

MAZARS

M.A.J.

**Statutory Auditor's report on the annual
financial statements**

Year ended December 31, 2016

MAZARS

61 RUE HENRI REGNAULT, 92075 PARIS LA DÉFENSE CEDEX, FRANCE

TEL.: +33 (0)1 49 97 60 00 – FAX: +33 (0)1 49 97 60 01

LIMITED LIABILITY ACCOUNTING FIRM PROVIDING ACCOUNTANCY AND AUDITING SERVICES, WITH MANAGEMENT AND SUPERVISORY BOARDS

CAPITAL OF €8,320,000 – TRADE & COMPANIES REGISTER, NANTERRE 784 824 153 – REGISTERED OFFICE: 61 RUE HENRI REGNAULT, 92400 COURBEVOIE, FRANCE

Mis en forme : Anglais (États U

M.A.J.

Public limited company (Société anonyme) with share capital of
€142,515,408
Registered office: 31 Chemin Latéral au Chemin de Fer, 93500 Pantin, France.
Trade & Companies Register: Bobigny 775 733 835

Statutory Auditor's report on the annual financial statements

Year ended December 31, 2016

This is a free translation into English of the statutory auditor's report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

M.A.J.
Annual financial
statements
Fiscal year ended
December 31, 2016

Statutory Auditor's report on the annual financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying financial statements of M.A.J. as attached to this report,
- the justification of our assessments,
- the specific verifications and information required by French law.

The annual financial statements have been prepared by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the 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 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 financial statements give a true and fair view of the assets and liabilities and of the financial position of the company and of the results of its operations for the year just ended in accordance with French accounting rules and principles.

Without qualifying our opinion expressed above, we draw your attention to the matter set out in paragraph 3.2. "Changes in the presentation method" of the Notes to the annual financial statements which outlines the effects of the change in accounting method resulting from the initial application of ANC Regulation no. 2015-06 relating specifically to the recognition and valuation of business goodwill.

II - Justification of our assessments

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that our assessments were based on the appropriateness of the accounting principles and significant estimates used, in particular:

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- As indicated in Note 3.3 "Assets" of the Notes to the annual financial statements, equity investments were valued at their value in use. We have verified the relevance of the approaches used by the company based on the information available to date, as well as the reasonable nature of the assumptions used and the resulting valuations.

These assessments were made as part of our audit of the 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 verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the Chairman's management report and in the documents addressed to the sole shareholder with respect to the financial position and the annual financial statements.

As regards the information provided in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code on compensation and benefits paid to corporate officers and commitments made in their favor, we verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. On the basis of this audit, we certify that the information is true and fair.

In accordance with French law, we have verified that the required information concerning purchase of equity interests and controlling interests in the company have been properly disclosed in the management report.

Courbevoie, June 6, 2017,

The Statutory Auditor,
French original signed by

MAZARS

Isabelle Massa



2016

ANNUAL FINANCIAL STATEMENTS
SA M.A.J.

31 Chemin Lateral au Ch. de fer
93500 PANTIN, France

YEAR ENDED 12/31/2016

Mis en forme : Français (France)

I. STATEMENT OF FINANCIAL POSITION AS AT 12/31/2016

A. Statement of financial position – Assets

Figures expressed in euros	Gross	Accum. Depr./Amort. & Impairm. losses	Net 12/31/2016	Net 12/31/2015
Subscribed capital uncalled				
INTANGIBLE ASSETS				
Set-up costs	350	350		
Development costs	2,917	2,917		
Concessions, patents and other rights	3,761,075	2,531,140	1,229,936	696,655
Business goodwill	26,883,387	8,965,916	17,917,471	41,264,723
Other intangible assets	24,267,878		24,267,878	444,012
Advances and prepayments on intangible assets				
PROPERTY, PLANT AND EQUIPMENT				
Land	4,485,966		4,485,966	3,615,160
Buildings	84,208,984	52,127,935	32,081,049	33,519,409
Fittings, machinery and equipment	200,584,574	118,930,612	81,653,961	82,123,182
Other tangible assets	351,681,393	198,800,904	152,880,488	159,634,670
Assets in progress	9,861,903		9,861,903	6,322,481
Advances and prepayments				
FINANCIAL ASSETS				
Equity-accounted companies				
Other equity investments	552,755,360	50,355,575	502,399,785	395,331,074
Loans and advances to equity investees				
Other investments	5,352	1,244	4,108	4,108
Loans	19,560		19,560	26,817
Other financial assets	1,276,535		1,276,535	1,296,683
FIXED ASSETS	1,259,795,234	431,716,593	828,078,641	724,278,971
INVENTORIES AND WORK IN PROGRESS				
Raw materials, supplies	7,205,940		7,205,940	6,108,491
Goods in progress				
Services in progress				
Finished and semi-finished goods	255,000		255,000	
Goods purchased for resale	36,056		36,056	27,905
Advances and prepayments on orders	12,577		12,577	927,165
RECEIVABLES				
Trade receivables	135,000,420	10,630,867	124,369,553	125,929,411
Other receivables	365,686,434		365,686,434	264,108,249
Subscribed capital called but not paid				
OTHER				
Marketable securities (o/w treasury shares):	4,116		4,116	32,435,673
Cash and cash equivalents	115,226,106		115,226,106	4,612,100
ADJUSTMENT ACCOUNTS				
Prepaid expenses	2,886,942		2,886,942	3,451,541
CURRENT ASSETS	626,313,592	10,630,867	615,688,725	437,600,536
Deferred debt issuance costs				
Bond discounts				
Exchange adjustments on assets				
GRAND TOTAL	1,886,108,826	442,347,460	1,443,761,365	1,161,879,507

B. Statement of financial position – Equity and Liabilities

Figures expressed in euros	Fiscal year 2016	Fiscal year 2015
Issued capital (o/w paid-up: 142,515,408)	142,515,408	142,515,408
Share, merger, contribution premiums	161,052,624	161,052,624
Revaluation adjustments (o/w for equity-accounted companies:)	11,159	11,159
Legal reserve	14,251,541	13,356,803
Regulatory or contractual reserves		
Regulated Reserves (o/w translation reserve:)		
Other reserves (o/w purchases of original works of art:)	20,890,481	12,810,792
Retained earnings	577,698	109,049
NET INCOME (LOSS) FOR THE PERIOD	100,199,035	31,800,180
Investment grants	201,824	152,047
Regulated provisions	165,065,341	163,819,513
EQUITY	604,765,111	525,627,575
Proceeds from issuance of profit-sharing loans		
Conditional advances		
OTHER QUASI-EQUITY		
Provisions for risks	8,693,883	9,368,881
Provisions for expenses	14,631,231	13,299,124
PROVISIONS	23,325,114	22,668,005
FINANCIAL LIABILITIES		
Convertible bond loans		
Other bonds		
Bank loans	109,955,834	111,649,245
Sundry loans & other borrowings (o/w profit-sharing:)	513,140,420	330,807,904
Advances and deposits on orders in progress		
OPERATING LIABILITIES		
Trade payables and related accounts	50,930,971	44,594,927
Tax and employee-related liabilities	97,376,870	81,708,774
SUNDRY LIABILITIES		
Amounts due on non-current assets and related accounts	6,418,274	9,981,887
Other liabilities	4,505,868	2,406,799
ADJUSTMENT ACCOUNTS		
Deferred income	24,995,556	24,483,680
LIABILITIES	807,323,793	605,633,216
Exchange adjustments on liabilities	8,347,348	7,950,712
GRAND TOTAL	1,443,761,365	1,161,879,507

