MANAGEMENT'S DISCUSSION OF THE 2014/2013 RESULTS

Unaudited

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1 OVERVIEW

We are a leading independent provider of outsourced building and industrial services. We serve a diverse range of over 25,000 customers in the private and public sector in 16 countries, including France, our principal market. Originally established in 1944 as a provider of cleaning services in France, we began transforming ourselves into a multi-disciplinary provider of outsourced building and industrial services in 1999. Our comprehensive multi-service and multi-technical offering covers many of the segments of the market for outsourced building and industrial services. We provide our services by relying primarily on in-house expertise and resources. Since the creation of our first businesses outside France in 2000, we have also developed our international operations. With a FTE headcount in fiscal year 2014/13 of more than 33,800 employees and over 160 offices across Europe (of which over 100 are in France), we are currently an important provider of various types of outsourced building and industrial services in each of the countries in which we operate.

2 SERVICE OFFERING

We provide our services to our customers through operationally autonomous businesses, each of which generally specializes in one type of service. Our businesses are organized into three reporting segments under IFRS, namely, Cleaning, Facility Management and International.

Cleaning

Through our TFN Propreté brand, we offer cleaning and associated services, which include periodic cleaning of offices and retail outlets and specialized cleaning services in the health, food-processing, transportation, manufacturing and nuclear industries, in France. Our Cleaning segment generated revenue of €697.2 million, or 55.0% of Group revenue, in fiscal year 2014/13.

Facility Management

Facility Management comprises Multi-technical ("hard" FM) which includes heavytechnical services (building and office maintenance, support services, fluid and energy management, etc.) and Multiservices ("soft" FM), which includes security, painting, the maintenance of landscaped areas and reception services (through certain of our joint venture companies as part of our cooperation with City One). These diverse fields of expertise are all essential for the smooth functioning of a business or community:

- *Multi-technical services:* Through our MTO-Eurogem brand, we offer technical services relating to the operation of buildings, such as electricity and IT network control, in France. We also offer building maintenance services (carpentry, plumbing, conditioning, heating, plumbing, ventilation), and industrial services (for example, mechanical and electrical engineering services relating to the maintenance of steam, compressed air, waste and water treatment equipment). In addition, we provide bundled facility management services as part of our multi-technical business, which consist in providing two or more of our outsourced building and industrial services under one contract, together with on-site management through a single customer relations contact.

- *Construction*: We provide construction services in France relating to heating, ventilation and air conditioning (HVAC) engineering, finishing works, plumbing, electricity and masonry. Our construction business generated revenue of €31.5 million, or 7.2% of Facility Management segment revenue, in fiscal year 2014/13.

Our Multi-technical and Construction businesses generated combined revenue of €195.8 million, or 44.5% of Facility Management segment revenue, in fiscal year 2014/13.

- *Security:* Through our Lancry brand, we provide security services relating to surveillance, access control and safety to our customers in France. Our security business generated revenue of €134.2 million, or 30.7% of Facility Management segment revenue, in fiscal year 2014/13.
- *Painting:* We provide painting, parquet and floor covering services. Our painting business generated revenue of €18.0 million, or 4.1% of Facility Management segment revenue, in fiscal year 2014/13.
- *Landscaping:* We provide landscaping services in France, such as the creation and maintenance of natural and urban green spaces. Our landscaping business generated revenue of €67.8 million, or 15.5% of Facility Management segment revenue, in fiscal year 2014/13.
- *Transportation:* We provide transportation services in France, such as transport, freight chartering and logistics. Our transportation business generated revenue of €21.4 million, or 4.9% of Facility Management segment revenue, in fiscal year 2014/13.

Our Facility Management segment generated revenue of €436.6 million, or 34.5% of Group revenue in fiscal year 2014/13.

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

Today we operate in Europe (France, Belgium, Luxembourg, Poland, Hungary, Czech Republic, Slovakia, Romania, Croatia), Africa (Morocco, Mauritius) and, more recently Asia (Thailand, Indonesia, Malaysia) through our international businesses, which principally provide cleaning, multi-technical, security and bundled facility management services. Our International segment generated revenue of €157.5 million, or 12.4% of Group revenue, in fiscal year 2014/13.

3 GOVERNANCE

Shareholders

The Julien family shareholders own 100% of the share capital of JPF Développement SAS with a majority held by Mr. Franck Julien. Mr. Franck Julien holds via its holding 100% of Atalian Holding Development and Strategy SA (AHDS). AHDS holds 98.9% of La Financiere Atalian SAS, the remaining shares being owned by JPF Developpement SAS.

