND INTERPRETATIONS PUBLISHED BUT NOT YET APPLICABLE

In general, apart from IAS 19R the Group has not early adopted any standards or interpretations that have been endorsed by the European Union but whose application was not mandatory in FY 2012-2013.

The Group is currently analysing the impacts of other new and revised standards, notably IFRS 13 - Fair Value Measurement, effective from 1 January 2013, IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements, and IFRS 12 - Disclosure of Interests in Other Entities, as well as the revised versions of IAS 27 - Separate Financial Statements and IAS 28 - Investments in Associates and Joint Ventures, issued by the IASB in May 2011 and adopted by the European Union with an effective date of 1 January 2014.

D) USE OF ESTIMATES

The consolidated financial statements have been prepared according to the historical cost convention apart from certain items, particularly available-for-sale financial assets and derivatives, which are measured at fair value.

The preparation of these consolidated financial statements required Group Management to use certain estimates and assumptions that may have an impact on the reported values of assets and liabilities at the balance sheet date, and on items of income and expense for the period. These estimates and assumptions are reviewed on a continuous basis by reference to past experience, as well as various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results could differ significantly from these estimates if different assumptions or circumstances apply.

The estimates and assumptions that may have a significant impact on the assets and liabilities and income and expense items in the consolidated financial statements are as follows:

Goodwill impairment testing
Goodwill is tested for impairment at least annually, at the same time each year, using the method described in Note 2.2.1 below. The recoverable amount of cash-generating units (CGUs) is determined using a multi-criteria valuation method and is based on estimates of future cash flows.

Provisions for pension and other long-term employee benefit obligations
The present value of the Group's pension and other long-term employee benefit obligations depends on the actuarial assumptions adopted at each reporting date, including the discount rate. Changes in these assumptions affect the carrying amount of pension and other long-term employee benefit obligations.

At each reporting date the Group determines the discount rate to be used for measuring these obligations by reference to market yields on bonds issued by companies with high credit ratings assigned by well-known rating agencies, and which are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the benefit obligations.

The Group also uses other assumptions that notably depend on market conditions.

Fair value of derivatives and other financial instruments
The fair value of financial instruments that are not traded in an active market is calculated by using valuation techniques. The Group uses its judgement to determine the methods and assumptions applied at each reporting date based on market conditions.

Deferred tax assets
Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to realise the related tax benefit, based on fiscal forecasts drawn up for each taxable entity or tax consolidation group.

Other provisions
These provisions mainly concern provisions for legal risks and restructuring costs.

A provision is recorded when the Group has a present obligation resulting from a past event, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. The provisions are determined and updated based on assumptions made by the Group at each reporting date and are discounted if the time value of money is material.

II.1 - CONSOLIDATION

2.1.1 Financial year-end

The Group's companies have been consolidated based on their financial statements for the twelve-month period ended 31 August 2013. However, companies acquired during the course of the financial year have only been included in the income statement as from the date on which the Group effectively acquired control.

2.1.2 Consolidation methods and scope of consolidation

- 2.1.2.1 SUBSIDIARIES

Subsidiaries are entities over which La Financière Atalian exercises control, either directly or indirectly. Control is presumed to exist when the Group has the power to govern an entity's financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding representing more than one half of the voting rights. Subsidiaries are fully consolidated taking into account the existence and effect of the voting rights of non-controlling interests. Control may also arise when a contract exists entitling the Group to govern an entity's financial and operating policies, or when the Group is able to govern the financial and operating policies by virtue of de facto control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Intra-group transactions and balances and unrealised gains on transactions between Group companies are eliminated in consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The profit or loss of subsidiaries is allocated between the Group and non-controlling interests based on their percentage interest in the subsidiary concerned, even if this results in the recognition of negative amounts.

The Group gives firm or optional purchase commitments to the minority shareholders of certain consolidated subsidiaries. For optional commitments, if the underlying options are exercised, the commitments - which are contractual in nature - enable the minority shareholders to sell their interests in the subsidiaries concerned to the Group, which is obliged to purchase them. At the year-end, the Group recognises a financial liability in relation to such commitments, corresponding to the present value of the estimated future exercise price of the options (*see Note 8 - «Long- and short-term financial liabilities»*, under «*Other borrowings and financial liabilities*»). The contra-entry for this financial liability is a cancellation of the value of non-controlling interests. If the value of the financial liability exceeds the carrying amount of the related non-controlling interests, the excess is recorded as a deduction from equity attributable to owners of the parent. Any subsequent changes in the financial liability are recognised in equity. These commitments have no impact on the allocation of subsidiaries' profit or loss between the Group and non-controlling interests.

A list of La Financière Atalian's subsidiaries is provided in Note 18.

Entities that are owned by several shareholders exercising joint control are proportionately consolidated (*joint ventures*).

· 2.1.2.2 ASSOCIATES

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding representing between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (*net of any accumulated impairment losses*) identified at the time of acquisition. If the Group's interest in an associate is reduced to zero, additional losses are provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations on behalf of the associate.

The Group's share of the profit or loss of associates is recognised in the consolidated income statement, and its share of movements in other comprehensive income is recognised in other comprehensive income. Unrealised gains on transactions between the Group and its associates are eliminated pro rata to the Group's interest in the associates concerned. Accounting policies of subsidiaries and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's associates is provided in Note 18.

Shares in companies that do not represent material amounts for the Group or over which La Financière Atalian does not exercise any influence are recognised as investments in non-consolidated companies and measured at fair value as «Available-for-sale» financial assets.

· 2.1.2.3 CHANGES IN THE SCOPE OF CONSOLIDATION

	At 31 Aug. 2013	At 31 Aug. 2012
. Fully consolidated companies	114	121
. Proportionately consolidated companies	1	1
. Companies accounted for by the equity method	2	5
	117	**127**

2.1.3 Translation of the financial statements of foreign subsidiaries

The results and financial position of consolidated subsidiaries that have a functional currency other than the euro are translated into euros as follows: (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet (*except for equity which is translated at historical rates*), and (ii) income and expenses and cash flow statement items are translated at average exchange rates for the year, unless the rate concerned underwent major fluctuations during the period in which case transaction date exchange rates are used. All resulting exchange differences are recognised in other comprehensive income.

2.1.4 Translation of foreign-currency transactions

Foreign-currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the closing rate. Any resulting exchange differences are recognised in the income statement.

2.1.5 Current and deferred income tax

In accordance with IAS 12, the income tax expense for the period comprises the current taxes of each consolidated company as well as deferred taxes.

Deferred taxes are determined by each taxable entity, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

A deferred tax asset/liability is recognised for all deductible/taxable temporary differences. However, deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available within a reasonable timeframe against which the temporary differences can be utilised.

Temporary differences between the tax bases of assets and liabilities and their carrying amounts may arise as a result of the following:
- Sources of future taxation (*deferred tax liabilities*): mainly corresponding to income on which taxation has been deferred.
- Sources of future deductions (deferred tax assets): mainly relating to provisions that are temporarily non-deductible for tax purposes, as well as tax loss carryforwards where the realisation of the related tax benefit through future taxable profits is highly probable.

Income tax expense is recognised in the income statement except where it relates to items recognised directly in equity/other comprehensive income, in which case, the tax is also recorded in equity/other comprehensive income.

Deferred taxes are recognised at the tax rate prevailing at the reporting date, adjusted where appropriate to take into account the effect of any changes in tax laws. The effect of any change in rates of corporation tax is included in either the income statement or in equity, depending on the initial method of recognition of the deferred tax concerned.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.1.6 Share-based payments

Stock options and free shares may be granted to the Group's executives and certain non-executive employees. In accordance with IFRS 2 - Share-based Payment, these options and shares are measured at the fair value of the services received, based on the grant-date fair value of the equity instruments concerned. The related expense is recognised over the beneficiaries' vesting period under «*Payroll costs*» in the income statement with a corresponding adjustment to equity.

The measurement of the expense takes into account the probability of whether the underlying non-market performance and service conditions will be met by the beneficiaries.

At the end of each reporting period, the Group revises its estimates of the number of options and/or shares that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement.

II.2 - ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

For the presentation of its IFRS financial statements the Group follows recommendation 2009-R-03 issued by the French National Accounting Board (*Conseil National de la Comptabilité - CNC*) on 2 July 2009.

2.2.1 ASSETS

A) NON-CURRENT ASSETS

- PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less any accumulated depreciation and impairment losses.

As the Group's buildings do not represent material amounts, it does not apply the method of separately depreciating each component of a building.

The cost of an item of property, plant and equipment consists of its purchase price, including import duties and non-recoverable taxes, after deducting trade discounts and rebates, as well as any costs directly attributable to bringing the asset to its required working condition.

Subsequent costs are recognised as expenses except when they improve the originally expected performance of the asset, increase its useful life, or reduce predefined operating costs.

After recognition as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses. This complies with the cost model prescribed in the applicable accounting standard.

Depreciation is calculated based on an asset's estimated useful life, which corresponds to the period over which the entity expects to use the asset.

Depreciable amount is the cost of an asset less any residual value. Residual value is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life (*excluding the effects of inflation*).

The main estimated useful lives applied are as follows:
• Buildings: 20 years;
• Equipment and machinery: 3 to 5 years;
• Other items of property, plant and equipment: 4 to 10 years depending on the type of asset (*vehicles, office furniture etc.*).

These useful lives are reviewed annually and are adjusted if current estimated useful lives differ from previous estimates. Any such adjustments are treated as a change in an accounting estimate and are recognised prospectively.

Finance leases:
As defined in IAS 17, a finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred under these leases.

Significant assets acquired under finance leases are recognised in the balance sheet under «*Property, plant and equipment*» and are measured at the lower of the fair value of the leased asset and the present value of the minimum lease payments, with a corresponding financial liability recorded on the liabilities side of the balance sheet. These assets are depreciated over their estimated useful lives.