II. INCOME STATEMENT AS AT 12/31/2016

Figures expressed in euros	Fiscal year 2016		Total	Fiscal year 2015
	France	Exports		
Sale of goods purchased for resale	1,259,125	103,532	1,362,657	1,132,032
Sales of goods				1,236
Sales of services	559,803,078	169,117	559,972,195	563,163,624
REVENUE	561,062,203	272,648	561,334,852	564,296,893
Production inventoried				
Production capitalized				
Operating grants			43,476	89,295
Reinvoiced expenses, reversals of prov. & accum. depr./amort. & impairm.			11,491,690	13,237,003
Other income			32,546,104	26,113,735
RECURRING OPERATING INCOME			605,416,121	603,736,925
Purchases of goods for resale (including customs duties)			517,253	4,139,282
Change in inventories – goods purchased for resale			-8,151	5,914
Purchases of raw materials and supplies			47,421,638	43,348,420
Change in inventories (raw materials and supplies)			-1,097,448	-305,637
Other purchases and external expenses			132,397,069	135,320,759
Taxes and duties			22,936,154	24,518,737
Salaries and wages			149,744,732	149,976,953
Social security contributions			42,358,537	42,332,123
Depreciation, amortization, impairment and provisions:				
Non-current assets: depreciation and amortization expense			99,976,263	98,740,553
Non-current assets: impairment losses				
Current assets: impairment losses			7,732,000	8,460,773
Additions to provisions			956,853	1,337,585
Other expenses			4,656,932	5,830,912
RECURRING OPERATING EXPENSES			507,591,830	513,706,375
OPERATING RESULT (PROFIT/LOSS)			97,824,290	90,030,549
SHARED TRANSACTIONS				
Net income transferred in or net loss transferred out				
Net loss transferred in or net income transferred out				
FINANCIAL INCOME			32,299,414	57,745,075
Financial earnings from equity investments			1,567,914	21,174,627
Income from other securities and non-current assets loans				1,012
Other interest income			4,021,587	4,492,234
Reinvoiced expenses and reversals of provisions			26,494,910	31,164,194
Foreign currency translation gains			201,858	866,146
Net income on disposals of marketable securities			13,145	46,862
FINANCIAL EXPENSES			19,901,648	67,909,797
Amortization and provisions on financial assets			60,000	51,684,655
Interest expense			19,819,541	16,179,949
Foreign currency translation losses			22,107	45,193
Net loss on disposals of marketable securities				
FINANCIAL INCOME			12,397,767	-10,164,723
CURRENT PROFIT/LOSS BEFORE TAXES			110,222,057	79,865,827
NON-RECURRING INCOME			103,742,350	53,173,744
Non-recurring income from management transactions			1,331,995	1,518,575
Non-recurring income from capital transactions			50,935,264	635,895
Reinvoiced expenses and reversals of provisions			51,475,091	51,019,275
NON-RECURRING EXPENSES			58,200,618	79,823,607
Non-recurring expenses on management transactions			3,707,718	20,571,425
Non-recurring expenses on capital transactions			1,305,587	667,456
Non-recurring depreciation, amortization and provisions			53,187,312	58,584,726
EXTRAORDINARY RESULT (PROFIT/LOSS)			45,541,732	-26,649,863
Employee profit-sharing			12,382,550	4,252,114
Income tax expense			43,182,204	17,163,670
TOTAL INCOME			741,457,885	714,655,744
TOTAL EXPENSES			641,258,850	682,855,564
PROFIT OR LOSS			100,199,035	31,800,180

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1. COMPANY BUSINESS AND SIGNIFICANT EVENTS DURING THE PERIOD

1.1. Company's business

Rental and leasing of other personal and household goods.

1.2. Significant events of the year

The financial statements for the year cover the 12-month period from 01/01/2016 to 12/31/2016, expressing a net result of €100,199,035.

- ***Financial interests: new acquisitions and subscriptions to capital increase***

- ⇒ Acquisition of 100% of BMF's capital for €1.81 million.
 - €1.00 million paid on 4/01/2016.
 - €0.51 million paid on 7/06/2016.
 - €0.30 million balance to be paid subject to conditions (provisioned).
- ⇒ Acquisition of 100% of HTPE's capital for €4.92 million.
 - €4.03 million paid on 11/14/2016.
 - €0.27 million paid 1/03/2017 (provisioned).
 - €0.62 million balance to be paid subject to conditions (provisioned).
- ⇒ Acquisition of 100% of capital of Colombian company SIL for €3.98 million.
 - €2.85 million paid on 12/28/2016.
 - €1.13 million balance to be paid (provisioned).
- ⇒ Payment of the balance of the acquisition price of Hygiène Contrôle Ile de France for €0.34 million.
- ⇒ Subscription to a capital increase in the Chilean subsidiary Elis Chile on 4/24/2016 for €1.30 million.
- ⇒ Subscription to three capital increases in the Brazilian subsidiary Atmosfera on 3/09/2016, 9/20/2016 and 12/22/2016 for a total of €32.56 million.
- ⇒ Subscription to a capital increase in the Italian subsidiary Elis Italia on 4/11/2016 for €3.30 million and loss coverage by offsetting current account receivables for €1.27 million.
- ⇒ Subscription to a capital increase in the Spanish subsidiary Elis Manomatic on 9/22/2016 by offsetting current account receivables for €18.50 million.
- ⇒ Subscription to a capital increase in the Swiss subsidiary Lavotel by offsetting current account receivables for €20.21 million.
- ⇒ Waiver of claims in favor of the Swiss subsidiary Lavotel for €7.40 million.

- ***Asset disposal:***

The company sold the property complex at Puteaux on 12/30/2016 for a value of €60.50 million including tax.

2. SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD

As of the date of presentation of the financial statements, there were no events after 12/31/2016 that could have a significant impact on the company's financial position.

A proposed merger by absorption of the subsidiary LOVETRA SAS (Siren: 320 734 858) by M.A.J. is under way. This transaction would be retroactively and fiscally effective as of January 1, 2017.

3. ACCOUNTING METHODS AND RULES

Generally accepted accounting principles have been applied, including the principle of prudence, in accordance with the following basic assumptions: going concern, consistency of accounting methods from one fiscal year to the next, independence of fiscal years (accrual basis), in accordance with the general rules governing the preparation and presentation of annual financial statements defined by the French General Chart of Accounts.

The basic method used to measure the items recognized in the financial statements is the historical cost method.

3.1. Changes in valuation method

There were no notable changes in the valuation method during the year.