The Board

The composition of the Board of AHDS comprises the following six members:

Name	Date of appointement
Mr. Franck Julien	2007
Ms. Sophie Pécriaux-Julien	2011
Mr. Jean-Pierre Julien	2012
Mr. Loïc Evrard	2013
Mr. John Penning	2014
Mr. Quentin Vercauteren Drubbel	2013

4 DISCUSSION OF THE BUSINESS

4.1 United Facility Solutions (UFS)

ATALIAN Global Services provides its expertise to UFS - United Facility Solutions, an alliance formed by the 6 leading European facility service providers from the largest European countries (Spain, Italy, and France, with affiliates in UK, Germany, and Netherlands). 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.

Following a successful test phase with multiple new contracts in France, Spain and Belgium such as Desigual and Black & Decker, and with important synergies, the members of the alliance have the will to accelerate the development of the project that perfectly suits customers' expectations. By the end of the year, the strengthening of the sales teams and the extension of the alliance with new members, particularly in Switzerland, are expected in order to enable us to tender for more contracts.

4.2 Acquisitions and divestments

Overview

Atalian strengthens its development strategy towards international market, in particular in Asia, as we firmly believe it is the key to the Group's future success. In fiscal year 2014/13, we acquired companies that contributed to €22.3 million in the aggregate to our consolidated revenue in fiscal year 2014/13:

- **TRITUNGGAL:** based in Indonesia, the company offers commercial, retail, hospital and Hospitality cleaning services. It counts around 2,300 FTE employees and an annual revenue of around €8.5 million. The acquisition of about half of the capital was completed in February, 2014 and it contributed to €3.1 million in the 2014/13 Atalianconsolidated revenue. The company currently holds more than 150 contracts and is continuously looking to grow the business.
- **HARTA:** based in Malaysia, the company operates in the cleaning and maintenance business with a focus on commercial, retail and healthcare. It counts an annual revenue of around €22 million and around €3 million of EBITDA. The acquisition of 70% of the capital was completed in November, 2014 after the closing. The company has a number of pending large contracts including public private partnership opportunities which will help fulfill a mission to become the largest FM player in Malaysia.
- **ETKIN:** based in Turkey, the company operates in technical maintenance business mainly within the private sector. It counts around 170 FTE employees, with annual revenue of around €10 million. The acquisition of about half of the capital was completed in December, 2013. An additional 40% of the share capital will be acquired by the end of the year. The company contributed to €8.8 million in the 2014/13 Atalian consolidated revenue.
- **FM ADVANCE SERVICES:** based in Thailand, the company operates in technical maintenance activities. It provides services to hospitals, retail, commercial, banking sector, and residential buildings. It counts 200 FTE employees, with annual revenue of around €1.5 million. The acquisition of about half of the capital was completed in June, 2014 and it contributed to €0.3 million in the 2014/13 Atalian consolidated revenue.

In a context of a French competitive market with an increasing pressure on prices, we chose to capture growth, in order to reinforce our 2nd largest position on this market, through acquisitions:

- 5 subsidiaries of **NIWAKI GROUP:** based in France, the company operates in cleaning activities. It counts around 500 employees, with annual revenue around €27 million ans around €4 million of EBITDA. The acquisition of 100% of the capital was completed in March, 2014. The company contributed to €9.8 million in the 2014/13 Atalianconsolidated revenue.

- **ERGELIS:** based in France, with annual revenue of around €2 million, the company counts 25 engineering consultants specializing in energy cost optimization. The company constitutes a good opportunity to generate additional revenue by advising our technical maintenance customers, in France and abroad, on the energy performance of their buildings. The acquisition of about half of the capital was completed in July, 2014.
- And the acquisition of **SOCANET** which operates in the cleaning business in North of France, with annual revenue of around €2million. The acquisitionwas completed in July, 2014.

There were no disposals during the period. Even so, the perspective of the company is to obtain the best economic returns from its non-core assets by seeking the best disposal opportunities.

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

We calculate the revenue contribution for acquired businesses as follows:

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

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

4.3 Contracts

Overview

As of August 31, 2014, we estimate that we had approximately 25,000 customers operating in the private and public sectors. We operate in 16 countries; in France, 80% of the CAC 40 firms are part of our client portfolio. Our customers range in size from small to medium-sized companies to large national and multinational companies. We are focused on further developing our relationships with our larger customers, with the goal of becoming their preferred provider of outsourced building and industrial services.