Investment properties:
• The Group has not identified any investment properties amongst its property, plant and equipment.

· INTANGIBLE ASSETS

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance. The Standard states that an asset meets the identifiability criterion in this definition when it:
• is separable, i.e. capable of being sold, rented, exchanged independently or transferred; or arises from contractual or other legal rights, regardless of whether those rights are separable.

Intangible assets with finite useful lives (*software, licences, capitalised IT development costs, etc.*) are amortised. Assets that have indefinite useful lives are not amortised but, as required under IAS 36, are tested for impairment at least once a year at a date close to the year-end or whenever there is an indication that they may be impaired.

· REGROUPEMENTS D'ENTREPRISES

Business combinations carried out since 1 September 2010 are accounted for under the acquisition method in accordance with the revised version of IFRS 3. Under this method, the purchase price of the business concerned is allocated to the identifiable assets acquired and liabilities assumed based on their acquisition-date fair values. These fair values are based on best estimates at the acquisition date and may be adjusted within twelve months of that date.

Costs directly related to the acquisition are expensed as incurred and are included in «*External charges*» in the consolidated income statement.

Goodwill corresponds to the excess of (i) the aggregate of the consideration transferred and the amount of any non-controlling interests in the acquiree, as measured at fair value, over (ii) the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. Positive goodwill is recognised in the balance sheet under "Goodwill" and negative goodwill is recorded in the income statement in the year of the acquisition.

For the acquisitions carried out during the year the Group elected to apply the option in IFRS 3R of recognising goodwill in accordance with the full goodwill method.

Goodwill is not amortised but, as required under IAS 36 - Impairment of Assets, is tested for impairment at least annually, at the same time each year, and whenever there is an indication that it may be impaired. Any impairment identified is recognised immediately and may not be subsequently reversed.

Goodwill is allocated to each cash-generating unit (CGU) that is expected to benefit from the synergies of the business combination, or to the group of CGUs at the level at which Management monitors the return on investment of the acquired businesses.

The value in use of a CGU is determined using the discounted cash flow method.
At 31 August 2013, the following principles were used for the related calculations:

- The discount rate for future cash flows was determined based on the weighted average cost of capital. The rates used at 31 August 2013 and 2012 are stated in Note 3.1.3.
- Cash flow projections were derived from the medium-term business plans drawn up by the management team of the CGU concerned and approved by the Group's governance bodies.
- Terminal value is extrapolated by applying to normative cash flows for subsequent years a growth rate to perpetuity (*see Note 3.1.3 for the rates applied at 31 August 2013 and 2012*). This growth rate reflects the expected long-term growth in the markets in which the Group's CGUs operate, as well as their competitive positioning in these markets.

An impairment loss is recognised if the carrying amount of the CGU exceeds its recoverable amount. Any impairment losses on a CGU are deducted to the extent possible 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 as well as those in the Hygiene division, until its sale in 2012.
- An «*International*» CGU, comprising all companies outside France, 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 related.

- FINANCIAL ASSETS

CLASSIFICATION

On initial recognition, the Group classifies its financial assets in one of the four categories defined in IAS 39 - Financial Instruments: Recognition and Measurement, based on their nature and the purpose for which they were acquired. These categories are then used to determine whether the financial assets are subsequently measured at amortised cost or fair value.

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 balance sheet 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.

RECOGNITION AND MEASUREMENT

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset.

A financial asset is derecognised when the Group's contractual rights to receive cash flows from the asset have expired or the Group has transferred the financial asset to a third party without retaining control or substantially all of the risks and rewards of ownership of the asset.

Financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs for financial assets classified as at fair value through profit are expensed in the income statement.

A financial asset is classified as a current asset when the cash flows from the instrument are expected to be received within one year.

The amortised cost of a financial asset is the amount at which the asset was initially recognised minus principal repayments, plus or minus the cumulative amortisation calculated using the effective interest method of any difference between that initial amount and the maturity amount.

For instruments quoted in an active market, fair value corresponds to a market price. For instruments not quoted in an active market, fair value is determined using valuation techniques. Valuation techniques include using recent arm's length market transactions or transactions in other instruments that are substantially the same, discounted cash flow analysis and option pricing models. In so far as possible, they include inputs based on observable market data. However, when the fair value of an equity instrument cannot be reasonably estimated, it is kept at historical cost.

B) CURRENT ASSETS

· INVENTORIES

The Group's inventories do not represent a material amount and essentially correspond to maintenance products.

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.

· TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. In practice, trade receivables are measured at their nominal value in view of their short-term nature.

If there is an objective indication of impairment or a risk that the Group may not be able to collect all of the contractual amounts of a receivable (*principal plus interest*) at the dates set in the contractual payment schedule, an impairment loss is recognised in the income statement. The amount of the impairment loss recorded represents the difference between the carrying amount of the asset and the estimated value of the future recoverable cash flows, discounted at the initial effective interest rate.

The Group sells receivables to factoring companies. Until 2013, the Group's analysis of its factoring contracts concluded that they did not transfer substantially all the risks and rewards of ownership of the receivables concerned to the factoring companies. Consequently, the factored receivables were not derecognised and were kept on the balance sheet under «*Trade receivables*», with the recognition of a corresponding short-term financial liability.

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 during FY 2012-2013 are provided in Note 8 - «*Long- and short-term financial liabilities*».

· 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 profit or loss*). 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 rate penalties.

2.2.2 EQUITY AND LIABILITIES

A) CONSOLIDATED EQUITY

When the Group's interest in a fully consolidated company is less than 100%, a non-controlling interest is recognised in the consolidated financial statements.

Since the effective date of IAS 27R, for investments in associates where non-controlling interests' commitments are limited to their portion of the companies' capital, the Group has discontinued recognising its share of further losses of associates in a negative net equity position if its shares of losses already recognised equals or exceeds its interest in the associate.

B) NON-CURRENT LIABILITIES

- LONG-TERM PROVISIONS

In accordance with IAS 37, a provision is recognised when at the financial year-end the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

These provisions essentially concern:

- Employee benefits

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 a valuation method based on projected end-of-career salaries (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.
- Discount rate for statutory retirement bonus obligation, projected to the retirement date (*10-year iBoxx ++ at 31 August 2013, i.e. 2.94%*).
- 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*» table.

All actuarial gains and losses on defined benefit post-employment benefit plans are recorded in «*Long-term provisions*» with a contra-entry in other comprehensive income.

Certain Group companies fund a portion of their obligation through insured plans, in which case the fair value of the plan assets is deducted from the company's overall obligation and the net amount of the obligation is recognised as a provision. The actual rate of return on plan assets in FY 2012-2013 was 3.1%.

Provisions for long-service awards:

The Group sets aside a provision for the cost of statutory long-service awards payable in France. The amount of the provision is calculated using the projected unit credit method based on the date on which the awards are granted.

The actuarial assumptions used to calculate the present value of the Group's obligation for statutory retirement bonuses and long-service awards were updated at 31 August 2013, 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.

· LONG-AND SHORT-TERM FINANCIAL LIABILITIES

Financial liabilities comprise the following:
- Bond debt representing a principal amount of €250 million and maturing in 2020;
- Borrowings taken out with leading banks;
- Employee profit-sharing liabilities;
- Factoring liabilities;
- Finance lease liabilities;
- Minority put liabilities.

A portion of the Group's bank borrowings is subject to covenants that require compliance with certain financial ratios (*see Note 8 - «Long- and short-term financial 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.

C) 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 include advances and downpayments received from clients for the commencement of building works contracts.

· SHORT-TERM PROVISIONS

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

2.2.3 INCOME STATEMENT

The Group presents its income statement by nature and provides a number of different sub-totals which are relevant to the understanding of the components making up its profit.

A) REVENUE

Consolidated revenue represents the total amount generated by the Group for sales of goods, services and building works, net of discounts and rebates. It includes the revenue of fully consolidated companies after eliminating intra-group transactions.

For the Cleaning, Security, Landscaping, Hygiene and Fire Safety divisions, the amount of revenue recognised corresponds to services performed as at the reporting date.

For the Technical and Landscaping division, the amount of revenue is recognised by reference to the actual stage of completion of projects in progress based on operations budgets updated at the reporting date. The duration of these projects is generally less than 12 months.

For repair works, the amount of revenue recognised corresponds to services performed as at the reporting date.

When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is only recognised to the extent of the expenses recognised that are recoverable.

B) RECURRING OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT LOSSES

This item includes revenue and related income less expenses directly attributable to operations, which mainly comprise purchases consumed, other external charges, payroll costs and taxes other than on income. It also includes other recurring operating income and expenses.

C) RECURRING OPERATING PROFIT

In addition to recurring operating profit before depreciation, amortisation, provisions and impairment losses, recurring operating profit includes the majority of items that do not have a cash impact (depreciation, amortisation, impairment of non-financial assets, provisions, etc.), as well as various other items that cannot be directly attributed to another income statement heading.

D) OPERATING PROFIT

The impact of any operations that are unusual either in terms of their frequency or their amount is shown on a separate line beneath recurring operating profit, notably gains or losses on the sale of assets or subsidiaries, or of businesses that do not constitute discontinued operations within the meaning of IFRS 5. The Group has elected to present these items separately in order to provide users of its financial statements with the truest possible image of its recurring performance.

E) NET FINANCIAL INCOME/EXPENSE

This line of the 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 and interest received on available cash. The amounts recognised are presented after hedging transactions and also include changes in the value of derivatives that do not qualify for hedge accounting under IFRS.
- Other financial income and expenses

2.2.4 FINANCIAL RISKS AND HEDGING INSTRUMENTS

Certain Group entities use financial instruments for the purpose of reducing the impact of interest-rate fluctuations on their income statements. The framework within which the Group uses these financial instruments is described below.

The instruments used correspond solely to interest-rate hedges and only one interest-rate cap was in place at 31 August 2013.