3.2. Changes in presentation method

Following the initial application of the ANC Regulation no. 2015-06 of November 23, 2015, the company reclassified the losses previously recorded under "Business goodwill" as "Merger losses on financial assets" under "Other intangible assets" in the amount of €23,547,251.

The main accounting policies applied are as follows:

3.3. Non-current assets

- ***Property, plant and equipment and intangible assets***

Non current assets are valued at their acquisition cost, comprising ancillary costs incurred for their preparation for use, except for certain ancillary costs (transfer taxes, fees and commissions, and cost of deeds) which are recorded as charges for the year.

Some property, plant and equipment items were revalued (those acquired before December 31, 1976) or recognized at their contribution value when they came from certain absorbed companies.

The depreciable basis for non current assets is calculated as the acquisition cost less their residual value at the end of their useful life, which is usually zero.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the expected useful life of the item or its component parts. Component parts and their depreciation over time periods that are different from those of the structure itself are identified and implemented for constructions. The conditions of use of the other fixed asset types do not require the prior identification of component parts, except in the event of accidental failure leading to the replacement of significant items essential to the operation of the relevant fixed asset.

The depreciation periods applied by the company prior to the first year of application of CRC Regulation no. 2002-10 were retained for the calculation of accelerated depreciation and amortization, according to the rules outlined below.

Depreciation is calculated according to the expected life of the asset.

The most commonly used rates are as follows (SL = straight line, D = declining balance):

Intangible assets	Depreciation and Amortization	Deprec. used for tax purposes
Goodwill	None (1)	
Drawings	3 years SL	
ERP	15 years SL	
Software	5 years SL	12 months SL or expenses
Production Software	10 years SL	5 years SL

- (1) Goodwill acquired up to January 31, 1997 was amortized on a straight-line basis over five years. Those assets acquired after this date were recognized in the statement of financial position at their acquisition cost and no longer amortized, but may be depreciated.

Property, plant and equipment	Depreciation and Amortization	Deprec. used for tax purposes
Buildings		
Shell (structure, facade, roofing)		50 years SL
Building (internal walls, partitions, painting and		10 years SL
Equipment and tooling		
Production equipment	10, 15 or 30 years SL	5 or 10 years D
Transportation equipment	4, 6 or 8 years SL	4 years SL
Office equipment and furniture		5 or 10 years SL
Computer equipment		5 years SL
Textile items		
Flat linens	3 years (average) SL	1.5 years D
Workwear	3.25 years (average) SL	1.5 years D
Hand towel rolls	4 years SL	1.5 years D
Carpeting	4 years SL	2 years SL
Appliances and other rented items		
Hygiene, air purification, drinks dispensers, etc.	2, 4 or 5 years SL	1 or 2 years SL

- **Financial assets**

Equity investments and other securities:

Their gross amount has been the acquisition cost, including any ancillary costs, since the first application of Opinion no. 2007-C issued on June 15, 2007 by the Urgent Issues Committee of the French National Accounting Board (CNC). Prior to this Opinion, transfer taxes, fees and commissions, and cost of deeds were recognized in expenses for the year. A five-year accelerated depreciation of these costs is then applied.

SA M.A.J.

When the value in use is less than the gross amount, an impairment loss is recognized for the difference. The value in use is estimated based on the share of the net assets held by the Company at the end of the last known fiscal year, with the significant items of property, plant and equipment and intangible assets being remeasured.

3.4. Valuation of inventories

Inventories are valued using the weighted average unit cost method. The gross value of goods and supplies includes the purchase price and ancillary costs, with the exception of any added value.

- ***Raw materials and goods***

Inventories of raw materials, consumables, and spare parts are recorded at acquisition cost and have high turnover.

- ***Work in progress and finished products***

None

- ***Write-down of inventories***

A write-down is made if the net realizable value becomes lower than the cost of the inventoried items.

3.5. Receivables and liabilities

Receivables are recorded at their face value.

An impairment loss is recognized when the recoverable amount is less than the carrying amount.

3.6. Marketable securities

Marketable securities are stated in the statement of financial position at their purchase price. If their expected trading value at the end of the fiscal year is less than their purchase price, an impairment loss is recognized for the difference.

3.7. Translation of transactions in foreign currencies

Income and expenses denominated in foreign currencies are recorded at their transaction-date equivalent amount.

Where applicable liabilities, receivables, cash and cash equivalents denominated in foreign currencies are converted and accounted for on the statement of financial position based on the latest known quoted price on the reporting date.

Resulting differences are recognized on the statement of financial position under "Foreign currency translation gains" and "Foreign currency translation losses."

The amount of unrealized foreign currency translation losses not offset by foreign exchange risk hedge is recorded under "Provisions for risks."

3.8. Regulated provisions

Regulated provisions are reported under “Equity” on the statement of financial position and are detailed in Note 5.4 “Statement of provisions”. They are tax items corresponding to the provision for accelerated depreciation and amortization calculated according to the French tax regulations, equal to the difference between:

- depreciation and amortization calculated over the useful lives in effect until the date of the initial application of CRC Regulation no. 2002-10, using the declining balance method for eligible assets or, alternatively, the straight-line method;
 - economic depreciation recognized as assets according to the principles described above.
- The additions to or reversals of accumulated accelerated depreciation and amortization are recognized in net non-recurring income.

3.9. Other provisions for risks and expenses

They primarily comprise environmental provisions that are assessed based on an expert report and the company's experience in this area. They correspond to the gross amount, undiscounted cost of studies or work that must be carried out and borne to meet its environmental obligations. They relate to sites or categories of work which are to be dealt with in the foreseeable future.

3.10. Employee benefit liabilities

Retirement benefits for employees and additional retirement benefit commitments made to a category of senior management outlined at the Ordinary General Meeting of December 10, 1981 are subject to provisions calculated and recorded in accordance with Method 2 of ANC recommendation no. 2013-02 dated 11/7/2013.

Changes in retirement benefit obligations resulting from changes in actuarial assumptions or retirement plans occurring during the year are recognized directly in net non-recurring income: the provisions recorded as at the reporting date are thus equal to the actuarial obligation determined in accordance with Revised IAS 19.

Additional provisions are recorded for long-service award obligations, calculated in accordance with the Company's internal procedures on the basis of statistical and discounting assumptions. Changes in these provisions during the year are immediately and collectively recognized in income.