Contracts for cleaning services are generally performance-based contracts with one-year terms that are renewable thereafter, but tend to have longer terms where the contract involves larger customer sites. Cleaning contracts typically have fixed monthly fees and are generally terminable by either party upon an agreed notice period.

Contracts for bundled facility management services are typically performance-based contracts and typically have terms of three years. These contracts typically have fixed monthly fees and are terminable by either party upon an agreed notice period.

Security services contracts are generally resource-based contracts and typically have terms of three to four years. These contracts usually have fixed monthly fees, and are terminable by either party upon an agreed notice period.

Contracts in our international business typically have terms of three years and provide for fixed monthly fees.

Focus by business:

Cleaning

The Cleaning market in France is mature and competitive with an increasing pricing pressure. In order to preserve our margins, we decided not to renew certain large contracts with low EBITDA margins such as UGAP and Renault. To maintain our profitability and capture growth, we focused our strategy toward the external growth. Therefore, and despite the gain of high profile contracts such as Air France, Adoma, Astrium, EDF and PwC, organic revenue decreased by €14.8 million, or 2.3%, as compared to a decrease of around 3% for the overall Cleaning market.

In addition, the 5 subsidiaries of Niwaki Group broaden our high profile client portfolio with Transdev and SNCF contracts.

Facility Management

The Facility Management segment has won, during the fiscal year 2014/13, new high profile contracts such as Orange and L'Oréal. Organic revenue increased by €9.9 million, or 2.2%.

International

Important new contracts were signed such as Electrolux, INA, Ahold and *Université de Leuven*. Conversely, because of an extraordinary level of add-on sales in the fiscal year 2013/12 the organic revenue decreased by €8.3 million in fiscal year 2014/13, or 5.5%. Excluding the negative impact of add-on sales, organic revenue increased by around 6%.

4.4 Payroll costs

The Group's cost structure mainly consists of variable costs. Our recurring operating costs consist principally of payroll costs, which represented 63.0% and 63.3% of Group revenue in fiscal year 2013/12 and fiscal year 2014/13, respectively.

Our ability to manage our payroll costs is in part attributable to the relatively high employee turnover rate in our Cleaning and Security businesses, which together account for most of our payroll costs. Our high employee turnover rate in these businesses is due to a number of factors, including frequent voluntary departures by our field employees. Moreover, in these two businesses, the client undertakes to hire, at the end of the contract, the employees that have worked on the contract. This transfer of a part of our employee base provides us with more flexibility. As a result, our staffing levels (other than in respect of our regional supervisory staff, which remain broadly stable) in these businesses generally increase when a customer contract is gained and decrease when a customer contract is lost, which contributes to our high turnover rate in our cleaning and security businesses.

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

The Cleaning business counts around 18,300 full-time employees in fiscal year 2014/13 against 18,400 in fiscal year 2013/12. Payroll costs account for 73.0% of revenue in fiscal year 2014/13 (against 73.7% in fiscal year 2013/12).

The Facility Management business counts around 6,500 full-time employees fiscal year 2014/13 against around 6,400 in fiscal year 2013/12. Payroll costs account for 47.2% of revenue in fiscal year 2014/13 (stable versus fiscal year 2013/12).

In the International business counts around 8,200 full-time employees in fiscal year 2014/13 against around 5,700 in fiscal year 2013/12. Payroll costs account for 46.2% of revenue in fiscal year 2014/13 (against 40.9% in fiscal year 2013/12).

5 FINANCIAL INFORMATION

Management Financial Measures

We use EBITDA to analyze our results of operations. We define EBITDA as operating profit, as reported in our Consolidated Financial Statements, adjusted to exclude the following line items, each of which as reported in our Consolidated Financial Statements: depreciation and amortization, net; provisions and impairment losses, net; other operating income; and other operating expenses. EBITDA corresponds to the line item "Recurring operating profit before depreciation, amortization, provisions and impairment losses" in our consolidated income statement included in the Consolidated Financial Statements. For consistency, we refer to this line item as EBITDA throughout this document (excluding the Consolidated Financial Statements).