Financial instruments are used purely for hedging purposes, are set up with leading French banks and do not present any risk of illiquidity if the hedges need to be unwound.

Reports are regularly provided to the management and supervisory bodies of the companies concerned on the use of these instruments, the choice of counterparties, and more generally the management of exposure to currency risk and interest-rate risk.

Type of financial risks to which the Group is exposed and related risk management principles

· CURRENCY RISK

Overall, the Group is only slightly exposed to currency risk in its routine commercial transactions. Contracts invoiced in foreign currency give rise to expenses which are mainly denominated in the same currency. This is particularly the case for most projects and services performed outside France, for which the portion of expenses denominated in local currency is much greater than the portion denominated in euros.

· INTEREST-RATE RISK

The Group's interest-rate risk relates to variable-rate financial liabilities shown on the balance sheet. A portion of this risk is hedged by the Group using derivatives adapted to the characteristics of the hedged liabilities.

· COUNTERPARTY RISK

The Group has been instructed to take great care in analysing counterparty risk. Consequently, only financial transactions with leading financial institutions are authorised.

· CREDIT RISK

Credit risk arises from the probability that the Group's customers may default, requiring a write-off of the related trade receivables.

The Group considers the credit risk on its trade receivables to be extremely low as these receivables are spread over a large number of customers in France and abroad, with no single customer accounting for more than 10% of consolidated revenue. Further details on the Group's trade receivables are provided in Note 4 - «*Current assets*».

· LIQUIDITY RISK

The Group manages liquidity risk by using credit facilities set up with banks. The amounts and maturities of these facilities are adapted to ensure that the Group has sufficient cash to respect its commitments.

In addition, the Group finances a portion of its working capital through a trade receivables sale programme comprising factoring agreements which at the year-end represented a maximum of €130 million worth of factored receivables.

Detailed information on the Group's credit facilities and factoring is provided in Note 8 - «*Long- and short-term financial liabilities*».

Principles and methods used by the Group for recognising hedging transactions

The Group uses the recognition principles and methods prescribed in IAS 39, namely:
Hedge accounting is applied when derivative instruments offset - either in whole or in part - changes in fair value or cash flows of an underlying hedged item. Hedge effectiveness is assessed at regular intervals and at least every quarter and at the year-end.

Financial instruments only qualify for hedge accounting if the following conditions are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship (*identification of the hedging instrument, the hedged item, the nature of the risk being hedged and the accounting method applied*).
- The Group expects the hedge to be highly effective throughout the life of the hedge.
- The effectiveness of the hedge is assessed throughout the life of the financial instrument and the actual results of the hedge are within a range of 80% to 125%.
- If a forecast transaction is the subject of the hedge this forecast transaction is highly probable.

If a hedging relationship cannot be demonstrated, any changes in fair value of the financial instrument are recognised in profit.

All derivatives are measured at fair value. For instruments quoted in an active market, fair value corresponds to market value, and for other instruments it is determined using calculation and valuation models that incorporate market data (*e.g., interest rate curves, exchange rates etc.*).

The Group has not identified any use of embedded derivatives within the meaning of IAS 39.

· CASH FLOW HEDGES

A cash flow hedge is a hedge of the exposure to changes in cash flows of the underlying hedged item or of a future transaction.

When a derivative is used to hedge the Group's exposure to changes in cash flows of a firm commitment or a forecast transaction, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement, except when the cumulative gains or losses on the hedging instrument are lower than the aggregate gains or losses on the hedged item.

Gains or losses recognised in equity are recycled to the income statement when the hedged forecast cash flows affect profit.

- FAIR VALUE HEDGES

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability.

When a derivative is used to hedge the Group's exposure to changes in the fair value of a receivable or payable, changes in the fair value of the hedging instrument are recognised immediately in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised in the income statement.

The fair value of hedged items corresponds to their carrying amount translated into euros at the exchange rate prevailing at the reporting date.

2.2.5 CVAE

The French Finance Act for 2010 abolished local business tax (*taxe professionnelle*) in France as from 2010 and replaced it with the Contribution Economique Territoriale, or CET. The CET is mainly composed of two contributions: (i) a business property tax (*Cotisation Foncière des Entreprises or CFE*), which is based on the rental values of property subject to property tax, and (ii) a value-added contribution (*Cotisation sur la Valeur Ajoutée des Entreprises or CVAE*) which is based on the value added by businesses each year as shown in their financial statements.

Following the introduction of these new contributions, the Group re-examined the accounting treatment it applies to taxes in France in line with IFRS, taking into consideration the latest available information on tax accounting, and especially the guidance issued by the IFRIC. Consequently, 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.

2.2.6 CICE tax credit

The CICE tax credit was introduced by the Amended French Finance Act for 2012 (*Act 2012-1510 dated 29 December 2012*). It is aimed at helping French companies to finance measures to enhance their competitiveness, notably in the areas of investment, research, innovation, recruitment, exploring new markets, ecology and energy efficiency, and rebuilding their working capital. The calculation of the CICE is based on the salaries not exceeding 2.5 times the French minimum wage that are paid to employees in a given calendar year.

The CICE rate has been set at 4% of eligible salaries paid from 1 January 2013 to 31 December 2013 and will be increased to 6% for subsequent years.

The CICE is set off against corporate income tax due for the year in which the eligible salaries are paid. Any receivables due from the French State corresponding to amounts that cannot be set off against income tax due for the year can be used as payment for tax due for the three years following the year in which the CICE tax credit is recognised. Beyond this three-year period any excess amount not set off against corporate income tax is repaid to the company.

The Group considers that as (i) the CICE is aimed at financing expenditure to enhance competitiveness, and (ii) the methods used for calculating and paying the CICE do not meet the definition of corporate income tax in IAS 12, it should be treated as a government grant within the scope of application of IAS 20. Consequently, it recognises the CICE as a deduction from payroll costs within recurring operating profit in the consolidated income statement and a corresponding accrued tax receivable is recognised in «Other receivables».

The Group pre-finances its future CICE tax credit receivables through the Banque Public 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 recognises a liability under «Other current liabilities» in an amount corresponding to the cash received from BPI through the pre-financing mechanism. Financing received in this way amounted to €16.5 million at 31 August 2013.

2.2.7 Statement Of Cash Flows

The Group has opted to use the indirect method for presenting the consolidated statement of cash flows, which consists of determining cash flows from operating activities by adding back to or deducting from profit for the period all non-cash transactions and all cash flows relating to investing and financing activities.

Net cash and cash equivalents - whose movements are analysed in the statement of cash flows - are defined as cash and cash equivalents less short-term bank loans and overdrafts.

2.2.8 Off-balance sheet commitments

The Group's main off-balance sheet commitments are summarised in Note 16.

2.2.9 Assets and liabilities held for sale

The Group classifies a non-current asset as «held for sale» when it expects to recover the cost of that asset through a sale transaction rather than through continuing use, and the sale is highly probable. In accordance with IFRS 5, an asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. The asset is then no longer depreciated and any changes in fair value less costs to sell (*identified either at the time of classification or subsequently*) are recognised as impairment losses (*or reversals of impairment in the event of an increase in value*).

If the sale concerns a group of assets and associated liabilities that the Group intends to dispose of in a single transaction, the assets and liabilities of that group (a «*disposal group*») are classified as «*held for sale*» on separate lines of the balance sheet, without offsetting said assets and liabilities or presenting them as a single amount. The disposal group is measured at the lower of its carrying amount and fair value less costs to sell.

2.2.10 Related parties

The parties considered as related to the Group, as well as the material transactions carried out with these parties during FY 2012-2013, are as follows:

- The members of the Group's governance bodies.
- The non-trading property companies that are managed by the Company's Chairman and which lease buildings to the Group at market rates. The rent paid under these leases amounted to €3.8 million in FY 2012-2013.
- EAB Finance, which is the Group's controlling entity, and JPF Développement, a minority shareholder. These companies do not carry out any transactions with the Group other than in their capacity as shareholders (i.e. dividend payments and shareholder current account transactions).
- Associates, which are accounted for by the equity method (see Note 18).

II.3 COMPARABILITY OF THE FINANCIAL STATEMENTS

As explained in Note 1 - «*Significant events during the financial year*», the Group has changed its method of accounting for certain long-term leases of operating equipment, which it now treats as finance leases rather than operating leases as was previously the case.

The Group has also corrected a number of errors identified in prior-year calculations of provisions for paid leave of the employees of certain subsidiaries. These errors were identified when reliability tests were conducted during the year on the pay systems of the subsidiaries concerned.
The impact of these error corrections is presented in the «*Other corrections*» line of the table below.

Lastly, during FY 2012-2013 the Group early adopted the revised version of IAS 19 - Employee Benefits, with retroactive effect.

As a result of the above, the FY 2011-2012 financial statements presented for comparative purposes have been restated, with the change in the accounting treatment for long-term leases accounted for in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

The segment information provided in Note 11 has also been restated to reflect the above - described corrections.