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION – ASSETS

4.1. Property, plant and equipment and intangible assets

- *Acquisitions and disposals for the year*

Figures expressed in euros	As at 12/31/2015.	Acquisitions	Reclassificati ons and corrections +/-	Disposals	As at 12/31/2016.
Set-up and development costs	3,267				3,267
Other intangible assets	53,625,942	1,388,494	-81,831	183,926	54,912,341
Total intangible assets	53,629,209	1,388,494	-81,831	183,926	54,915,608
Land	3,615,160	1,133,328		262,522	4,485,966
Buildings on own land	25,131,264	189,606	-154,980	1,001,976	24,473,874
Buildings on leased land	29,478,416	951,613	-379,980	1,534,461	29,275,547
Building fixtures and fittings	30,531,293	934,240	-174,683	1,180,654	30,459,563
General installations and fittings					
Technical installations, machinery and equipment	195,572,866	8,754,297	-3,152,653	6,895,242	200,584,574
Transportation equipment	51,335,573	4,771,825	-265,504	2,604,465	53,768,437
Office and computer equipment, and furniture	17,399,737	851,777	-349,389	156,859	18,444,045
Recyclable and other packaging	269,950,607	70,454,305	-511,061	61,447,062	279,468,911
Total property, plant and equipment	623,014,916	88,040,991	-4,988,250	75,083,241	640,960,917
Property, plant and equipment in progress (1)	6,322,481	8,609,502	5,070,081	-1	9,861,903
Total amounts due to suppliers of PP&E	6,322,481	8,609,502	5,070,081	-1	9,861,903
Prepayments					
Total	682,966,606	98,038,987	0	75,267,166	705,738,428

(1) Changes in property, plant and equipment items and intangible asset items from one year to the next are due to acquisitions and disposals of assets made by the Company in respect of its business.

- **Remarks on fixed assets**

The company holds the following goodwill:

Figures expressed in euros	Tax value	Gross amount	Accumulated impairment losses	Balance as at 12/31/2016
1953 8 rue du GI Compans PANTIN	1,524	1,829	1,829	0
1957 17 av. E. Vaillant PANTIN	9,147	11,434	11,434	0
1961 5 rue du Débarcadère PANTIN	5,946	5,946	5,946	0
1978 21 rue de Baconnes BEZANNES	1,220	1,220	1,220	0
1986 Z.I. Est -A. Engachies- AUCH	76,225	76,225	76,225	0
1987 49 bd. Jean Jaurès NIMES	0	0	0	0
1987 7 rte de Morières AVIGNON	126,533	126,533	126,533	0
1987 15 av. du GI Delambre BEZONS	249,021	249,021	249,021	0
1987 20 rue des Cosmonautes CHOISY	40,856	40,856	40,856	0
1987 47,735	47,735	45,735	45,735	0
1991 Leasehold COIGNIERES	934,406	934,406	934,406	0
1992 Impasse Faye BORDEAUX	3,722,455	3,722,455	3,722,455	0
1992 133 bd. de la Madeleine NICE	749,439	749,439	749,439	0
1994 BLEU DE FRANCE NICE	1,981,837	1,981,837	1,981,837	0
1995 ZI 33 4ème avenue VITROLLES	583,041	583,041	583,042	0
1996 3 rue de la Petite Chartreuse ROUEN	65,153	65,153	65,153	0
1987 TRAPPES	137,204	137,204	137,204	0
1987 PUTEAUX	53,357	53,357	53,357	0
1987 RIORGES	103,924	103,924	103,924	0
1988 SAULX	42,686	42,686	42,686	0
1988 GRENOBLE	1,234,837	1,234,837	0	1,234,837
1997 SAINT-ETIENNE (Tartary)	1,829,388	1,829,388	0	1,829,388
2000 NOISY-LE-GRAND	56,193	56,193	0	56,193
2000 NICE CARROS (Prisme)	27,441	27,441	0	27,441
2000 NICE CARROS (Aquadis)	335,388	335,388	0	335,388
2001 CERGY-PONTOISE (San'look)	516,800	516,800	0	516,800
2002 LOURDES (Bie des Pyrénées)	45,683	45,683	0	45,683
2002 REIMS (Arden tapis)	128,000	128,000	0	128,000
2002 CAPDENAC	1,128,449	1,128,449	0	1,128,449
2002 CARCASSONNE (Bie de l'Arnouze)	3,354	3,354	0	3,354
2002 REIMS (Tisserand)	23,439	23,439	0	23,439
2002 REIMS (Tisserand)	76,156	76,156	0	76,156
2003 Goodwill EX- SNDI	1	1	0	1
2004 REIMS (Tisserand)	1,380,000	1,380,000	0	1,380,000
2004 BONDOUFLE (SANIGIENE)	448,786	448,786	0	448,786
2006 MAJ LE CANNET (BTL)	1,180,160	1,180,160	0	1,180,160
2006 MAJ LE CANNET (BELISA)	830,000	830,000	0	830,000
2006 MAJ LE CANNET (BAM)	37,320	37,320	0	37,320
2006 MAJ MENTON (BDR)	992,000	992,000	0	992,000
2007 PAU (BERROGAIN)	12,196	12,196	0	12,196
2008 NICE CARROS (BBB)	1,184,282	1,184,282	0	1,184,282
2009 BONDOUFLE (RDM)	602,627	602,627	0	602,627
2009 CHAMPS-SUR-MARNE (CANNON HYGIENE)	21,150	21,150	0	21,150
2010 Rés'O	385,263	385,263	0	385,263
2010 MAJ EX-ANAPURNA	160,000	160,000	0	160,000
2010 MAJ EX-CGB	205,000	205,000	0	205,000
2010 AVIGNON EX-SNDI	448,600	448,600	0	448,600
2010 AVIGNON EX-SNDI	643,271	643,271	0	643,271
2013 TOULON SANARY	452,774	452,774	0	452,774
2014 BMC	22,867	22,867	0	22,867
2014 LOCALIANCE (POULARD)	76,225	76,225	0	76,225
2014 SARL SYNEX (POULARD)	21,124	21,124	0	21,124
2014 CCE LOCALIANCE MARS 1998 (Poul)	169,561	169,561	0	169,561
2014 MAISON DE BLANC BERRO GAIN (Poul)	150,780	150,780	0	150,780
2014 MAISON DE BLANC BERRO GAIN (Poul)	179,507	179,507	0	179,507
2014 MHD (POLE SERV)	129,351	129,351	0	129,351

Figures expressed in euros	Tax value	Gross amount	Accumulated impairment losses	Balance as at 12/31/2016
2014 O SERVICES (POLE SERV)	4,040	4,040	0	4,040
2014 NESTLE (POLE SERV)	103,000	103,000	0	103,000
2014 NESTLE TOULOUSE (POLE SERV)	90,000	90,000	0	90,000
2014 PUREFLOW PLAN WATE (POLE SERV)	1,840,380	1,840,380	0	1,840,380
2014 DISTRICLEAN (UTA)	465,832	465,832	0	465,832
2015 DISTRICLEAN (UTA)	117,700	117,700	0	117,700
2015 H+2 (UTA DISTRICLEAN)				
2015 HYTOP				
2015 TRAITEMENT SERVICES PLUS	33,615	33,615	33,615	0
2015 GRAND BLANC	7,622	7,622	0	7,622
1993	150,925	150,925	0	150,925
1987 VILLEURBANNE				
1993 Leasehold COLLEGIEN				
1993 Sale agreement COLLEGIEN				
Total	26,882,796	26,883,388	8,965,917	17,917,472