EBITDA is not specifically prescribed line items under IFRS. EBITDA is not measure of financial condition, liquidity or profitability and should not be considered as an alternative to the profit for the period determined in accordance with IFRS, cash flows generated by operating activities determined in accordance with IFRS or any other measure prescribed by IFRS. EBITDA assists us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operating performance both on a segment and on a consolidated basis. We believe that inclusion of EBITDA in this offering memorandum is useful to investors because it provides investors the same information that we use internally for purposes of assessing our operating performance. EBITDA have important limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results of operations. Because not all companies calculate EBITDA and identically, this presentation of EBITDA may not be comparable to other similarly titled measures of other companies.

6 RESULTS OF OPERATIONS FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND AUGUST 31, 2014 (UNAUDITED)

6.1 P&L analysis

	2013	2014
	€ in millions	
Revenue	**1,206.2**	**1,266.7**
Purchases consumed	(274.7)	(271.0)
External charges	(80.0)	(80.8)
Payroll costs	(760.4)	(802.2)
Taxes other than on income	(20.4)	(22.4)
Other recurring operating income and expenses	4.2	(3.2)
EBITDA	**74.9**	**87.1**
Depreciation and amortization, net	(20.2)	(22.5)
Provisions and impairment losses, net	3.2	(5.1)
Recurring operating profit	**57.9**	**59.5**
Other operating income	—	0.0
Other operating expenses	—	(0.0)

Operating profit	**57.9**	**59.5**
Financial income	0.1	0.3
Finance expenses	(35.7)	(27.0)
Finance costs, net	**(35.6)**	**(26.7)**
Other financial income and expenses	(1.5)	(1.4)
Net financial expense	**(37.1)**	**(28.1)**
Income tax expense	(13.2)	(16.3)
Share of profit (loss) of associates	0.4	(0.1)
Profit for the period	**8.1**	**15.0**

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

	For the fiscal year ended August 31,	
	2013	**2014**
	€ in millions	
Revenue		
Cleaning[(1)]	645.2	697.2
Facility Management[(1)]	439.5	436.6
International[(1)]	152.0	157.5
Other (including intra-sectors transactions)	(30.5)	(24.6)
Total Revenue	**1,206.2**	**1,266.7**

(1) Excluding intra-sectors transactions

Revenue increased by €60.5 million, or 5.0%, to €1,266.7 million in fiscal year 2014/13, as compared to €1,206.2 million in fiscal year 2013/12.

Revenue by segment

Cleaning: Revenue of the Cleaning segment increased by €52.0 million, or 8.1%, to €697.2 million in fiscal year 2014/13, as compared to €645.2 million in fiscal year 2013/12. The increase in the Cleaning revenue was primarily attributable to:

- the full-year impact of the acquisition of CARRARD in July 2013 (fiscal year 2013/12) which contributed €60.5 million to the Cleaning segment'srevenue in fiscal year 2014/13.
- the acquisition of 5 subsidiaries of NIWAKI Group in France in March, 2014, which contributed €9.8 million to the Cleaning segment'srevenue in fiscal year 2014/13.
- the gain of high profile contracts including Air France, Adoma, Astrium Airbus, EDF and PwC and the full-year impact of contracts won during the 2013/12 fiscal year.

This increase was partly offset by the higher pricing pressure over the period, as a result of the competitive environment and the repercussion on prices expected by our customers of the tax savings generated by the CICE tax credit. In addition, the Group chose not to renew some contracts with insufficient EBITDA margin. As a result, organic growth decreased by €14.8 million, or 2.3% in fiscal year 2014/13.

As a result of our dynamic strategy, the Cleaning segment represented 55.0% of Group revenue in fiscal year 2014/13, as compared to 53.5% in fiscal year 2013/12.

Facility Management: Revenue of the Facility Management segment slightly decreased by €2.9 million, or 0.7%, to €436.6 million in fiscal year 2014/13, as compared to €439.5 million in fiscal year 2013/12. The decrease was principally due to the following:

- a decrease of €7.1 million, or 24.8%, in revenue generated by our transportation business, due to the full-year impact of the disposal in the road freight transport and delivery activities in fiscal year 2013/12.
- a decrease of €2.2 million, or 11.0% in revenue generated by our Painting business, because of the pricing pressure and the voluntary non-renewal of lower EBITDA margin contracts.

This decrease was partly offset by:

- an increase of €5.1 million, or 8.2%, in revenue generated by our landscaping business driven by the overall market growth and the dynamic of our commercial strategy.
- an increase of €2.2 million, or 1.7% in revenue generated by our security business at a lower growth level than last year, as a result of a more competitive environment and the repercussion on prices expected by our customers of the tax savings generated by the CICE tax credit.