IMPACTS ON THE CONSOLIDATED BALANCE SHEET AT 31 AUGUST 2012

In €m	Financial statements at 31 Aug. 2012 reported	Impact of long-term leases	Impact of IAS 19R	Other corrections	Financial statements at 31 Aug. 2012 restated
Goodwill	377.1				377.1
Intangible assets	9.2				9.2
Property, plant and equipment	40.5	5,0			45.5
Other non-concurrent financial assets	7.7				7.7
Deferred tax assets	47.6			0,5	48
Non-current assets	**482.1**	**5,0**	**0**	**0,5**	**485.5**
Inventories	2.7				2.7
Prepayments to suppliers	2.2				2.2
Trade receivables	295.5				295.5
Current tax assets	0.8				0.8
Other receivables	67.3				67.3
Cash and cash equivalents	29.7				29.7
Current assets	**398.3**	**0**	**0**	**0**	**398.3**
TOTAL ASSETS	**880.4**	**5.0**	**0**	**0.5**	**885.8**

In €m	Financial statements at 31 Aug. 2012 reported	Impact of long-term leases	Impact of IAS 19R	Other corrections	Financial statements at 31 Aug. 2012 restated
Equity attributable to owners of the parent	148.8	0.2		(0.8)	148.2
Non-controlling interests	6.3			(0.1)	6.2
TOTAL EQUITY	**155.1**	**0.2**	**0**	**(0.9)**	**154.4**
Long-term financial liabilities	193.4	2.8			196.2
Long-term provisions	6.1				6.1
Deferred tax liabilities	0.1				0.1
Non-current liabilities	**199.7**	**2.8**	**0**	**0**	**202.5**
Customer prepayments	0.9				0,9
Short-term portion of financial liabilities	117.6	1.9			119.6
Current tax liabilities	5.3				5.3
Trade payable	106				106
Short-term provisions	19.5				19.5
Other current liabilities	269.9			1.3	271.2
Short-term bank loans	3.5				3.4
Financial instruments	2.8				2.8
CURRENT LIABILITIES	**525.6**	**1.9**	**0**	**1.3**	**528.9**
TOTAL EQUITY AND LIABILITIES	**880.4**	**5**	**0**	**0.5**	**885.8**

IMPACTS ON THE CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

In €m	Financial statements at 31 Aug. 2012 reported	Impact of long-term leases	Impact of IAS 19R	Other corrections	Financial statements at 31 Aug. 2012 restated
REVENUE	**1,172.9**				**1,172.9**
Purchases consumed	(214.5)				(214.5)
External charges	(133.1)	1.6			(131.5)
Payroll costs	(742.9)				(742.9)
Taxes other than on income	(18.4)				(18.4)
Other operating income	11.5				11.5
Other operating expenses	(7.0)				(7.0)
RECURRING OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISIONS AND IMPERMENT LOSSES	**68.6**	**1.6**	**0**	**0**	**70.2**
Depreciation and amortisation, net	(17.8)	(1.2)			(19.0)
Provisions and impairment losses, net	(1.8)		0.9		(0.9)
RECURRING OPERATING PROFIT	**49.0**	**0.4**	**0.9**	**0**	**50.3**
Other operating income	3.3				3.3
Other operating expenses					
OPERATING PROFIT	**52.3**	**0.4**	**0.9**	**0**	**53.6**
Net financial expense	(25.4)	(0.3)			(25.7)
Income tax expense	(15.8)				(15.8)
Share of loss of associates	(0.3)				(0.3)
PROFIT FOR THE PERIOD	**10.8**	**0.2**	**0.9**	**0**	**11.8**
Attribuatable to owners of the parent	10	0.2	0.9	0	11.1
Attribuatable to non-controlling interests	0.8	0	0	0	0.8

In €m	Financial statements at 31 Aug. 2012 reported	Impact of long-term leases	Impact of IAS 19R	Other corrections	Financial statements at 31 Aug. 2012 restated
PROFIT FOR THE PERIOD	**10.8**	**0.2**	**0.9**	**0**	**11.8**
Change in actuarial gains or losses			(0.9)		(0.9)
Other comprehensive income	(2.2)				(2.2)
Tax on comprehensive income	0.6				0.6
TOTAL COMPREHENSIVE INCOME	**9.2**	**0.2**	**0**	**0**	**9.4**
Attributable to owners of the parent	8.4	0.2	0	0	8.6
Attributable to non-controlling interests	0.8	0	0	0	0.8

2.4 SEGMENT INFORMATION

2.4.1 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 as well as the companies in the Hygiene business, until its sale in 2012.
- A «***Multi-technical***» division, comprising all the business lines specialised in technical fields, for which the Atalian Group can propose its customers a comprehensive offering and whose cash flows are therefore closely related.
- An «***International***» division, comprising all companies outside France, as the cash flows of these companies are independent from those of France.

Information on the above-described operating segments is provided in Note 11. In this note, 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.

2.4.2 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

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

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

NOTE 3
NON-CURRENT ASSETS

3.1. GOODWILL 403,819

3.1.1 Mouvements

	Gross	Impairment	Net
31 AUGUST 2011	**379,960**	**(4,475)**	**375,485**
Inter-item transfers			0
Impact of changes in Group structure, exchange rates & other	1,728	41	1,769
Impairment		(141)	(141)
31 AUGUST 2012	**381,688**	**(4,575)**	**377,113**
Inter-item transfers	2,250		
Impact of changes in Group structure, exchange rates & other	24,591		24,591
Impairment		(135)	(135)
31 AUGUST 2013	**408,529**	**(4,710)**	**403,819**

In June 2013, the Group acquired all of the shares in Carrard Services for a total of €12.0 million.

Provisional goodwill arising on this acquisition amounted to €17.1 million and has been allocated to the Cleaning CGU.

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

Carrard Services generated €93.0 million in revenue during calendar 2012 and has been consolidated by the Group since the date on which Atalian acquired control.

The table below sets out the allocation - estimated on a provisional basis at 31 August 2013 - of Carrard Services identifiable assets acquired and liabilities assumed.

in millions of euros

Acquisition price	**12.0**
Assets acquired and liabilities assumed:	
Non-current assets	2.9
Current assets	32.2
Provisions	(3.4)
Trade and other payables	(36.8)
Net identifiable liabilities assumed	**(5.1)**
Provisional goodwill	**17.1**

3.1.2 Breakdown of goodwill by CGU

	31 Aug. 2013	31 Aug. 2012
Cleaning	295,438	268,921
Multi-technical	76,729	79,376
International	31,652	28,816
	403,819	**377,113**

3.1.3 CGU impairment testing

As described in Note 2.2.1, on an annual basis at the same time each year, the Group carries out impairment tests on its CGUs that contain goodwill. The assumptions used for determining the recoverable amount of the CGUs at 31 August 2013 and 2012 were as follows:

	31 Aug. 2013	31 Aug. 2012
CLEANING CGU		
Capital employed	279 M€	260 M€
Cash flow projections	4-year business plan + annual rate of growth after the last forecast period	4-year business plan + annual rate of growth after the last forecast period
Discount rate	8.5%	8.5%
Long-term growth rate	2.0 %	2.0 %
MULTI-TECHNICAL CGU		
Capital employed	107 M€	103 M€
Cash flow projections	4-year business plan + annual rate of growth after the last forecast period	4-year business plan + annual rate of growth after the last forecast period
Discount rate	8.5%	8.5%
Long-term growth rate	2.0 %	2.0 %
INTERNATIONAL CGU		
Capital employed	29 M€	29 M€
Cash flow projections	4-year business plan + annual rate of growth after the last forecast period	4-year business plan + annual rate of growth after the last forecast period
Discount rate	11.0 %	11.0 %
Long-term growth rate	2.0 %	2.0 %

No impairment losses were recorded at 31 August 2013 as the recoverable amount of each CGU exceeded the carrying amount of their capital employed.

Consequently, with all other factors remaining constant, in the event of a 0.50% increase in the discount rate or a 0.50% decrease in the long-term growth rate, the recoverable amount of the CGUs would be reduced by the amounts shown in the table below, but in each case would remain higher than the carrying amount of their capital employed at 31 August 2013.

CGU at 31 August 2013	**Discount rate**	**Long-term growth rate**
Impact on recoverable amount in €m	**Impact of +0,50%**	**Impact of -0,50%**
Cleaning	(19.7)	(15.0)
Multi-technical	(9.2)	(6.6)
International	(2.5)	(1.8)

3.2. INTANGIBLE ASSETS **8,166**

GROSS	Concessions, patents and similar rights	Other intangible assets	TOTAL
31 AUGUST 2011			**13,903**
TRANSLATION DIFFERENCES	(9)	(39)	(48)
Inter-item transfers	(9)	78	69
Changes in Group structure	103		103
Investments	3,069	2,340	5,409
Sundry disposals and reductions	(77)	(49)	(126)
31 AUGUST 2012	**12,671**	**6,639**	**19,310**
Translation differences	(41)	(54)	(95)
Inter-item transfers	1,227	(4,243)	(3,016)
Changes in Group structure	876	569	1,445
Investments	1,333	1,945	3,278
Sundry disposals and reductions	(1,025)		(1,025)
31 AUGUST 2013	**15,041**	**4,856**	**19,897**

AMORTISATION AND IMPAIRMENT			
31 AUGUST 2011	**(7,944)**	**(640)**	**(8,584)**
TRANSLATION DIFFERENCES		6	6
Inter-item transfers		11	11
Changes in Group structure	(47)		(47)
Sundry disposals and reductions			
Amortisation expense	(1,384)	(196)	(1,580)
Impairment losses			
Reversals of impairment losses	69	7	76
31 AUGUST 2012	**(9,306)**	**(812)**	**(10,118)**
Translation differences	37	19	56
Inter-item transfers			
Changes in Group structure	(749)		(749)
Sundry disposals and reductions	1,015	81	1,096
Amortisation expense	(1,857)	(159)	(2,016)
Impairment losses			
Reversals of impairment losses			
31 AUGUST 2013	**(10,860)**	**(871)**	**(11,731)**

NET			
31 August 2012	3,365	5,827	9,192
31 AUGUST 2013	**4,181**	**3,985**	**8,166**

As in FY 2011-2012, the Group recognised certain internal IT development costs as intangible assets.

These costs - which principally correspond to the value of the time spent by the Group's teams on developing the IT systems concerned - represented a gross amount of €1.8 million and a €0.4 million amortisation expense for the year.