- **Accumulated depreciation/amortization**

Figures expressed in euros	As at 12/31/2015	Contributions	Additions	Decreases or reversals	As at 12/31/2016
Set-up and development costs	3,267				3,267
Other intangible assets	11,220,553		396,883	120,380	11,497,056
Total depreciation/amortization – intangible assets	11,223,820	0	396,883	120,380	11,500,323
Land					
Buildings	51,621,564		3,691,861	3,185,491	52,127,935
General installations and fittings					
Technical installations, machinery and equipment	113,449,684		12,010,523	6,529,595	118,930,612
Transportation equipment	39,755,355		3,801,360	2,525,225	41,031,490
Office and computer equipment, and furniture	10,947,569		1,342,632	155,052	12,135,149
Recyclable and other packaging	128,348,324		78,733,003	61,447,062	145,634,265
Total depreciation/amortization property, plant and equipment	344,122,496	0	99,579,379	73,842,425	369,859,451
TOTAL	355,346,316	0	99,976,262	73,962,805	381,359,774

4.2. Financial assets

Movements for the year:

Figures expressed in euros	Gross amount– 12/31/2015	Acquisitions and reclassificati ons	Disposals and reclassifica tions	Gross amount – 12/31/2016	Accumulated impairment losses	Net value– 12/31/2016
Equity-accounted companies						
Other equity investments	464,508,524	88,246,836		552,755,360	50,355,575	502,399,785
Other investments	5,352	363	363	5,352	1,244	4,108
Loans and other financial assets	1,323,499	52,304	79,709	1,296,095		1,296,095
Total	465,837,375	88,299,503	80,072	554,056,807	50,356,819	503,699,988

4.3. Accumulated impairment losses of non-current assets

Figures expressed in euros	As at 12/31/2015.	Contributions	Additions	Reversals	As at 12/31/2016.
Accumulated impairment losses – intangible assets					
Accumulated impairment losses – PP&E					
Accumulated impairment losses – equity-accounted companies					
Accumulated impairment losses – equity investments	69,177,450		60,000	18,881,875	50,355,575
Accumulated impairment losses – other financial assets	1,244				1244
TOTAL	69,178,694	0	60,000	18,881,875	50,356,819

4.4. List of subsidiaries and other equity investments

See attached document.

LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS (in €k)

Subsidiaries and other equity investments		capital	Equity, excluding share capital and retained earnings	Percent of ownership	Carrying amount of shares held		Loans and advances granted by the company outstanding	Deposits and endorsements given by the company	Revenues excl. tax for the last fiscal year	Results for the last fiscal year	Dividends received by the company during the year
					Gross	Net					
<u>A. Detailed information about equity investments whose carrying amount exceeds 1% of M.A.J.'s share capital</u>		€k	€k		EUR	EUR	€k	IN €k	€k	€k	€k
<u>1. Subsidiaries (>50% of capital held by M.A.J.)</u>											
ELIS SERVICES - Saint-Cloud (92) - 693 001 091	1	16,000	35,175	99.96	20,956,326.75	20,956,326.75		578	288	7	
LE JACQUARD FRANCAIS - Gérardmer (88) - 505 480 137	1	6,210	230	100.00	7,369,398.62	7,369,398.62	6,132		14,371	384	
LES LAVANDIERES - Avriillé (49) - 062 201 009	1	449	64,688	100.00	7,021,068.73	7,021,068.73	1,144	701	168,378	16,502	
GRENNELLE SERVICE - Gennevilliers (92) - 341 203 875	1	15,900	36,725	100.00	26,390,432.77	26,390,432.77	200	557	76	8	
LOVETRA - Saint-Ouen-l'Aumône (95) - 320 734 858	1	43	580	100.00	5,335,715.61	5,020,000.00	1,267		4,269	182	
S.O.C. - Saint-Cloud (92) - 562 129 882	1	728	-375	100.00	2,000,000.00	401,000.00			0	-47	
HYGIENE CONTROLE ILE DE FRANCE - Serris (77) - 441 216 306	1	90	584	100.00	3,271,212.40	3,271,212.40			1,504	325	
PRO SERVICES ENVIRONNEMENT – Rochetoirin (38) - 437 754 443	1	8	466	100.00	3,200,000.00	2,558,000.00			2,094	225	
AQUITAINE SERVICE DEVELOPPEMENT – Mios (33) - 413 185 877	1	175	494	100.00	2,727,275.70	2,727,275.70	168		0	-8	
BMF - Yerres (91) - 482 241 551	1	30	418	100.00	1,812,000.00	1,812,000.00			1,216	12	
HYGIENE TRAITEMENT ET PROTECTION DE L'ENVIRONNEMENT - Bobigny (93) -389 530 643	1	100	796	100.00	4,926,225.50	4,926,225.50			2,996	2,014	
HADES SA (Belgium)	1-2	8,496	5,715	99.99	9,028,086.43	9,028,086.43	1,668		23,434	-1,208	
ELIS MANOMATIC SA (Spain)	1-2	72,232	561	100.00	98,363,999.91	98,363,999.91	136,273	4672	78,917	1,125	
KENNEDY HYGIENE PRODUCTS LTD (GB)	voting non-voting 1	€k 105 €k 800	€k 8,639	100.00 100.00	206,029.36 1,209,761.49	206,029.36 1,209,761.49			£10,398k	£ 1,336k	
S.P.A.S.T. Ltda (Portugal)	1-2	1,400	12,990	100.00	13,409,955.00	13,409,955.00		350	44,223	2,707	
ELIS ITALIA S.p.A. (Italy)	1	18,000	2,596	99.24	56,610,676.59	36,808,000.00	1,900	155	27,423	-870	
LAVOTEL S.A. (Switzerland)	1-2	CHF 27,000k	CHF -s.339k	100.00	31,482,642.63	31,482,642.63	90,090		CHF 23,026k	CHF 4,277k	
ATMOSFERA GESTAO Ltda (Brazil)	3	BRL 677,108k	BRL 71,391k	99.99	233,139,264.75	205,144,610.09		4159	BRL 285,722k	BRL -24,093k	
ELIS CHILE SpA (Chile)		CLP 11,617,249k	n/a	100.00	16,300,000.00	16,300,000.00			n/a	n/a	
SIL (Colombia)	1	COP 915,000k	COP 2,620,747k	100.00	3,982,143.46	3,982,143.46			COP 11,132,358k	COP 149,810k	
<u>2. Investments (10 to 50% of capital held by M.A.J.)</u>											
<u>B. General information about other investments</u>											
		As at 12/31/2016.									
1. Subsidiaries (not included in Section A above)		1 EUR = 0.8523 GBP									
a. French subsidiaries (total)		1 EUR = 1.0718 CHF			3,372,660.14	3,372,660.14	112,911				
b. Foreign subsidiaries (total)		1 EUR = 3.4244 BRL			260,619.98	260,619.98	470				
2. Investments (not included in Section A above)		1 EUR = 703.8743 CLP									
a. In French companies (total)		1 EUR = 3,158,019 COP			2,054.40	526.00					
b. In foreign companies (total)					2.54						
TOTAL EQUITY INVESTMENTS TO STATEMENT OF FINANCIAL POSITION					552,377,552.76	502,021,977.50					