As a result, organic growth increased by €9.9 million, or 2.2% in fiscal year 2014/13. The total revenue from the Facility Management segment represented 34.5% of Group revenue in fiscal year 2014/13, as compared to 36.4% in fiscal year 2013/12.

International: Revenue from the International segment increased by €5.5 million, or 3.6%, to €157.5 million in fiscal year 2014/13, as compared to €1520 million in fiscal year 2013/12. This significant growth was mainly due to the following:

- the acquisition of ETKIN in Turkey in December 2013, which contributed €8.8 million to the International segment's revenue in fiscal year 2014/13,
- the full-year impact of the acquisition of ARTEM in Turkey in January 2013 (fiscal year 2013/12), which contributed €6.3 million to the International segment's revenue in fiscal year 2014/13,
- the acquisition of Tritunggal in Indonesia in February 2014, which contributed to €3.1 million in the International segment's revenue in fiscal year 2014/13,

This increase was partially offset by:

- a decrease of €10.9 million in Czech Republic and Poland revenue, in the aggregate, mainly due to the exceptional level of add-on sales in the fiscal year 2013/12 and to a negative forex impact of €2.6 million in Czech Republic.
- in addition the disposed operations in Spain negatively impacted International revenue by €1.4 million.

As a result, organic growth decreased by €8.3 million, or 5.5% in fiscal year 2014/13. Excluding the negative impact of add-on sales, organic revenue would have increased around 6%.

Purchases consumed and external charges

Purchases consumed and external charges decreased by €2.8 million, or 0.8%, from €354.7 million in fiscal year 2013/12 to €351.8 million in fiscal year 2014/13. As a percentage of revenue, purchases consumed and external charges represented 27.8% of revenue in fiscal year 2014/13, as compared to 29.4% of Group revenue in fiscal year 2013/12. This decrease reflected a decrease in the Group's recourse to subcontracting as a result of the lower level of add-on sales in Poland and in Czech Republic.

Payroll costs

Payroll costs increased by €41.8 million, or 5.5%, from €760.4 million in fiscal year 2013/12 to €802.2 million in fiscal year 2014/13. This increase of payroll costs was in line with the increase in revenue in fiscal year 2014/13. Payroll costs represented 63.3% of Group revenue in fiscal year 2014/13, as compared to 63.0% of Group revenue in fiscal year 2013/12. The slight increase in our Payroll costs as a percentage of Group revenue was mainly due the increase of Cleaning business as percentage of total revenue, following the integration of CARRARD and the 5 subsidiaries of NIWAKI, which manages highest high employee base as compared to other segments. In addition, payroll costs from International segment increased as percentage of the segment revenue, due to the significant headcount following the integration of ARTEM.

This increase was partly offset by the positive impact of €13.8 million of CICE that amounted €27.2 million in fiscal year 2014/13, as compared to €13.4 million in fiscal year 2013/12.

Taxes other than on income

Taxes other than on income increased by €2.0 million, or 10.0%, from €20.4 million in fiscal year 2013/12 to €22.4 million in fiscal year 2014/13. Taxes other than on income includes mainly taxes on salaries. As a percentage of payroll costs, Taxes other than on income remained stable at 2.8% in fiscal year 2014/13 (2.7% in fiscal year 2013/12).

Other recurring operating income and expenses

Other recurring operating income and expenses decreased by €7.3 million, from a net income of €4.2 million in fiscal year 2013/12 to a net expense of €3.2 million in fiscal year 2014/13.

EBITDA

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

	For the fiscal year ended August 31,	
	2013	**2014**
	€ in millions	
Cleaning	63.4	72.9
Facility Management	26.3	27.9
International	8.6	8.9
Other	(23.4)	(22.6)
EBITDA	**74.9**	**87.1**

EBITDA increased by €12.2 million, or 16.3%, to €87.1 million in fiscal year 2014/13, as compared to €74.9 million in fiscal year 2013/12.

Cleaning: EBITDA for the Cleaning segment increased by €9.4 million, or 15.0%, to €72.9 million in fiscal year 2014/13, as compared to €63.4 million in fiscal year 2013/12. The Cleaning segment EBITDA margin represented 10.5% in fiscal year 2014/13, as compared to 9.8% in fiscal year 2013/12. This increase as percentage of this segment's revenue was mainly due to the consolidation of the 5 subsidiaries of NIWAKI Group with a higher EBITDA margin profile than the average segment. In addition, the CICE positive impact amounted to €19.8 million, as compared to €9.6 million in fiscal year 2013/12, which is partly passed on to prices of contracts.