3.3. PROPERTY, PLANT AND EQUIPMENT **43,059**

GROSS	«Land and buildings»	Plant and equipment	Other	Assets under construction and prepayments to suppliers	TOTAL
31 AUGUST 2011					**158,032**
Of which finance leases					28,897
Translation differences		(134)	(218)	(8)	(360)
Inter-item transfers			642	(532)	110
Changes in Group structure	196	(303)	940		833
Investments	65	11,224	3,964	2,478	17,731
Sundry disposals and reductions	(2,456)	(2,681)	(10,520)	(443)	(16,100)
31 AUGUST 2012	**6,162**	**95,745**	**54,759**	**3,580**	**160,246**
Error correction for long-term leases		6,326			6,326
31 AUGUST 2012 (adjusted)	**6,162**	**102,071**	**54,759**	**3,580**	**166,572**
Of which finance leases & long-term leases	*470*	*40,007*	*72*		*40,549*
TRANSLATION DIFFERENCES		(239)	(400)	(12)	(651)
Inter-item transfers and other		10,954	(6,180)	(2,558)	2,216
Changes in Group structure		13,993	3,883		17,876
Investments		10,757	3,767	689	15,213
Sundry disposals and reductions	(114)	(685)	(4,018)	(63)	(4,880)
31 AUGUST 2013	**6,048**	**130,525**	**51,811**	**1,636**	**190,020**
Of which finance leases & long-term leases		*46,981*			*46,981*

DEPRECIATION AND IMPAIRMENT					
31 AUGUST 2011	**(6,335)**	**(62,332)**	**(47,577)**		**(116,244)**
Of which finance leases	*(422)*	*(16,320)*	*(72)*		*(16,814)*
Translation differences		43	168		211
Inter-item transfers			(279)		(279)
Changes in Group structure	(44)	391	(524)		(177)
Sundry disposals and reductions	2,247	1,656	8,848		12,751
Depreciation expense	(213)	(10,398)	(4,705)	(758)	(16,074)
Impairment losses					
Reversals of impairment losses			29		29
31 AUGUST 2012	**(4,345)**	**(70,640)**	**(44,040)**	**(758)**	**(119,783)**
Error correction for long-term leases		(1,324)			(1 324)
31 AUGUST 2012 (adjusted)	**(4,345)**	**(71,964)**	**(44,040)**	**(758)**	**(121,107)**
Of which finance leases & long-term leases	*(422)*	*(22,273)*	*(72)*		*(22,767)*
Translation differences		122	277		399
Inter-item transfers		(5,084)	4,315	2,219	1,450
Changes in Group structure	(4)	(12,289)	(3,075)		(15,368)
Sundry disposals and reductions	78	649	3,664		4,391
Depreciation expense	(182)	(10,793)	(7,075)		(18,050)
Impairment losses					
Reversals of impairment losses					
31 AUGUST 2013	**(4,453)**	**(98,035)**	**(45,934)**	**1,461**	**(146,961)**
Of which finance leases & long-term leases		*(29,574)*			*(29,574)*

NET					
31 AUGUST 2012	**1,817**	**30,107**	**10,719**	**2,822**	**45,465**
Of which finance leases & long-term leases	*48*	*17,734*			*17,782*
31 AUGUST 2013	**1,595**	**32,490**	**5,877**	**3,097**	**43,059**
Of which finance leases & long-term leases		*17 407*			*17 407*

3.4. OTHER NON-CURRENT FINANCIAL ASSETS **12 418**

	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 2011			**881**	**6,227**	**7,108**	**(356)**	**6,752**
TRANSLATION DIFFERENCES							
Changes in Group structure							
Inter-item transfers			323		323		323
Sundry increases and reductions			72	615	687		687
Additions and reversals						(18)	(18)
31 AUGUST 2012			**1,276**	**6,842**	**8,118**	**(374)**	**7,744**
Changes in Group structure	489			480	969		969
Inter-item transfers	(788)		(715)	468	(1,035)		(1,035)
Sundry increases and reductions	429	5,235		(562)	5,102		5,102
Additions and reversals						(362)	(362)
31 AUGUST 2013	**130**	**5,235**	**561**	**7,228**	**13,154**	**(736)**	**12,418**

The «Equity-accounted companies» column relates to the Group's share of the net equity of entities over which it exercises significant influence.

At 31 August 2012 this total constituted a liability (see Notes 6.1 and 18).

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 8.1 and 8.2*).

NOTE 4
CURRENT ASSETS

4.1. INVENTORIES **2,201**

	31 Aug. 2013 Gross	31 Aug. 2013 Impairment	31 Aug. 2013 Net	31 Aug. 2012 Gross	31 Aug. 2012 Impairment	31 Aug. 2012 Net
Raw materials/supplies and finished products/ and inventories relating to property transactions	2,815	(614)	2,201	2,861	(209)	2,652
TOTAL	**2,815**	**(614)**	**2,201**	**2,861**	**(209)**	**2,652**

4.2. PREPAYMENTS **4,980**

	31 Aug. 2013 Gross	31 Aug. 2013 Impairment	31 Aug. 2013 Net	31 Aug. 2012 Gross	31 Aug. 2012 Impairment	31 Aug. 2012 Net
Prepayments to suppliers	4,980		4,980	2,247		2,247
TOTAL	**4,980**		**4,980**	**2,247**		**2,247**

4.3. TRADE AND OTHER RECEIVABLES **299,250**

	31 Aug. 2013 Gross	31 Aug. 2013 Impairment	31 Aug. 2013 Net	31 Aug. 2012 Gross	31 Aug. 2012 Impairment	31 Aug. 2012 Net
Trade receivables[1] (Trade receivables/Revenue accruals)	226,347	(13,942)	212,405	307,992	(12,454)	295,538
Current tax assets	1,196		1,196	795		795
Other receivables:	86,218	(569)	85,649	67,852	(514)	67,338
Other operating receivables (Employees/Social security bodies/State/Other)	67,952		67,952	52,312		52,312
Sundry receivables (Current accounts, etc.)	12,497	(569)	11,928	10,741	(514)	10,227
Prepaid expenses	5,769		5,769	4,799		4,799
TOTAL TRADE AND OTHER RECEIVABLES	**313,761**	**(14,511)**	**299,250**	**376,639**	**(12,968)**	**363,671**

(1) Including certain factored trade receivables that have not been derecognised (see Note 8.3).

4.4. BREAKDOWN OF TRADE RECEIVABLES BETWEEN AMOUNTS PAST DUE AND AMOUNTS NOT PAST DUE AT 31 AUGUST 2013

	Amounts not past due	Amounts past due		TOTAL
		< 12 months	> 12 months	
Trade receivables	153,059	67,751	5,537	226,347
Impairment		(11,845)	(2,097)	(13,942)
TOTAL TRADE RECEIVABLES	**153,059**	**55,906**	**3,440**	**212,405**

4.5. CASH AND CASH EQUIVALENTS **52,641**

	31 Aug. 2013			31 Aug. 2012		
	Gross	Impairment	Net	Gross	Impairment	Net
Cash	41,259		41,259	29,564		29,564
Marketable securities	11,382		11,382	157		157
TOTAL CASH AND CASH EQUIVALENTS	**52,641**		**52,641**	**29,721**		**29,721**

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

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

NOTE 5
EQUITY

5.1. SHARE CAPITAL **117,363**

	31 Aug. 2012	Decrease	Increase	**31 Aug. 2013**
Shares (number)	122,674,371	(5,311,500)		117,362,871
Number of shares outstanding	122,674,371			117,362,871
Par value	1 €	-		1 €
SHARE CAPITAL IN €	122,674,371	(5,311,500)		117,362,871

At 31 August 2013 the Company's share capital was composed of 117,362,871 fully paid-up shares with a par value of €1 each.

In February 2013 the Company carried out a capital reduction by buying back and cancelling 5,311,500 shares.

At 31 August 2013, in accordance with the Company's articles of association,
all of the 117,362,871 shares making up its capital were ordinary shares.

5.2. TRANSACTIONS RECOGNISED DIRECTLY IN EQUITY

5.2.1. Translation reserve

Principaux écarts de conversion au 31/08/2013 déterminés sur les sociétés étrangères dont les états financiers sont exprimés en devises :

	31 Aug. 2012	Change	**31 Aug. 2013**
Divers	335	(365)	(30)
TOTAL	335	(365)	(30)

5.2.2. Fair value reserve

The main translation differences at 31 August 2013 resulting from the conversion into euros of the financial statements of foreign subsidiaries were as follows:

	31 Aug. 2012	Change	**31 Aug. 2013**
Miscellaneous foreign currencies	(1,804)	1,804	0
TOTAL	(1,804)	1,804	0

5.2.3. Buyback of equity warrants

When the Group redeemed the mezzanine debt (OBSA - bonds with equity warrants) that it had taken on to finance its purchase of VPNM in 2009, it bought back the equity warrants embedded in the bonds for a total of €19.2 million.This transaction resulted in a €19.2 million reduction in equity attributable to owners of the parent.

NOTE 6
LONG- AND SHORT-TERM PROVISIONS

6.1. LONG-TERM PROVISIONS **6,190**

	Employee benefits	Long-service awards and other	Equity-accounted companies	TOTAL
31 AUGUST 2011	3,927	582	531	5,040
Translation differences				
Inter-item transfers			257	257
Changes in accounting methods and Group structure	(10)	(36)		(46)
Additions (net of reversals)	1,240	(369)		871
31 AUGUST 2012	**5,157**	**177**	**788**	**6,122**
Translation differences				
Inter-item transfers and other			(788)	(788)
Changes in accounting methods and Group structure	170			170
Change in actuarial gains and losses	362			362
Additions (net of reversals)	294	30		324
31 AUGUST 2013	**5,983**	**207**	**0**	**6,190**

Details of the actuarial assumptions used to calculate these obligations are provided in Note 2.2.2.b. The «*Equity-accounted companies*» column relates to the Group's share of the net equity of entities over which it exercises significant influence. This total was positive at 31 August 2013, compared with a negative figure one year earlier (see Notes 3.4 and 18).