4.5. Transactions with related parties

Significant transactions between the Company and related parties during the year are:

Name of related party	Description of transaction	Amount € (receivable or income)	Amount € (liability or expense) 12/31/2016
ELIS S.A.	Current account agreement:		
	Advance granted to M.A.J.		318,880,228
	Interest paid by M.A.J.		4,087,237
	Loan agreement:		
	Loan granted to M.A.J.		87,752,644
	Interest to be paid by M.A.J.		2,765,670

4.6. Inventory accounts for goods and work in progress

The amount of inventories is broken down as follows:

Figures expressed in euros	Gross amount	Accumulated impairment losses	Balance as at 12/31/2016
Raw materials	7,205,940		7,205,940
Goods purchased for resale	36,056		36,056
Finished products	255,000		255,000
Goods in progress			
Services in progress			
Total	7,496,996	0	7,496,996

4.7. Write-down of inventories

Figures expressed in euros	As at 12/31/2015.	Additions	Reversals	As at 12/31/2016.
Raw materials				
Finished products				
Goods purchased for resale				
Total	0	0	0	0

4.8. Statement of maturities of receivables

The receivables held by the company stood at €504,869,891, in gross value terms, as of 12/31/2016 and are broken down as follows:

Figures expressed in euros	Gross amount	≤ 1 year	> 1 year
FIXED ASSETS:	1,296,095	1,296,095	0
Loans and advances to equity investees			
Loans	19,560	19,560	
Other financial assets	1,276,535	1,276,535	
CURRENT ASSETS:	503,573,796	503,573,796	0
Trade	123,265,291	123,265,291	
Impaired trade	11,735,129	11,735,129	
Employees	41,437	41,437	
Social security			
Taxes and duties	4,639,974	4,639,974	
Group and associates	360,008,031	360,008,031	
Sundry receivables	996,992	996,992	
Prepaid expenses	2,886,942	2,886,942	
Total	504,869,891	504,869,891	0
Loans granted during the year	34,427		
Repayments received during the year	41,684		
Loans and advances granted to partners (individuals)			

4.9. Trade receivables

RECEIVABLES	Gross amount	Accumulated impairment losses	Net 12/31/2016	Net 12/31/2015
Trade receivables	135,000,420	10,630,867	124,369,553	125,929,411
Other receivables	365,686,434		365,686,434	264,108,249
Subscribed capital called but not paid				
TOTAL	500,686,854	10,630,867	490,055,987	390,037,660

4.10. Accumulated impairment losses of receivables

Figures expressed in euros	As at 12/31/2015.	Contributions	Additions	Reversals	As at 12/31/2016.
Item: Impaired trade	11,237,114		7,732,000	8,338,247	10,630,867
Item: Other receivables	7,613,035			7,613,035	
TOTAL	18,850,149	0	7,732,000	15,951,282	10,630,867

4.11. Receivables represented by commercial paper

Commercial bills are entered under "Accounts receivable and related accounts":

Figures expressed in euros	As at 12/31/2016.	As at 12/31/2015.
Commercial bills	519,096	700,192
TOTAL	519,096	700,192

4.12. Accrued income

The amounts of accrued income included in the following statement of financial position items were as follows:

Figures expressed in euros	As at 12/31/2016.	As at 12/31/2015.
Reductions, discounts, rebates to be obtained		
Accrued income	351,904	2,056,715
Accrued trade receivables	814,070	85,157
Taxes and duties - CFE (Levy on Property Rental Value)	667,850	
Accrued interest on current account		
TOTAL	1,833,824	2,141,872

4.13. Other accruals

- *Prepaid expenses*

Prepaid expenses amounted to €2,886,942.

Figures expressed in euros	As at 12/31/2016.	As at 12/31/2015.
Recurring operating expenses	2,886,942	3,451,541
Financial expenses		
Non-recurring expenses		
TOTAL	2,886,942	3,451,541

- *Translation adjustments*

5. NOTES TO THE STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

5.1. Equity

Share capital was divided into 8,907,213 fully paid-up common shares with a par value of €16 each.

The change in equity during the year is as follows:

Figures expressed in euros	
As at 12/31/2015.	525,627,575
Dividends paid	-22,357,104
Capital increase	0
Issue premium	0
Net income (loss) for the year	100,199,035
Change in investment grants	98,000
Portion of income from investment grants	-48,222
Change in regulated provisions (accelerated depr./amort., etc.)	1,245,828
As at 12/31/2016.	604,765,112

5.2. Identity of the parent company

Name and registered office of the company that prepared the consolidated financial statements for the largest group	ELIS SA, Saint Cloud (92210) (SIRET 499668440 00039)
Name and registered office of the company that prepared the consolidated financial statements for the smallest group	ELIS SA, Saint Cloud (92210) (SIRET 499668440 00039)
Place where copies of these consolidated financial statements may be obtained	5 boulevard Louis Loucheur, 92210 Saint Cloud, France

5.3. Regulated provisions

Figures expressed in euros	As at 12/31/2015.	Additions	Reversals	As at 12/31/2015.
Accelerated depreciation and amortization	163,819,513	51,976,492	50,730,665	165,065,341
TOTAL	163,819,513	51,976,492	50,730,665	165,065,341

5.4. Statement of provisions

Breakdown by type:

- **Provisions for risks**

Figures expressed in euros	As at 12/31/2015.	Contributions	Additions	Reversals	As at 12/31/2015.
Provision for legal proceedings	2,026,622		603,108	756,011	1,873,719
Provision for warranty claims					
Provisions for losses on futures markets					
Provisions for fines and penalties					
Provision for unrealized foreign currency translation losses					
Provisions for post-employment benefits	13,299,124		1,342,233	10,126	14,631,231
TOTAL	15,325,746	0	1,945,341	766,137	16,504,950

- **Provisions for expenses**

Figures expressed in euros	As at 12/31/2015.	Additions	Reversals	As at 12/31/2016.
Provisions for taxes				
Provisions for renewal of non-current assets				
Provisions for large-scale maintenance				
Provisions for tax and social security charges on leave to be paid				
Other provisions for risks and expenses	7,342,259	222,332	744,427	6,820,164
TOTAL	7,342,259	222,332	744,427	6,820,164

5.5. Statement of maturities of liabilities

LIABILITIES	Gross amount to mature	< 1 year	1–5 years	> 5 years
Convertible bonds				
Other bonds				
Bank loans:				
initially within 1 year	1,649,834	1,649,834		
initially beyond 1 year	108,306,000	108,306,000		
Sundry loans and other borrowings	105,386,344	6,903,801	98,482,543	
Trade payables	50,930,971	50,930,971		
Employees	33,642,723	33,642,723		
Social security and similar	15,556,587	15,556,587		
Government and other public authorities:				
Income tax expense				
Value added tax	37,462,129	37,462,129		
Guaranteed bonds				
Other taxes	10,715,432	10,715,432		
Amounts due on non-current assets and related accounts	6,418,274	6,418,274		
Group and associates	411,010,323	411,010,323		
Other liabilities	1,249,621	1,249,621		
Liabilities representing securities borrowed or pledged as guarantee				
Deferred income	24,995,556	24,995,556		
TOTAL	807,323,794	708,841,251	98,482,543	0
Loans taken out during the year				
Loans repaid during the year				