Facility Management: EBITDA for the Facility Management segment increased by €2.1 million, or 8.1%, to €27.9 million in fiscal year 2014/13, as compared to €25.8 million in fiscal year 2013/12. The Facility Management segment EBITDA margin represented 6.4% in fiscal year 2014/13, as compared to 5.9% in fiscal year 2013/12. This increase was mainly due to a stabilization of Payroll costs as percentage of revenue at 47.2%, thanks to CICE positive impact, amounting to €7.2 million in fiscal year 2014/13, as compared to €3.8 million in fiscal year 2013/12, which is partly passed on to prices of contracts. In addition, the disposal in the road freight transport and delivery activities in 2013/12 positively impacted the EBITDA margin.

International: EBITDA for the International segment increased by €0.3 million, or 3.5%, to €8.9 million in fiscal year 2014/13, as compared to €8.6 million in fiscal year 2013/12. The International segment EBITDA margin remained stable at 5.7% in fiscal year 2014/13. EBITDA growth is in line with

revenue growth. The International segment strengthened its sales force in order to improve future organic growth.

Other: The information presented under "Other" primarily consists of the costs incurred by our holding companies. These holding companies incurred costs of €22.6 million in fiscal year 2014/13, as compared to costs of €22.9 million in fiscal year 2013/12, as a result of efficient cost control at the holding company level.

Depreciation and amortization, net

Depreciation and amortization, net increased by €23 million, or 11.3%, from €20.2 million in fiscal year 2013/12 to €22.5 million in fiscal year 2014/13, following the reclassification of a category of furniture as tangible assets.

Provisions and Impairment losses, net

Provisions and impairment losses increased by €8.3 million, from an income of €3.2 million in fiscal year 2013/12 to a loss of €5.1 million in fiscal year 2014/13. This increase was mainly due to provisions adjustments that concern several previous years, mostly related to the previous disposing of assets following our refocus on our core business.

Operating profit

Operating profit increased by €1.6 million, or 2.8%, from €57.9 million in fiscal year 2013/12 to €59.7 million in fiscal year 2014/13, for the reasons explained above.

Net financial expense

Net financial expense decreased by €8.9 million, or 24.3%, from €37.1 million in fiscal year 2013/12 to €28.1 million in fiscal year 2014/13. This decrease was mainly due the issuance costs incurred in 2013/12 following the refinancing of the debts. Excluding these non-recurring expenses, the cost of debt remained stable at a normalized level, consisting of around €18 million related to the high yield bond, and around €8 million related to financial expenses on other debts, primarily factoring and finance lease.

Income tax expense

Income tax expense increased by €3.1 million, or 23.8%, from €13.2 million in fiscal year 2013/12 to €16.3 million in fiscal year 2014/13. Fiscal year 2014/13 income tax expense comprised CVAE of €14.5 million (compared to €13.4 million in fiscal year 2013/12), current income tax expense of €1.8 million (compared to €1.6 million in fiscal year 2013/12) and deferred tax income of €0.0 million (compared to deferred tax income of €1.8 million in fiscal year 2013/12).

Share of profit (loss) of associates

Share of profit of associates amounted to a loss of €0.1 million in fiscal year 2014/13 (compared to a gain of €0.4 million in fiscal year 2013/12). The share of profit of associates is mainly attributable to our joint venture companies with City One

Profit for the period

Profit for the period increased by €6.9 million from €8.1 million in fiscal year 2013/12 to €15.0 million in fiscal year 2014/13, for the reasons stated above.

6.2 Cash flows analysis

The following table summarizes our consolidated cash flow statements for fiscal year 2014/13 and fiscal year 2013/12:

	For the fiscal year ended	
	2013	2014
	€ in millions	
Net cash generated by operating activities	138.8	75.9
Excluding deconsolidating of factoring of receivables	*51.0*	*90.4*
Net cash used in investing activities	(14.8)	(32.7)
Net cash used in financing activities	(99.2)	(28.3)
Exchange gains (losses) on cash and cash equivalents	(0.0)	(0.3)
Net increase (decrease) in cash and cash equivalents	**24.7**	**14.6**