6.2. SHORT-TERM PROVISIONS **18,193**

	Other short-term provisions	TOTAL
31 AUGUST 2011	19,271	19,271
TRANSLATION DIFFERENCES		
Inter-item transfers	(130)	(130)
Changes in accounting methods and Group structure	(241)	(241)
Additions (net of reversals)	634	634
31 AUGUST 2012	**19,534**	**19,534**
TRANSLATION DIFFERENCES		
Changes in Group structure	3,339	3,339
Inter-item transfers		
Changes in accounting methods and Group structure		
Additions (net of reversals)	(4,680)	(4,680)
31 AUGUST 2013	**18,193**	**18,193**

NOTE 7
NON-CURRENT TAX ASSETS AND LIABILITIES

7.1. MAIN SOURCES OF DEFERRED TAXES BY NATURE

	31 Aug. 2013	31 Aug. 2012
Deferred tax assets		47,568
. Employee benefits		1,766
. Financial instruments		975
. Temporary differences		2,479
. Tax loss carryforwards		42,885
. Other sources of deferred tax assets		(537)
Deferred tax liabilities		**145**
. CVAE		
. Other sources of deferred tax liabilities		145
TOTAL	**48,778**	**47,423**

In accordance with IAS 12.74, deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority on the same taxable entity. Deferred tax liabilities relate to the Group's non-French subsidiaries.

The year-on-year change in this item essentially corresponds to the following:
Increase:
- Increase in the Group's obligations concerning statutory retirement bonuses and other temporary differences (€0.2 million in deferred tax assets).
- Recognition of €6.4 million worth of tax loss carryforwards from the TFN Val tax group, representing a €2.2 million deferred tax asset.
- A €1.3 million error correction relating to employees' paid leave, generating a deferred tax asset of €0.5 million.

Decrease:
- Utilisation of €1.6 million in tax loss carryforwards of the Eurogem tax group, representing a €0.6 million deferred tax asset.
- Unwinding of the hedge related to the Group's former variable-rate bank borrowings (€1 million).

7.2. RECOVERY PERIODS FOR DEFERRED TAX ASSETS

	Recovery within 2 years	Recovery in 2 to 5 years	Recovery in 5 to 10 years	TOTAL
Deferred tax assets (in €m)	6.13	11.82	30.9	**48.9**

The recovery periods for deferred tax assets are based on the Group's taxable profit forecasts at 31 August 2013.

7.3. TAX BASE OF UNRECOGNISED DEFERRED TAX ASSETS

	31 Aug. 2013	31 Aug. 2012
Tax consolidation	27,362	18,320
Tax loss carryforwards of companies not included in the tax group	807	1,055
TOTAL	**28,169**	**19,375**

NOTE 8
LONG- AND SHORT-TERM FINANCIAL LIABILITIES

8.1. BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

	Short-term	Long-term		TOTAL 31 Aug. 2013
	- 1 an	1 à 5 ans	5 ans et +	
Bonds	1,304	(5,709)	247,544	243,139
Bank borrowings	1,959	1,987	32	3,978
Finance lease liabilities	6,661	9,093	478	16,232
Other borrowings and financial liabilities	2,766	2,961		5,727
Loans from subsidiaries and associates	457	1,828		2,285
Factoring loans	21,434			21,434
TOTAL INTEREST-BEARING BORROWINGS	**34,581**	**10,160**	**248,054**	**292,795**
31 AUG. 2012 RESTATED	119,581	195,450	761	315,792
Error correction for long-term leases(1)	1,945	2,826		4,771
31 AUGUST 2012 REPORTED	*117,636*	*192,624*	*761*	*311,021*

(1) Long-term leases have been capitalised since this year (see Notes 1 and 2.3).
The line entitled "Error correction for long-term leases" has been added in order to facilitate year-on-year comparisons.

In 2009, the Group set up long-term financing comprising senior debt and mezzanine bonds for the purpose of acquiring VPNM and Eurogem.

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% p.a. In addition, factoring contracts that transfer substantially all the risks and rewards of ownership of receivables to the factoring companies were set up in FY 2012-2013. As a result of these new contracts, the receivables concerned can now be derecognised (see Note 8.3)

The Group has an €18 million revolving credit facility, none of which had been drawn down at the year-end.

This financing is subject to limited financial covenants based on the Group's consolidated accounts. At 31 August 2013, all of these covenants were respected.

8.2. CONFIRMED CREDIT LINES

	Confirmed lines	Utilised lines
Bonds*	250,000	250,000
Bank borrowings	21,978	3,978
Factoring loans	130,000	114,418
TOTAL	**401,978**	**368,396**

* Principal, excluding issuance costs

8.3. FACTORING

As mentioned in Note 2.2.1.b, several of the Group's subsidiaries sell their trade receivables on a monthly basis under factoring contracts.

At 31 August 2013, 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 €98.2 million at the year-end, giving the Group €92.9 million in cash with the remaining €5.3 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 balance sheet under «*Trade receivables*», with the recognition of a corresponding financial liability.

These receivables totalled €28.6 million at 31 August 2013 and the related security deposit amounted to €7.2 million. Consequently the corresponding short-term financial liability recognised amounted to €21.4 million (*compared with €67.8 million at 31 August 2012*).

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 9
CHANGE IN NET DEBT

9.1. MOVEMENTS IN NET DEBT

	31 Aug. 2012	Error correction for long-term leases	31 Aug. 2012 restated	Movements	**Long-term lease liabilities at 31 Aug. 2013**	**31 Aug. 2013**
Cash and cash equivalents	29,721		29,721	22,920		52,641
Short-term bank loans and overdrafts	(3,541)		(3,541)	1,813		(1,728)
NET CASH AND CASH EQUIVALENTS (1)	**26,180**		**26,180**	**24,733**		**50,913**
						0
Long-term financial liabilities (4)	(193,407)	(2,816)	(196,223)	(60,046)	2,805	(256,269)
Short-term portion of long-term financial liabilities (4)	(117,636)	(1,945)	(119,581)	83,025	2,578	(36,556)
Financial instruments (2)	(2,833)		(2,833)	2,833		
DEBT	**(313,876)**	**(4,761)**	**(318,637)**	**25,812**	**5,383**	**(292,825)**
NET DEBT	**(287,696)**	**(4,761)**	**(292,457)**	**50,545**	**5,383**	**(241,912)**
Derecognised factored receivables(3)						(92,983)

(1) Net cash and cash equivalents as analysed in the statement of cash flows.
(2) Fair value hedges of debt (see Note 15).
(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 €92,983 thousand at 31 August 2013.
(4) Movements for the period mainly correspond to the repayment of debt as part of the Group's financial restructuring process, representing some €230 million, and €250 million in proceeds from the bond issue.

9.2. MAIN CHANGES DURING THE PERIOD

NET DEBT AT 31 AUGUST 2011	**(301,741)**
- Cash generated from operations before financial expenses and tax	63,131
- Change in operating working capital	11,195
- Income tax paid (including CVAE)	(12,563)
TOTAL - OPERATING ACTIVITIES	**61,763**
- Capital expenditure	(8,849)
- Financial investments	(6,790)
- Impact of minority puts	2,965
- Finance leases	(5,716)
- Changes in Group structure	94
TOTAL - INVESTING ACTIVITIES	**(18,296)**
- Dividends paid	(3,000)
- Finance costs, net	(24,771)
- Other (translation adjustments on borrowings etc.)	(1,651)
TOTAL - FINANCING ACTIVITIES	**(29,422)**
NET DEBT AT 31 AUGUST 2012 (REPORTED)	**(287,696)**
- Error correction for long-term leases	(4,761)
NET DEBT AT 31 AUGUST 2012 (RESTATED)	**(292,457)**
- Cash generated from operations before financial expenses and tax	71,305
- Change in operating working capital	85,861
- Income tax paid (including CVAE)	(18,433)
TOTAL - OPERATING ACTIVITIES	**138,733**
- Capital expenditure	(10,427)
- Financial investments	(4,329)
- Impact of minority puts	(743)
- Finance leases and long-term leases	(6,953)
- Changes in Group structure	(469)
TOTAL - INVESTING ACTIVITIES	**(22,921)**
- Dividends paid	(3,000)
- Finance costs, net	(25,070)
- Impact of refinancing (swaps, equity warrants, debt issuance costs)	(37,909)
- Other (translation adjustments on borrowings etc.)	712
TOTAL - FINANCING ACTIVITIES	**(65,267)**
NET DEBT AT 31 AUGUST 2013	**(241,912)**

NOTE 10
OTHER CURRENT LIABILITIES

10.1 OTHER CURRENT LIABILITIES

	31 Aug. 2013	31 Aug. 2012	Error correction [1]	31 Aug. 2012
CUSTOMER PREPAYMENTS	**620**	**914**		**914**
CURRENT TAX LIABILITIES	**2,718**	**5,294**		**5,294**
TRADE PAYABLES	**122,149**	**105,965**		**105,965**
OTHER CURRENT LIABILITIES	**300,416**	**271,200**		**269,888**
Employee-related liabilities and accrued payroll taxes	161,193	138,490	1,312	137,178
OTHER ACCRUED TAXES	102,512	102,606		102,606
Other current payables	32,673	22,384		22,384
Deferred income	4,038	7,720		7,720

(1) Correction of error for paid leave liabilities (see Note 2.3).

This item also includes the contra-entry for the pre-financing of CICE receivables carried out by the Group in 2013 in relation to the estimated future CICE tax credits of Group companies. This pre-financing amounted to €16.5 million at 31 August 2013.

10.2. SHORT-TERM BANK LOANS AND OVERDRAFTS **1,728**

This item also includes the contra-entry for the pre-financing of CICE receivables carried out by the Group in 2013 in relation to the estimated future CICE tax credits of Group companies. This pre-financing amounted to €16.5 million at 31 August 2013

10.3. FINANCIAL INSTRUMENTS **0**

At 31 August 2013 the Group no longer had any derivative financial instruments as the borrowings hedged in FY 2011-2012 were repaid as part of the debt restructuring

carried out in January 2013. The Group's total liability related to the remeasurement of derivative financial instruments amounted to €2,833 thousand at 31 August 2012

NOTE 11
SEGMENT REPORTING

«The Group's business activities are monitored by its chief operating decision maker as described in Note 2.4, which also sets out the Group's segment reporting principles.