5.6. Trade payables and related accounts

Figures expressed in euros	As at 12/31/2016	As at 12/31/2015
Group suppliers	23,623,423	19,117,880
Suppliers	9,714,752	4,854,647
Suppliers of non-current assets	6,418,273	9,981,887
Notes payable	0	0
Invoices not received – Group	569,805	546,955
Accruals	17,022,990	20,075,445
Net Carrying amount	57,349,243	54,576,814

5.7. Accrued expenses

The amounts of accrued expenses included in the following statement of financial position items were as follows:

Headings	Fiscal year 2016	Fiscal year 2015
OPERATING LIABILITIES		
Trade payables and related accounts	17,592,795	20,622,400
Tax and employee-related liabilities	44,313,569	34,832,113
FINANCIAL LIABILITIES		
Convertible bond loans		
Other bonds		
Bank loans	306,000	318,750
Sundry loans & other borrowings (o/w profit-sharing:)	209,520	183,000
Advances and deposits on orders in progress		
SUNDRY LIABILITIES		
Amounts due on non-current assets and related accounts	2,269,691	6,830,908
Other liabilities	40,692	40,692
ADJUSTMENT ACCOUNTS		
Deferred income		
LIABILITIES	64,732,267	62,827,863

5.8. Adjustment accounts

- *Deferred income*

Deferred income breaks down as follows:

Figures expressed in euros	As at 12/31/2015	As at 12/31/2014
Services billed in advance	24,610,306	24,473,510
Other operating income	385,250	10,170
Financial income		
TOTAL	24,995,556	24,483,680

- *Translation adjustments*

ADJUSTMENT – ASSETS		ADJUSTMENT – LIABILITIES	
	Euros		Euros
Decrease in receivables		Decrease in liabilities	8,347,348
Increase in liabilities		Increase in receivables	
TOTAL	0	Total	8,347,348

6. INFORMATION RELATING TO INCOME STATEMENT

6.1. Breakdown of revenue

Revenue by business segment and region for 2016 breaks down as follows:

Figures expressed in euros	France	Fiscal year 2016 EEC + Export	Total	Fiscal year 2015 Total
Sale of goods purchased for resale	1,259,125	103,532	1,362,657	1,132,032
Sales of goods				1,236
Sales of services	559,803,078	169,117	559,972,195	563,163,624
Revenue	561,062,203	272,648	561,334,852	564,296,893
%	99.95%	0.05%	100%	

6.2. Reinvoiced expenses

Figures expressed in euros	As at 12/31/2016	As at 12/31/2015
Employee expenses	1,068,942	1,555,161
Other expenses	1,318,363	1,060,994
TOTAL	2,387,305	2,616,155

6.3. Average number of employees

The average number of employees during 2016 breaks down as follows:

Fiscal year 2016	Number of employees
Managers	483
Supervisors and technicians	554
Other employees	552
Delivery drivers workers	1,351
	3,232
TOTAL	6,172

6.4. Compensation of management bodies

- Board of Directors: attendance fees 0
- Management: 0

6.5. Fees for Auditor(s)

- Statutory audit: €70,744
- Provision of services for due diligence directly related to statutory audit: €0

6.6. Financial income

Financial income for the year amounted to €12,397,767, broken down as follows:

Headings	Fiscal year 2016	Fiscal year 2015
FINANCIAL INCOME	32,299,414	57,745,075
Financial earnings from equity investments	1,567,914	21,174,627
Income from other securities and non-current assets loans		1,012
Other interest income	4,021,587	4,492,234
Reinvoiced expenses and reversals of provisions	26,494,910	31,164,194
Foreign currency translation gains	201,858	866,146
Net income on disposals of marketable securities	13,145	46,862
FINANCIAL EXPENSES	19,901,648	67,909,797
Amortization and provisions on financial assets	60,000	51,684,655
Interest expense	19,819,541	16,179,949
Foreign currency translation losses	22,107	45,193
Net loss on disposals of marketable securities		
FINANCIAL INCOME	12,397,767	-10,164,723

6.7. Net non-recurring income (loss)

Net non-recurring income of €45,541,732 is broken down as follows:

Headings	Fiscal year 2016	Fiscal year 2015
NON-RECURRING INCOME	103,742,350	53,173,744
Non-recurring income from management transactions	1,331,995	1,518,575
Non-recurring income from capital transactions	50,935,264	635,895
Reinvoiced expenses and reversals of provisions	51,475,091	51,019,275
NON-RECURRING EXPENSES	58,200,618	79,823,607
Non-recurring expenses on management transactions	3,707,718	20,571,425
Non-recurring expenses on capital transactions	1,305,587	667,456
Non-recurring depreciation, amortization and provisions	53,187,312	58,584,726
EXTRAORDINARY RESULT (PROFIT/LOSS)	45,541,732	-26,649,863

Income and expenses from the sale of asset items is broken down as follows:

Figures expressed in euros	Gross value	Net carrying amount	Sale price	Income from disposals
Sale of property, plant and equipment	9,901,385	708,649	50,655,712	49,947,063
Sale of intangible assets	0	0	0	0
Sale of financial assets	0	0	0	0
Disposal of intangible assets	183,927	63,547	0	-63,547
Disposal of property, plant and equipment	65,181,857	532,169	0	-532,169
TOTAL	75,267,169	1,304,365	50,655,712	49,351,347

6.8. Income tax

The M.A.J. company is a member of a tax consolidation group whose parent company is ELIS SA incorporated in St Cloud (92210), France. Under the terms of the tax consolidation agreement, the tax expense borne by the company is identical to the amount it would have paid if it had been taxed separately.

- **Breakdown of income tax related to the business**

Results	Profits accounting before tax (in €k)	Reinstatements and deductions (in €k)	Tax result (in €k)	Amount of the theoretical tax (in €k)	Carry-forward tax credit or tax charge to be allocated to corporation tax (in €k)	Due	Net profit after taxes (in €k)
Income (loss) from ordinary operations	110,222	2,266	112,488	38,711	-13	38,698	71,524
Net non-recurring income (loss)	45,542	-20,185	25,357	8,725		8,725	36,816
Employee profit-sharing	-12,383	56	-12,326	-4,241		-4,241	-8,141
TOTAL	143,381	-17,863	125,519	43,195	-13	43,182	100,199

Theoretical tax relating to current and exceptional results was determined by multiplying the current and exceptional accounting results by the tax rate of 34.41%, adjusted for the tax reinstatements and deductions of current and extraordinary expenses.