Net cash generated by operating activities

The following table sets out the net cash flows generated by operating activities in fiscal year 2014/13 and fiscal year 2013/12:

	For the fiscal year ended August 31,	
	2013	2014
	€ in millions	
Profit from continuing operations	8.1	15.0
Adjustment for and elimination of non-cash items	14.0	28.7
Elimination of net finance costs	35.6	26.7
Elimination of income tax expense	13.2	16.3
Cash generated from operations before financial expenses and income tax	**70.9**	**86.8**
Decrease/(increase) in inventories	0.5	(2.1)
Decrease/(increase) in receivables	7.4	31.5
Increase/(decrease) in deconsolidating of factoring of receivables	87.8	(14.5)
Increase/(decrease) in payables	(9.8)	(10.6)
Change in working capital	**85.9**	**4.3**
Change in working capital excluding deconsolidating of factoring of receivables	*(1.9)*	*18.8*
Income tax paid	(18.0)	(15.2)
Net cash generated by operating activities	**138.8**	**75.9**
Net cash generated by operating activities excluding deconsolidating of factoring of receivables	*51.0*	*90.4*

Cash generated from operations before financial expenses and income tax has increased by €15.8 million, from €70.9 million in fiscal year 2013/12 to € 86.9 million in fiscal year 2014/13, mainly due to the increase of EBITDA.

We generated a working capital surplus of €4.3 million in fiscal year 2014/13 mainly due to a decrease of €31.5 million in receivables, when excluding change in the deconsolidating of factoring of receivables of €14.5 million from €93.0 million in fiscal year 2013/12 to €78.5 million in fiscal year 2014/13, and a decrease of €10.6 million in payables.

We improved our ''days sales outstanding'' (''DSO'') from 73 days in fiscal year 2013/12 to 67 days in fiscal year 2014/13 and the decrease of our ''days purchase outstanding'' (''DPO'') from 95 days in fiscal year 2013/12 to 93 days in fiscal years 2014/13.

Income tax paid amounted to €15.2 million in fiscalyear 2014/13.

Net cash generated by operating activities amounted to €75.9 million in fiscal year 2014/13 and €90.4 million when excluding deconsolidating of factoring of receivables,

Net cash provided by investing activities

The following table sets out the principal components of our net cash flow provided by investing activities in fiscal year 2014/13 and fiscal year 2013/12:

	For the fiscal year ended August	
	2013	**2014**
	€in millions	
Purchase of fixed assets[1]	(12.2)	(14.4)
Proceeds from sales of fixed assets	1.3	0.8
Purchase of consolidated companies less cash held by subsidiaries acquired or sold	(4.3)	(15.4)
Other cash flows from investing activities	0.4	(3.7)
Net cash used in investing activities	**(14.8)**	**(32.7)**

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

Net cash used in investing activities amounted to €32.7 million in fiscal year 2014/13, and mainly related to :

- The increase of our expansion capex because of the acquisition of companies for €15.4 million, net of cash held by such companies (5 subsidiaries of NIWAKI, ETKIN, TRITUNGGAL, ERGELIS…);
- The slight increase of our maintenance capex that amounted €14.4 million in fiscal year 2014/13 mainly following the reclassification of a category of furniture as tangible assets. As a result of our capex discipline, our maintenance capex remained stable expressed as a percentage of revenue (around 1% of the revenue).

Net cash used in financing activities

The following table sets out the principal components of our net cash flow used in financing activities in fiscal year 2014/13 and fiscal year 2013/12:

	For the fiscal year ended August 31,	
	2013	**2014**
	€ in millions	
Proceeds from new borrowings	**241.3**	**21.9**
Repayment of borrowings	**(260.6)**	**(13.1)**
Repayment of factoring facility	(46.4)	-
Repayment of borrowings	(214.3)	(13.1)

Finance costs, net	**(46.7)**	**(25.2)**
Capitalized interest of the Mezzanine Debt and swap settlement	(25.1)	-
Interest paid on refinanced borrowings	(6.4)	-
Interest paid on ongoing borrowings	(15.2)	(25.2)
Other	**(33.2)**	**(33.2)**
Dividends	(3.0)	(3.1)
Operations in share capital	(11.0)	(8.8)
Equity Warrant buy-back	(19.2)	-
Net cash used in financing activities	**(99.2)**	**(28.3)**

Net cash used in financing activities amounted to €28.3 million in fiscal year 2014/13. Our financing activities consisted primarily of:

- €21.9 million of proceeds from new borrowings, mainly comprising of €19.8 million of utilization of the factoring facility line.
- €13.1 million of repayments of borrowings, primarily composed of repayment of €8.2 million of the finance lease;
- €25.2 million of interest paid on ongoing borrowings: (i) €17.9 million of interest paid on our Bonds, and €4.2 million of commissions, fees paid on our Factoring Facility,
- €3.1 million of dividends paid to our shareholders,
- €7.0 million of share buy back from JPF Développement and €1.8 million of cash redemption of stock-options.