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

	By operating segment				
	Cleaning	Multi-technical	International	Other	GROUP TOTAL
YEAR ENDED 31 AUG. 2013 (in millions of euros)					
Revenue	626.9	427.4	151.2	0.7	**1,206.2**
Recurring operating profitbefore depreciation, amortisation, provisions and impairment losses (reported)	63.4	26.3	8.6	(23.4)	**74.9**
YEAR ENDED 31 AUG. 2012 (in millions of euros)					
Revenue	636.2	407.4	125.8	3.5	1,172.9
Recurring operating profit before depreciation, amortisation, provisions and impairment losses (restated) (1)	63.1	24.2	8.4	25.5	70.2
Error correction for long-term leases(1)	*1.6*				*1.6*
Recurring operating profitbefore depreciation, amortisation, provisions and impairment losses (reported)	61.5	24.2	8.4	(25.5)	68.6

(1) Long-term leases have been capitalised since FY 2012-2013 (see Notes 1 and 2.3). The line entitled ""Error correction for long-term leases"" has been added to show the impact of this correction on recurring operating profit before depreciation, amortisation, provisions and impairment losses and to facilitate year-on-year comparisons.

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

NOTE 12
RECURRING OPERATING PROFIT/OPERATING PROFIT

12.1. OPERATING PROFIT

	Year ended 31 Aug. 2013	31 août 2012 restated	Error corrections[1]	Year ended 31 Aug. 2012 reported
Revenue	1,206,199	1,172,945		1,172,945
Purchases consumed (including outsourcing)	(226,524)	(214,515)		(214,515)
External charges	(128,151)	(131,486)	1,646	(133,132)
Payroll costs	(760,368)	(742,902)		(742,902)
Taxes other than on income (2)	(20,373)	(18,396)		(18,396)
Other recurring operating income and expenses:				
Other income	11,922	11,520		11,520
Other expenses	(7,781)	(6,950)		(6,950)
RECURRING OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT LOSSES	**74,924**	**70,216**		**68,570**
Depreciation and amortisation, net	(20,240)	(18,942)	(1,152)	(17,790)
Provisions and impairment losses, net	3,240	(896)	859	(1,755)
RECURRING OPERATING PROFIT	**57,924**	**50,378**		**49,025**
Other operating income		3,294		3,294
Other operating expenses				
OPERATING PROFIT	**57,924**	**53,672**		**52,319**

(1) Error corrections are described in Note 2.3
(2) CVAE is included within "Income tax expense" in the income statement.

NOTE 13
FINANCE COSTS, NET & OTHER FINANCIAL INCOME AND EXPENSES

13.1. BREAKDOWN OF FINANCE COSTS, NET (35,612)

	Year ended 31 Aug. 2013	Year ended 31 Aug. 2012 restated
Financial expenses	(35,715)	(25,201)
Produits de trésorerie et liés aux instruments financiers	103	177
FINANCE COSTS, NET	**(35,612)**	**(25,024)**
Analysis:		
Net interest on borrowings	(23,981)	(15,446)
Capitalised interest		(8,867)
Interest on finance leases	(1,129)	(711)
Non-recurring expenses related to former financing (*swap and issuance costs*)	(10,502)	
SOUS-TOTAL	(35,612)	(25,024)

13.2. BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES (1,474)

	Year ended 31 Aug. 2013	Year ended 31 Aug. 2012
Dividends received from non-consolidated companies	67	11
Net (additions to)/reversals of provisions for financial items	(358)	(39)
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	(1,183)	(666)
OTHER FINANCIAL INCOME AND EXPENSES	**(1,474)**	**(694)**

NOTE 14
INCOME TAX EXPENSE

14.1. BREAKDOWN OF THE NET TAX CHARGE

	Year ended 31 Aug. 2013			Year ended 31 Aug. 2012		
	France	OTHER	TOTAL	France	Étranger	TOTAL
. Current income taxes	(20)	(1,530)	(1,550)	(589)	(1,754)	(2,343)
. Deferred taxes	1,697	64	1,761	(1,005)	65	(940)
. CVAE	(13,389)		(13,389)	(12,487)		(12,487)
TOTAL	**(11,712)**	**(1,466)**	**(13,178)**	**(14,081)**	**(1,689)**	**(15,770)**

14.2. RECONCILIATION BETWEEN THEORETICAL AND EFFECTIVE TAX CHARGE (TAX PROOF)

	2013	2012
Profit for the period before income tax and CVAE	20,837	26,855
CVAE	(13,389)	(12,487)
Pre-tax profit	7,448	14,368
Theoretical tax rate	34.43%	34.43%
Theoretical tax charge	**(2,564)**	**(4,947)**
Net impact of the recognition/non-recognition of tax loss carryforwards	(3,963)	1,104
Permanent differences	3,275	1,855
Taxes not based on taxable income		
Temporary differences not generating deferred taxes	2,195	(1,748)
Other (difference between French and foreign tax rates etc.)	1,268	453
Total difference	**211**	**(3,283)**
CVAE	(13,389)	(12,487)
TOTAL CURRENT AND DEFERRED TAXES	**(13,178)**	**(15,770)**

Under new French tax legislation, tax losses carried forward are only available to offset against €1 million of taxable profit, plus 50% of taxable profit for the year exceeding that amount.
The portion that cannot be offset in a given year may, however, be carried forward to subsequent years in which the losses will be offset subject to the same conditions (i.e. offset against €1 million in taxable profit + 50% of taxable profit for the year > €1 million).
In the case of a tax consolidation group, this rule is applicable at the level of the head of the tax group. The Atalian Group has three tax groups.No corporate income tax was recognised by the Group in FY 2012-2013 as the three tax groups - «*La Financière Atalian*», «*TFN Val*» and «*TFN SI*» - all recorded tax losses for the year.

NOTE 15
FINANCIAL INSTRUMENTS

For information purposes, the table below shows the aggregate of notional amounts outstanding at 31 August 2013 of each type of financial instrument used, with a breakdown by residual maturity for interest rate instruments and by currency for exchange rate instruments.

In view of the debt refinancing carried out in January 2013, substantially all of the Group's hedging instruments were no longer in place at 31 August 2013.

15.1. INTEREST RATE HEDGES

Maturity analysis

in thousands of euros

Expiry date	2013	2014 à 2018	TOTAL **31 Aug. 2013**	TOTAL 31 Aug. 2012
Interest rate swaps				
on financial assets				
on financial liabilities				70,000
Future Rate Agreements				
on financial assets				
on financial liabilities				
Caps/Floors				
on financial assets				
purchase of caps on financial liabilities		858	858	41,143
tunnels on financial liabilities				30,000

The Group's hedges were unwound during the year following the repayment of the underlying debt. This involved an unwind payment corresponding to the fair value of the unwound instruments. The termination of the hedges resulted in a financial expense of €2,378 thousand.

At 31 August 2013, the Group's only financial instruments (*corresponding to caps*) were used to hedge the debt of an international subsidiary, representing €858 thousand.

At that date, the market value of the Group's portfolio of hedging instruments was a negative €11 thousand.

NOTE 16
OFF-BALANCE SHEET COMMITMENTS

The notes below provide a summary of the Group's guarantee commitments, miscellaneous contractual commitments and finance lease commitments.

See Note 8 for further details of commitments given and received under financing contracts.

16.1. GUARANTEE COMMITMENTS

	31 Aug. 2012	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Pledges, mortgages and collateral				
Guarantees and endorsements given	16,616	1,662	14,954	0
TOTAL GUARANTEE COMMITMENTS GIVEN	**16,616**	**1,662**	**14,954**	**0**
Pledges, mortgages and collateral				
Guarantees and endorsements received				
TOTAL GUARANTEE COMMITMENTS RECEIVED	**0**	**0**	**0**	**0**

16.2. MISCELLANEOUS CONTRACTUAL COMMITMENTS

	31 Aug. 2012	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Discounted trade notes				
Other				
TOTAL MISCELLANEOUS CONTRACTUAL COMMITMENTS GIVEN	**0**	**0**	**0**	**0**
Discounted bills				
Commitments from factoring companies (1)	130,000	130,000		
TOTAL MISCELLANEOUS CONTRACTUAL COMMITMENTS RECEIVED	**130,000**	**130,000**	**0**	**0**

(1) Of which €67.8 million have been used.