- *Deferred tax*

BASES	At beginning of year (€)	Change in net income (loss) for the year (€)	At end of year (€)
Tax-accelerated amounts aimed at obtaining tax relief:			
Regulated provisions: Accelerated depreciation and amortization	163,819,513	1,245,828	165,065,341
Differences between accounting and tax bases of certain income and expense items:			
Investment grants	-152,047	-49,777	-201,824
Provision for retirement benefits	-17,607,404	-1,640,919	-19,248,323
Equity investment	-2,969,894	-7,348,898	-10,318,792
Corporate social solidarity contribution	-925,014	-82,127	-1,007,141
Provision for impairment losses on trade receivables	-1,833,511	260,510	-1,573,001
Provision for site restoration	-6,033,138	602,343	-5,430,795
Tax-imposed income or charges deducted, not yet recognized			
Share of tax result – GIE Eurocall	156,726	8,448	165,174
Share of tax result – SCI des 2 Sapins	189,779	4,087	193,866
Share of tax result – SCI du Château de Janville	9	1	10
Potential taxation items (Capital gain on non-depreciable assets subject to tax deferral)			
Goodwill	32,593,232		32,593,232
Land and real estate rights	136,562		136,562
Securities	9,340,184		9,340,184
TOTAL	-150,924,029	-9,492,160	-160,416,189

TAXES	At beginning of year (€)	Change in net income (loss) for the year (€)	At end of year (€)
Tax-accelerated amounts aimed at obtaining tax relief:			
Regulated provisions: Accelerated depreciation and amortization	-56,403,058	-428,939	-56,831,997
Differences between accounting and tax bases of certain income and expense items:			
Investment grants	-52,350	-17,138	-69,488
Provision for retirement benefits	6,062,229	564,969	6,627,198
Equity investment	1,022,535	2,530,225	3,552,760
Corporate social solidarity contribution	318,482	28,277	346,759
Provision for impairment losses on trade receivables	631,278	-89,694	541,584
Provision for site restoration	2,077,209	-207,386	1,869,823
Tax-imposed income or charges deducted, not yet recognized			
Share of tax result – GIE Eurocall	-53,961	-2,908	-56,869
Share of tax result – SCI des 2 Sapins	-65,341	-1,407	-66,748
Share of tax result – SCI du Château de Janville	-3		-3
Potential taxation items (Capital gain on non-depreciable assets subject to tax deferral)			
Goodwill	-11,221,850		-11,221,850
Land and real estate rights	-47,017	-1	-47,018
Securities	-3,215,824		-3,215,824
TOTAL	-60,947,671	2,375,998	-58,571,673

- **Impact on net income (loss) of the application of tax provisions**

Impact on net income (loss) for the year	2016
Net income (loss) for the year	100,199,035
- Income tax	43,182,204
- Tax credits:	
CICE	7,851,000
Other charges (Macron Law on deductions for investment)	92,486
Pre-tax income (or tax credit)	135,437,753
+ Allowances during the year to regulated provisions	51,976,492
- Reversals for the year on regulated provisions	50,730,665
Change in regulated provisions: - Accelerated depreciation and amortization	1,245,827
Income (loss) excluding tax provisions	136,683,580

- ***Use of the competitiveness and employment tax credit (CICE)***

The CICE received in May 2016 in respect of remuneration for 2015, which stood at €8,079,689, enabled the company to partly finance the investments for the fiscal year, which stood at €98,038,988 in 2016.

7. GENERAL INFORMATION

7.1. Financial commitments

- *Commitments given*

Commitments given (in €k)	Total	< 1 year	1–5 years	> 5 years
Related to cash/indebtedness:	88,448.0			88,448.0
Related to investments:	18,958.8	6,364.2	6,816.7	5,777.9
Related to services rendered/suppliers:	1,350.0			1,350.0
Related to real estate:	2,252.7			2,252.7
	111,009.5	6,364.2	6,816.7	97,828.6

Description of significant commitments given:

Indebtedness:

To guarantee the commitments made by ELIS SA in respect of the loan agreement entitled *Senior Term and Revolving Facilities Agreement* (€850,000,000) dated 9/02/2014, amended by the amendment dated 2/12/2015 and the bond loan entitled *Senior Notes* (€800,000,000) dated 4/28/2015, M.A.J. granted a joint and several guarantee for said commitments in respect of the financing pool represented by BNP Paribas for a total amount of €88,448K as of 12/31/2016.

Equity investments:

As part of the acquisition of equities of Brazilian subsidiaries in July and December 2015, various comfort letters were sent by M.A.J. to the sellers in order to guarantee payment by the Brazilian companies Atmosfera and Teclav of the acquisition price for a total outstanding amount at 12/31/2016 of BRL 42,216.9k (€13,180.9k).

Real estate:

Under the leases entered into between SCI LOTUS, lessor, and each subsidiary of M.A.J. (Les Lavandières, Elis Services, Grenelle Service, RLST, Thimeau) for the premises at Avrillé, Guérande, Loudun, Quimper, Brétigny (DAA), Brétigny (Grenelle), Marcq-en-Baroeul, and Meaux, M.A.J. granted joint and several indivisible guarantees on March 25, 2014 and June 27, 2014 to SCI LOTUS to guarantee the payment of rents and all amounts due by each subsidiary to the lessor for the lease term of 15 years, plus an additional six months (amount guaranteed as at 12/31/2016 = €1,952.7k).

- **Commitments received**

Commitments received (in €k)	Total	< 1 year	1–5 years	> 5 years
Related to indebtedness	216,000.0		108,000.0	108,000.0
Related to equity investments	3,200.0	400.0	1,800.0	1,000.0
Related to property assets	1,644.3			1,644.3
Sundry liabilities guaranteed	24.2		24.2	
	220,868.5	400.0	109,824.2	110,644.3

Description of significant commitments received:

Indebtedness:

To guarantee the commitments made by M.A.J. pursuant to the loan agreement entitled “*Senior Term and Revolving Facilities Agreement*” dated 9/02/2014 with effect from 2/12/2015, and hedging agreements, the companies ELIS SA, S.P.A.S.T., Lavotel, Atmosfera and S.P.C.I. each made a joint and several guarantee of the said commitments in respect of the financial pool represented by BNP Paribas for a total amount of €216,000k as of 12/31/2016, each according to limited ceilings.

Equity investments:

Liability guarantee commitments granted by the sellers of the companies Pole Services, Ser-Konten (Sud-Ouest Hygiène Service), Aquitaine Service Développement and Blanchisserie Professionnelle d’Aquitaine and Hygiène Contrôle Ile de France, BMF and HTPE, with bank guarantee on first demand, for a total of €3,200.0k.

Real estate:

Joint and several guarantees and guarantees on first demand granted by the Société Générale bank to lessors of premises rented by M.A.J. as guarantee for the payment of rents for the term of the lease of said premises for a total amount of €1,644.3k.

- **Financial instruments**

Hedging by way of interest rate swap agreements on outstanding loans for €108,000k covering an initial period from 10/04/2011 through 10/04/2017. The Mark-to-Market value of the swaps at 12/31/2016 is negative: €(4,854.1k).

7.2. Employee benefit liabilities

- *Individual training rights*

Employees earned individual rights to training (DIF) under the professional training regime in effect until December 31, 2014 totaling 409,129 hours.

On January 1, 2015 these rights were transferred to Personal training accounts and can be used until January 1, 2021.