7 NET DEBT

As of August 31, 2014, we had net financial debt of €240.1 million compared to €241.9 million as of August 31, 2013. We define net financial debt as bank loans and borrowings, liabilities under finance leases, and other financial debt (including short-term bank loans and overdrafts but excluding the fair value of financial instruments), less cash and cash equivalents. Adjusted of the deconsolidating factoring of receivables, we had a net financial debt of €318.6million as of August 31, 2014.

As of August 31, 2014, we had cash and cash equivalents of €65.5 million compared to €50.9 million as of August 31, 2013.

	08/31/2013	Adjusted[(2)] 08/31/2013	08/31/2014	Adjusted(2) 08/31/2014
Net cash and cash equivalents	**51**	**51**	**66**	**66**
Loans and Borrowings				
High Yield Bonds	250	250	250	250
Revolving Credit Facility	-	-	-	-
Factoring	21	114	41	120
Other debt (including Finance lease liabilities)	22	22	15	15
Total Indebtedness[(1)]	**293**	**386**	**306**	**385**
Total net debt[(1)]	**241.9**	**335**	**240**	**319**

(1) excluding the fair value of financial instruments
(2) adjusted of the deconsolidating factoring of receivables

8 COVENANTS

	August 31, 2013 Pro Forma	August 31, 2014 Pro Forma(1)
Adjusted Net Debt(2)/EBITDA	**4.0x**	**3.5x**
EBITDA/Adjusted interest expense(3)	**3.5x**	**3.6x**

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(1) Pro forma EBITDA 2014/13 is calculated as if the acquisitions realized during the fiscal year 2014/13 had occurred on Sept 1st, 2013.

(2) Excluding the fair value of financial instruments and adjusted for the integration of the deconsolidating factoring

(3) *Interest expense is defined as cash finance costs, which corresponds to the sum of Finance costs, net and Non cash interest expense as reported in our consolidated statement of cash flow .*

9 DIVIDENDS

	FY 2013/12	FY 2014/13	Cumulated since the bond issuance (FY 2013/12)
Net Income	8,101	14,982	23,083
Dividend payout	3,000	3,000	6,000
Payout ratio	**37%**	**20%**	**26%**
		Maximum dividend payout ratio for the cumulated period	50%

10 OUTLOOK

French operating environment is expected to remain challenging during the next year.

The cleaning business: Atalian intend to have a dynamic policy on contract renewal. We will keep our selective approach remaining attentive to the margins. In addition, we will remain opportunistic, seeking potential acquisitions with a rapid return on investment.

Facility Management: We have reinforced the structure of Atalian Facilities by integrating new staff that will support us in achieving our ambitions. For instance, Air France contract is a good measure of the success of the means deployed within our Facility Management business. In addition, we will develop our Security/Airport business with tender in progression (around €20/ €30m by year).

International:

Europe

- We will reinforce or commercial staff in line with UFS opportunities;
- To sustain growth, we strengthened our sales team in Europe (with the addition of 12 salespeople);

- We are targeting the acquisition of Metro Properties Services, a company that operates in the maintenance and trading energy services in Poland, with annual revenue of €8 million;
- We are currently targeting the acquisition of two subsidiaries from significant international group in Croatia;
- We are discussing the possibility of entering the Russian market.

Asia

- We anticipate an organic growth of 15% to 20%;
- We expect an EBITDA margin of 12% to 14%;
- We have recently finalized the acquisition of a Philippines company for $17 million;
- We are currently targeting a $8 million company in Thaïland.

Other countries

- We expect to strengthen our positions in Turkey by the potential acquisition of a company that operates in the Security and industrial cleaning businesses for €20 million;
- We are currently discussing the acquisition of a company that operates in the Security and Cleaning businesses in Morocco for €10 million;
- We plan to open a regional office in West Africa.

Finally, in this challenging environment, the management team will continue to focus on productivity plan, cost control and cash management.