16.3. COLLATERAL GRANTED

The Group has granted the following collateral as guarantees for the payment/repayment of financial obligations:

1. Collateral granted by La Financière Atalian:
- Pledge of La Financière Atalian shares representing 50.01% of the Company's capital

2- Collateral granted by Atalian:
- Pledges of receivables
- Pledge of CA, CIC, BNP Paribas, LCL, Banque Palatine, HSBC, BP, and Crédit du Nord bank accounts
- Pledge of shares in Groupe TFN Pôle Sécurité, Ingénièrie des services, and International and TFN Val

NOTE 17
HEADCOUNT

17.1. AVERAGE NUMBER OF EMPLOYEES (FULL-TIME EQUIVALENT)

	Year ended 31 Aug. 2013	Year ended 31 Aug. 2012
France:		
Managers	646	673
Supervisors	1,872	1,760
Other	22,291	22,246
TOTAL - FRANCE	24,809	24,679
INTERNATIONAL EMPLOYEES	9,699	8,132
TOTAL AVERAGE NUMBER OF EMPLOYEES	**34,508**	**32,811**

NOTE 18
LIST OF CONSOLIDATED COMPANIES

COMPANY	% CONTROL august 2013	% INTEREST august 2013	Consolidation method
FULLY CONSOLIDATED COMPANIES			
CORPORATE			
ATALIAN (TFN DÉVELOPPEMENT)	100.00	100.00	IG
ATALIAN SERVICES PARTAGÉS	100.00	100.00	IG
ATALIAN SERVICES FINANCIERS	100.00	100.00	IG
ATALIAN SERVICES COMPTABLES	100.00	100.00	IG
ATALIAN SERVICES DES RESSOURCES HUMAINES	100.00	100.00	IG
ATALIAN SERVICES INFORMATIQUES ET QUALITÉ	100.00	100.00	IG
ATALIAN DIRECTION RELATIONS CLIENTS (ex TFN services relations clients)	100.00	100.00	IG
TFN VAL	89.74	89.74	IG
SCI RICHWILLER.	99.80	99.80	IG
SCI ST JEAN D'ILLIAC	99.50	99.50	IG
SCI SAINT APOLLINAIRE	99.95	99.95	IG
SCI PESSAC	90.00	89.89	IG
SCI ALPHA DU CENTAURE II	85.00	85.00	IG
ATALIAN AIRPORT SERVICES	100.00	100.00	IG
TFN LOGISTIK	33.33	33.33	IP
ATALIAN SERVICE PAYE	100.00	100.00	IG
ATALIAN SERVICES SÉCURITÉ ET QUALITÉ	100.00	100.00	IG
CLEANING SERVICES			
ATALIAN PÔLE PROPRETÉ	100.00	100.00	IG
RIP	100.00	100.00	IG
DRX	100.00	100.00	IG
TNEX	100.00	100.00	IG
TFN IDF (EX VPNM ÎLE-DE-FRANCE)	100.00	89.74	IG
TFN APPROS ET TECHNIQUES (EX VPNM APPROS ET TECHNIQUES)	100.00	89.74	IG
TFN SUD EST (EX VPNM SUD EST)	100.00	89.74	IG
COMATEC	100.00	89.74	IG
EPPSI	100.00	89.74	IG
USP NETTOYAGE	100.00	89.74	IG
TFN P NORD NORMANDIE	100.00	89.74	IG
TFN P OUEST	100.00	89.74	IG
TFN P SUD OUEST	100.00	89.74	IG
TFN P EST	100.00	89.74	IG
TFN PROPRETÉ CENTRE	100.00	90.00	IG
ANAPURNA	100.00	89.98	IG
CARRARD SERVICES	100.00	89.98	IG
TRANSPORT/LOGISTICS			
TFN AFFRÈTEMENT ET LOGISTIQUE	100.00	100.00	IG
PARISIENNE D'AFFRÈTEMENT ET DE MESSAGERIE (PAM)	100.00	100.00	IG
GROUPE STAR	100.00	89.74	IG
STAR SARL	100.00	89.74	IG
MUNOZ EURL	100.00	89.74	IG
LOGISMARK	99.90	89.65	IG
TFN PROPRETÉ LOGISTIQUE	100.00	89.74	IG
TECHNICAL			
TFN BÂTIMENT	100.00	100.00	IG
EL ALE	99.43	89.23	IG
SCI AMPÈRE LA MAINE	99.90	99.90	IG
SCI OPALI	99.00	98.90	IG
SECURITY			
ATALIAN SÛRETÉ	99.43	99.43	IG
LANCRY PROTECTION SÉCURITÉ (LPS)	100.00	99.43	IG
LANCRY FORMATION	100.00	99.43	IG
AIRPORT PASSENGERS & FREIGHT SECURITY	100.00	94.85	IG
SCI CHAPELLE 2000	99.80	99.46	IG

COMPANY	% CONTROL august 2013	% INTEREST august 2013	Consolidation method
HYGIENE			
ATALIAN HYGIÈNE	100.00	100.00	IG
ATALIAN FACILITIES (ex CELT HYGIÈNE)	100.00	100.00	IG
LANDSCAPING			
ATALIAN PÔLE ESPACES VERTS	99.76	99.76	IG
PINSON PAYSAGE	100.00	99.76	IG
ARPAJA	100.00	99.76	IG
SUPERSOL	100.00	99.76	IG
PINSON MIDI PYRENNEES (ex PAYSAGES ET ENVIRONNEMENTS SARL)	100.00	89.74	IG
PINSON PAYSAGE RHONE ALPES (ex PROST PAYSAGE)	100.00	89.74	IG
PINSON PAYSAGE NORD (ex SNBM)	100.00	100.00	IG
PHYTO ENVIRONNEMENT	100.00	89.74	IG
FIRE SAFETY			
ATALIAN PÔLE SECURITE INCENDIE (SI)	78.29	94.85	IG
SPF	100.00	94.85	IG
INTERNATIONAL			
FR-ANSWER PLUS GLOBAL SERVICES	50.00	50.00	IG
FR-ATALIAN INTERNATIONAL	100.00	100.00	IG
BE-DEPLO SCHOONMAK	92.05	92.05	IG
BE-ATALIAN INTERNATIONAL BELGIQUE	100.00	100.00	IG
BE-ATALIAN CLEANING SERVICES (ex Multiservices)	51.00	51.00	IG
BE-TFN CLEANING SERVICES	95.00	95.00	IG
CZ-ATALIAN CZ sro (tfn ex-Jana)	94.40	94.40	IG
CZ-ZETA HOLDING	80.00	75.52	IG
CZ-ATALIAN EKOLOGICKY SERVIS (Zeta CZ)	80.00	75.52	IG
CZ-ATALIAN SERVIS CZ sro (ex TFN SECURITY)	100.00	94.40	IG
CZ-KAF	85.00	80.24	IG
ES-PÔLE INTERNATIONAL TFN ESPANA	100.00	100.00	IG
ES-MARTONET	100.00	100.00	IG
ES-NETEGES MARESME	100.00	100.00	IG
HU-TFN HUNGARIA	99.80	99.80	IG
HU-MTO HUNGARIA	100.00	99.98	IG
HU-ATALIAN GLOBAL SERVICES HUNGARY (ex BSZF)	100.00	100.00	IG
HU-ATALIAN FACILITY MANAGEMENT & GLOBAL SERVICES (ex BFM)	100.00	100.00	IG
HU-ATALIAN GLOBAL SERVICES & SECURITY (ex Escort)	100.00	100.00	IG
HU-KESMARK	100.00	100.00	IG
HR-TFN HRVATSKA	100.00	100.00	IG
HR-EKUS	92.00	92.00	IG
HR-KADUS PRIVREMENO ZAPOSLJAVANJE	92.00	92.00	IG
LU-AVISIA PROPRETÉ	100.00	100.00	IG
LU-ATALIAN INTERNATIONAL (Turquie)	100.00	100.00	IG
LU-GÉNIE THERM	85.40	85.40	IG
LU-CITY ONE Luxembourg	50.00	50.00	IG
LU-ATALIAN INTERNATIONAL	98.00	98.00	IG
RO-ATALIAN ROMANIA (ex TFN Servicii)	86.00	86.00	IG
RO-IQ REAL ESTATE	100.00	86.00	IG
SK-ATALIAN (TEST Slovaquia absorbe TFN Slovaquia)	100.00	94.40	IG
SK-CI SERVIS	31.00	29.00	IG
SK-ATALIAN FACILITY	60.00	60.00	IG
PL-TFN POLSKA	100.00	100.00	IG
PL-POL-K ATALIAN	90.00	90.00	IG
MU-ANSWERPLUS LIMITED	87.00	87.00	IG
MA-ATALIAN MAROC	100.00	100.00	IG
MA-VIP SURVEILLANCE	70.00	70.00	IG
MA-ATALIAN SURVEILLANCE	70.00	70.00	IG
TR - ARTEM	51.00	50.00	IG

COMPANY	% CONTROL august 2013	% INTEREST august 2013	Consolidation method
SERVICE ENGINEERING			
ATALIAN PÔLE INGÉNIERIE DES SERVICES	100.00	100.00	IG
MAINTENANCE TECHNIQUE OPTIMISÉE (MTO)	100.00	100.00	IG
MTO LIBAN	99.14	99.14	IG
ATC	100.00	89.74	IG
EUROGEM	100.00	100.00	IG
FACILMAP	100.00	100.00	IG
IMOP	100.00	100.00	IG
ISIS FACILITIES	100.00	100.00	IG
MTO INDUSTRIES ET SERVICES (ex TFN INDUSTRIES)	100.00	100.00	IG
PAINTING. PARQUET FLOORING AND OTHER FLOOR COVERINGS			
ATALIAN PÔLE PPR	100.00	100.00	IG
BATIMMO	100.00	100.00	IG
SERVOPTIM JEAN LETUVE	100.00	100.00	IG
O2TL	100.00	100.00	IG
GERMOT ET CRUDEMAIRE	100.00	100.00	IG
RECEPTION			
CITY SERVICES	50.00	50.00	EM
CITY ATALIAN FERROVIAIRE	49.00	44.00	EM

FR: FRANCE ; BE: BELGIUM; CZ: CZECH REPUBLIC; ES: SPAIN ; LU: LUXEMBOURG ; HU: HUNGARY; RO: ROMANIA ; MA: MOROCCO ; TR: TURKEY ; SK: SLOVAKIA ; HR: CROATIA ; PL: POLAND

NOTE 19
STATUTORY AUDITORS' FEES

19.1 BREAKDOWN OF FEES PAID TO THE STATUTORY AUDITORS

Fees paid by the Group to the Statutory Auditors and members of their networks for their audit of the consolidated financial statements of La Financière Atalian and its subsidiaries can be analysed as follows.

	31 Aug. 2013					31 Aug. 2012				
	BUGEAUD	PWC	KPMG	OTHER	**TOTAL**	BUGEAUD	PWC	KPMG	OTHER	**TOTAL**
Statutory audit work	703	720	54	37	**1,514**	700	700	106	30	**1,536**
Other services					**0**					**0**
TOTAL	**703**	**720**	**54**	**37**	**1,514**	**700**	**700**	**106**	**30**	**1,536**

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